



Cabinet

Date **Wednesday 19 October 2016**
Time **10.00 am**
Venue **Committee Room 2, County Hall, Durham**

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. Minutes of the meeting held on 14 September 2016 (Pages 1 - 8)
2. Declarations of interest

Key Decision:

3. Durham Key Options Lettings Policy Changes - Report of Corporate Director, Regeneration and Local Services [Key Decision: RED/08/16] (Pages 9 - 22)

Ordinary Decisions:

4. County Durham Partnership Update - Report of Director of Transformation and Partnerships (Pages 23 - 34)
5. Economy and Enterprise Overview and Scrutiny Review of Support Provided for skills development within County Durham - Report of Director of Transformation and Partnerships (Pages 35 - 84)
6. An Opportunity for Every Care Leaver - Report of Interim Corporate Director, Children and Young People's Services (Pages 85 - 90)
7. Public Health Annual Update Report - Joint Report of Interim Corporate Director, Adult and Health Services and Interim Director, Public Health (Pages 91 - 118)
8. Durham County Cricket Club - Financial Support - Joint Report of Corporate Director, Regeneration and Local Services and Corporate Director, Resources (Pages 119 - 122)
9. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.
10. Any resolution relating to the exclusion of the public during the discussion of items containing exempt information.

Part B

Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)

11. Schools PFI Refinancing - Report of Corporate Director, Resources (Pages 123 - 126)
12. Refinancing of Newcastle International Airport - Report of Corporate Director, Resources (Pages 127 - 136)
13. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
11 October 2016

To: **The Members of the Cabinet**

Councillors S Henig and A Napier (Leader and Deputy Leader of the Council) together with Councillors J Allen, J Brown, N Foster, L Hovvels, O Johnson, M Plews, B Stephens and E Tomlinson

Contact: Ros Layfield

Tel: 03000 269708

DURHAM COUNTY COUNCIL

Cabinet

At a Meeting of the **Cabinet** held in **Committee Room 2, County Hall, Durham** on **Wednesday 14 September 2016** at **10.05 am**

Present

Councillor S Henig (Leader of the Council) in the Chair

Cabinet Members:

Councillors J Allen, J Brown, N Foster, L Hovvels, O Johnson, A Napier, M Plews, B Stephens and E Tomlinson

Also Present:

Councillors J Armstrong, D Bell, R Bell, J Clare, M Dixon, T Henderson, J Maitland, M Nicholls, J Rowlandson, J Shuttleworth, A Surtees and M Wilkes

Prior to the commencement of the business the Leader advised that there was an urgent item of business to consider in line with the provision at item 15 on the agenda, and that he would take this at the end of the key decisions items on the open part of the agenda.

1. Public Questions

There were no public questions

2. Minutes

The minutes of the meetings held on 13 and 20 July 2016 were confirmed as a correct record and signed by the Chairman.

3. Declarations of Interest

Declarations were provided in relation to item 6 by Councillor N Foster as member of the management committee of Spennymoor Youth and Community Group; Councillor J Brown as a member of the detached youth project at Consett; and Councillor S Henig as a member of Pelton Fell Community Partnership. Councillor Henig also declared a personal interest in relation to item 9.

4. Proposal to close Startforth Morritt Memorial Church of England Primary School on 31 December 2016 [Key Decision: CAS/02/16]

The Cabinet considered a report of the Interim Corporate Director, Children and Young People's Services which sought approval to close Startforth Morritt Memorial Church of England Primary School on 31 December 2016 (for copy see file of minutes).

Mrs Vicky Bain, the acting Head Teacher, and Mrs Sandra Moorhouse, Chair of the Governing Body spoke about the issues relating to the school, emphasising that their priority was the children, and hoped that the school would remain open, and if not delaying the closure date to enable them sufficient time to be able to make alternative provision with the possibility of federation. The Chair of Governors referred to the issue over the land and its use if it were to close, and referred to a letter that had been sent for Cabinet to consider. The Leader confirmed the letter had been received and a copy circulated to Cabinet. The Interim Corporate Director advised that they were aware of the issues raised in the letter which were about the obligations on the use of the land, and not connected with the closure of the school. She went on to advise that all legal documents had been reviewed and would not delay implementation of the decision if agreed.

A number of questions from members of the public about the closure had been received, and as they were not present to ask their questions in person, written responses would be provided. In response to questions from Councillor R Bell about the closure date, and in light of the new housing development that had been agreed for the area whether the school should be kept open to accommodate the additional children that would come into the area, Councillor Johnson advised that existing schools could accommodate the additional pupils, and of the reasons for not extending the deadline closure date.

Resolved:

That the recommendations in the report be approved.

5. Consultation Feedback on the Proposal for Changes to the Charging Policy for Non-Residential Social Care Services [Key Decision: CAS/06/15]

The Cabinet considered a joint report of the Interim Corporate Director, Resources and the Interim Corporate Director, Adult and Health Services which provided details of the results of the consultation exercise on proposals to make changes to the non-residential charging policy for recipients of social care services (for copy see file of minutes).

Resolved:

That the recommendations in the report be approved.

6. Review of Youth Support [Key Decision: CAS/05/15]

The Cabinet considered a report of the Interim Corporate Director, Children and Young People's Services which provided details of the outcome of the consultation carried out between 1 February and 27 April 2016 on the future of youth support services in County Durham. The report also made final recommendations on the future youth service delivery model (for copy see file of minutes).

In relation to a question from Councillor Wilkes about the proposed cuts to open access youth provision for his area, and whether alternative funding could be provided, he was advised of the reasons for undertaking the review, of the funding issues, and the opportunities that were being provided through the AAPs.

Resolved:

That the recommendations in the report be approved.

The next item of business was agreed as urgent business as detailed above.

7. NECA- Devolution

The Leader of the Council provided a detailed update to Cabinet on developments with the proposed devolution agreement. This included the timeline of events, the decisions taken, and the issues which lead to the NECA Leadership Board which met on 6 September 2016 to consider its position on the draft governance scheme and review, determine by a majority decision not to progress with the publication and consultation of the governance review and scheme at this stage.

He went on to advise that the Board wrote to the Secretary of State to notify him of this decision and to reiterate that each of the NECA authorities unambiguously support the principle of devolution for the North East and are keen to progress with the next stage in devolving powers and functions to the region, however at that point in time, it had not been possible to reach an agreement which all of the seven local authorities felt able to support.

In response, the government announced that it was withdrawing the devolution deal.

The Leader advised that he had kept the other group leaders on the Council informed as the process went along, and when seeking the views of those group leaders / representatives, who were present at the Cabinet meeting,

noted there was support for the action taken. The Leader advised that the Authority would continue to seek what was best for County Durham, and continue working with their neighbours in the NECA area, and in the Tees Valley area.

8. Health and Wellbeing Board Annual Report 2015/16

The Cabinet considered a joint report of the Interim Corporate Director, Adult and Health Services, the Interim Corporate Director, Children and Young People's Services and the Interim Director of Public Health County Durham which presented the Health and Wellbeing Board Annual Report 2015/16 (for copy see file of minutes).

Cabinet members spoke of the excellent work being undertaken by the Board and its partners, and asked that Board be thanked for its work.

Resolved:

That the recommendations contained in the report be approved.

9. Strategy for Children and Young People with Special Educational Needs and / or disabilities 0-25

The Cabinet considered a report of the Interim Corporate Director, Children and Young People's Services which presented the Strategy for Children and Young People with Special Educational Needs and/or Disabilities 0-25 (for copy see file of minutes).

Resolved:

That the recommendations in the report be approved.

10. Quarter One 2016/17 Performance Management Report

The Cabinet considered a report of the Director of Transformation and Partnerships which presented progress against the council's basket of performance indicators (PIs), Council Plan and Service Plan actions and reported other performance issues for the first quarter of the 2016/17 financial year, covering the period April to June 2016 (for copy see file of minutes).

Resolved:

That the recommendations in the report be approved.

11. Forecast of Revenue and Capital Outturn 2016/17 – Period to 30 June 2016

The Cabinet considered a report of the Interim Corporate Director, Resources which presented the forecast of 2016/17 revenue and capital outturn for the period to 30 June 2016 (for copy see file of minutes).

Resolved:

That the recommendations in the report be approved.

12. Digital Durham Programme Update and Contract 1 Closure

The Cabinet considered a joint report of the Interim Corporate Director, Resources and the Corporate Director, Regeneration and Economic Development which provided an update on the Digital Durham Programme and the outcomes for Contract 1, which has now closed (for copy see file of minutes).

Cabinet members asked that their congratulations be relayed to those involved in the programme on the excellent progress that had been made.

Resolved:

That the recommendations contained in the report be approved.

13. Update on the delivery of the Medium Term Financial Plan 6

The Cabinet considered a report of the Director of Transformation and Partnerships which provided an update on the progress made at the end of June 2016 on the delivery of the 2016/17 Medium Term Financial Plan (MTFP 6) (for copy see file of minutes).

Resolved:

That the report be noted.

14. The North East Investment Fund (JEREMIE 2)

The Cabinet considered a joint report of the Interim Corporate Director, Resources and the Corporate Director, Regeneration and Economic Development which sought approval to the Council's participation in a compliant governance structure to enable the North East Investment Fund (JEREMIE 2) project to proceed (for copy see file of minutes).

Resolved:

That the recommendation contained in the report be approved.

15. Local Government Ombudsman Further Report relating to Mill House Farm, Windmill

The Cabinet considered a joint report of the Corporate Director, Regeneration and Economic Development and the Interim Corporate Director, Resources which requested Cabinet to note and endorse the process for determining whether to utilise revocation, modification and discontinuance powers in respect of land at Mill House Farm, Windmill following a further report from the Local Government Ombudsman (for copy see file of minutes).

Resolved:

That the recommendations in the report be approved.

16. Exclusion of the public

That under Section 100(a)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely discussion of exempt information as defined in paragraphs 3,4, and 5 of Part 1 of Schedule 12A of the Act.

17. Local Government Ombudsman Further Report relating to Mill House Farm, Windmill

The Cabinet considered a joint report of the Corporate Director, Regeneration and Economic Development and the Interim Corporate Director, Resources on the Local Government Ombudsman Further Report relating to Mill House Farm, Windmill (for copy see file of minutes).

Resolved:

That the recommendations in the report be approved.

18. County Durham Care and Support Review [Key Decision: AHS/01/16]

The Cabinet considered a report of the Interim Corporate Director, Adult and Health Services relating to County Durham Care and Support Review (for copy see file of minutes).

Resolved:

That the recommendations in the report be approved.

19. Acquisition of land adjacent to the former Stanley Bus Station Site

The Cabinet considered a joint report of the Corporate Director, Regeneration and Economic Development, and the Interim Corporate Director, Resources relating to the acquisition of land adjacent to the former Stanley Bus Station Site (for copy see file of minutes).

Resolved:

That the recommendations in the report be approved.

20. Acquisition of 3 Leazes Lane, Wolsingham

The Cabinet considered a joint report of the Corporate Director, Regeneration and Economic Development and the Interim Corporate Director, Resources relating to the acquisition of 3 Leazes Lane, Wolsingham (for copy see file of minutes).

Resolved:

That the recommendations in the report be approved.

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Cabinet

19 October 2016

**Durham Key Options Lettings
Policy Changes**



Key Decision R&ED/08/16

**Report of Corporate Management Team
Ian Thompson, Corporate Director of Regeneration and Local
Services
Councillor Eddie Tomlinson, Portfolio Holder for Assets,
Strategic Housing and Rural Issues**

Purpose of the Report

- 1 To update Cabinet on the outcomes of the recent consultation on the proposed changes to the Durham Key Options Lettings Policy and to seek approval to implement policy changes as set out in the report.

Background

- 2 Durham Key Options began in 2008, with East Durham Homes acting as a pilot to the Choice Based Lettings (CBL) scheme. CBL allows applicants who are registered for housing to bid for empty properties on a weekly basis. Dale and Valley Homes, Derwentside Homes, Durham City Homes, East Durham Homes, livin and North Star (formerly Teesdale Housing) joined in 2009 and Cestria fully entered the scheme in 2010. All seven housing partners agreed to follow one combined Letting Policy and nominate 100% of their stock through DKO.
- 3 The DKO Lettings Policy was last reviewed and amended in 2013. This was in response to the Localism Act 2011 and impending changes to housing benefit.
- 4 In order to ensure appropriate letting of social housing properties in County Durham, DKO must continue to ensure that the future homes of their applicants are suitable and affordable. The client's current housing need must be balanced with their future need, both in terms of housing need and affordability. Applicants must be assisted with all their housing options and a holistic approach needs to be considered, so that residents are not placed into tenancies that may lead to arrears, other debt, and unsustainable living.
- 5 The purpose of the current review is to ensure that the needs of the customer are absolutely at the heart of the scheme, especially in light of changes in legislation which may affect how various policies impact on customers. It is considered essential that the DKO Letting Policy reflects the changing climate in housing; the impact of welfare reform and the changing needs of clients.

Overall, the aim is to offer suitable and affordable homes, with an easier application process and a more efficient bidding system; a more customer friendly scheme, with a better matching of stock to needs.

- 6 The DKO Board, which is made up of representatives of all landlords involved with DKO, has agreed an action plan for 2016-17. A review of the letting policy is included as one of the actions. Other actions include the review of access to the scheme, how DKO is marketed and the study of customer's changing needs in County Durham.

Consultation

- 7 The Council's Consultation Officers Group (COG) agreed the 10 questions (also agreed by all DKO partners) which formed the consultation for these changes. These are set out in appendix 4.
- 8 All DKO partner landlords carried out their own consultation with their stakeholders, including their own Boards and management teams.
- 9 Over 5,000 emails were sent to applicants currently on the register with an invite to reply to the consultation. All 10,000 applicants on the register could apply through each partner website along with existing tenants and the general public. Consultation responses could also be made at all customer access points.
- 10 There were exactly 800 returns in response to the consultation, across all 7 landlord partners. The response was largely in favour of all changes with at least 72% agreeing with each change. The results of this consultation can be found at appendix 4.
- 11 A report was collated by each DKO partner and returned to the CB Co-ordinator at Durham County Council; equality and diversity information was collected in all customer correspondence.
- 12 A consultation event was held by DCC on 11 August 2016 with both representatives from the third sector (and relevant DCC services), and Registered Providers signed up to the Council's Nomination Agreement.
- 13 All parties unable to attend the event above were briefed of the change by email and invited to return an attached questionnaire. A response was given to each questionnaire returned, explaining the changes or adding further detail.
- 14 A presentation and report on the proposed changes was provided to the Economy & Enterprise Overview and Scrutiny Committee in July 2016, with an update on consultation results due in September 2016. The committee made a response to the consultation which has been incorporated in the final changes.

Existing policy and the nine proposed changes

- 15 Currently DKO Policy has 5 bands (A to E), band A being for those in highest housing need down to band E for those adequately housed. To create fairer assessment of need and increased competition (to attempt to increase demand) it is proposed to decrease to four bands: bands 1, 2, 3 and 4 (see appendix 2 for proposed banding structure). It is expected that fewer bands will be more customer-friendly and 90% of all those responding to the consultation agreed. All existing applicants in band B for High Medical will be re-assessed and placed in one of the top two bands under the new structure, band 1 and 2.
- 16 Applicants currently in band B for 'High Medical' will be reassessed based on the new medical framework. Currently, DKO has three levels of priority for those in medical need. Communities and Local Government (CLG) guidance states that just two tiers of medical need are appropriate for local authority lettings policy (these being medical and urgent medical). DKO is working with Occupational Therapists to devise new guidelines for a two tier approach, to ensure fairness of assessment. Applicants registering with DKO with medical needs will be assessed against this new framework, jointly created by DKO partners (including DCC) but administered by the landlord registering the form.
- 17 It is also proposed to limit the amount of time applicants should spend in band 1. After 12 months applicants will be directly offered a suitable property of type and size (and area) and, if rejected, the applicant may be placed into band 2. All cases will be looked at individually and an inability to move at any given time and/or availability of stock will be considered. *Note: Statutorily homeless applicants would continue to be given 6 weeks duty by the Council before being made a direct offer of housing, in line with homelessness legislation.*
- 18 Currently, applicants that provide DKO with a letter from landlords, stating they may be homeless within 3 months, are awarded band D 'threatened with homelessness'. 40% of all these cases over the last three years have not been positively resolved by DKO, and a third of those that have been housed have moved after the 3 month timeframe. It is proposed to remove this banding reason, with all referrals going to Housing Solutions for assessment by them. Any homeless applicants with a priority need will receive band 1 and homeless applicants without priority need will receive band 2 (both higher than the current low level band D for this group). This change should ensure fairness to all applicants, increase housing options for this group, and improve the chance (and speed) of a move into social housing. 85% of people agreed with this change in consultation.
- 19 At present, all applicants *wanting* larger accommodation (but not considered to be overcrowded) are given band D with the reason 'needing larger accommodation (outside of overcrowding)'. This can be confusing for applicants that may not be able to afford larger homes. It is proposed to remove this banding reason from the policy. 82% agreed with this change in

consultation. Those that can afford larger homes will still be entitled but will be assessed under their current housing need.

- 20 In the existing scheme, all adverts for social homes are advertised with preference given to either band B, C or D applicants (after band A are prioritised). Band E applicants are only offered homes that applicants in higher bands have expressed no interest in. Quotas give customers in all bands the chance to access social housing when DKO experienced higher demand for their stock. Due to changing demand it is proposed to remove the quota system from the scheme. This should make the scheme more 'user friendly'. This proposed change has been warmly welcomed by customers in particular who find the quota system confusing and have welcomed a more streamlined process.
- 21 By current policy, a new tenant can register a fresh application with DKO immediately after moving; even if they are now adequately housed (ie their need has been addressed by their recent move). This creates increased voids and is unfair on other applicants who are moving from other tenure types. DKO propose to refuse tenants back on to the housing register during the first 12 months of their tenancy, unless they have a new housing need in that time (in which case they will be assessed as normal). Again this proposed change has been welcomed by partner landlords and customers to ensure greater fairness in the system.
- 22 Currently, DKO uses a guideline of 8 weeks (or 2 months) rent/mortgage arrears for discussion with the customer regarding their suitability to be an 'acceptable' tenant of DKO. It is now proposed to consider all arrears when deciding whether an applicant is an acceptable tenant for DKO. This gives DKO the opportunity to address overall financial issues and suggest suitable action to the applicant. Addressing arrears earlier allows for preventative measures to be put in place and appropriate referrals to relevant organisations to be made. DKO will continue to show flexibility and every case will be judged on its own merits, as it is now. 74% of customers agreed with this change but the third sector has queried how fairly this would be administered county-wide. DKO Board has arranged a special meeting to revise the definition of an 'unacceptable tenant', of which various examples are then listed- this includes the reference to rent/mortgage arrears. Procedures will be solidified to ensure fairness and consistency, whilst at the same time seeking to support customers earlier and offer greater prevention.
- 23 Since DKO began, single applicants and couples have been allowed access to 2 bed homes, even if they do not have the finance to cover the full rent. Families are granted minimum size eligibility in line with housing benefit rules but are also allowed an extra bedroom for each child, even if they cannot afford it. DKO propose to amend its framework to state that people will only be offered larger homes if they can afford them. This will ensure that applicants are only placed into suitable homes and sustainable tenancies; and increases their options for future moves via DKO (or into any other tenancy types) by way of good landlord references. Individual circumstances and availability of housing stock in certain areas will be taken into account; and DKO will include

safeguards in the policy to ensure vulnerable applicants are assisted into social housing.

Shared tenancies

- 24 All tenancies starting after 1st April 2016 are subject to new benefit legislation from 1st April 2018. Tenants will only receive housing benefit up to the amounts stated for that area, known as Local Housing Allowance (LHA). Currently, only private tenancies are considered for LHA. These rates differ depending on age (single applicants under-35 receive less than those 35 years and over) and area. LHA rates across County Durham will vary, as they are calculated across local authority borders.
- 25 In light of the substantial impact that under-35s will face in paying their rent if out of work, DKO asked for comments from around the feasibility of shared tenancies for single applicants applying to the scheme, who would not be able to afford their own tenancy. Shared tenancies are an option that DKO could utilise to ensure all applicants can access social housing. This question returned the lowest percentage in favour of change during consultation, with 72% agreeing it was worth consideration.
- 26 Shared tenancies have not been a popular choice in recent years in County Durham (and are not widely promoted across the other local authorities in the North East) although they are proving popular in other places, especially amongst younger people in more urban locations. DKO landlords are considering the response from consultation and will continue to work closely with the Council to ensure social housing is available to all people who require it in County Durham and whilst Registered Providers are currently piloting several shared tenancy schemes to learn lessons for the future, at this stage, there are no proposed changes to policy regarding shared tenancies.

Marketing of properties on the customer website

- 27 Currently, DKO has one advertising cycle running Thursday to Tuesday, and all shortlists are worked through on a Wednesday. DKO propose to move to weekly cycles starting each working day. This means a newly void property can be advertised the first day it is available, instead of waiting to be advertised on the next Thursday cycle start. This will improve the average waiting time for customers in the highest housing need to be rehoused. This proposal has been widely welcomed by customers and partners alike and should decrease void times whilst at the same time increasing competition with the private rented sector. There are no staff revenue implications because the number of void properties and associated shortlists will remain the same but instead of offers being administered on one focused day, shortlisting will be carried out each working day, in smaller numbers.

Further information

- 28 The Enterprise and Economy Overview and Scrutiny Committee supported the current review of the DKO Letting Policy and welcomed the opportunity to provide comments to feed into the ongoing consultation. Members commented that in relation to rent or mortgage arrears at zero this would

result in a greater number of assessments to be undertaken by DKO to determine if an applicant with rent or mortgage arrears would be allowed onto the housing register. This has been noted by DKO Board.

- 29 The committee members recognised that this was a “measure to prevent applicants experiencing financial hardship and that DCC would be working with housing providers in the county to develop the mix of housing, including one bed properties at affordable rental costs to meet the needs of applicants in the county”.
- 30 An appeals process remains in place for any applicant who feels aggrieved by decisions they disagree with, either at point of application or thereafter, including at point of any offer. The Head of Economic Development and Housing will continue to have delegated authority to make any necessary minor changes to the lettings policy.
- 31 DKO partners are mindful of changing legislation in both benefits and housing, and will continue to monitor central and local government policy to ensure that DKO Letting Policy reflects the housing market. The first formal review of the proposed changes will take place after 6 months and then there will be an annual review undertaken every April.

Next steps

- 32 Subject to Cabinet approval, DKO partners will spend the coming months reviewing the procedures that sit behind the DKO Letting Policy. DKO Board will create a robust procedure for the assessment of rent and mortgage arrears, as well as clarifying how affordability will be assessed by the scheme.
- 33 The procedure document will be revised to include all other changes, by the DKO Steering Group and the Choice Based Lettings Co-ordinator (employed by DCC).
- 34 The policy document will be revised and checked by the Clear English scheme. All other DKO literature will be updated and also sent for Clear English approval.
- 35 Staff training will be carried out across all partners (and co-ordinated by the Council) to ensure all changes are understood, both in terms of their reasoning and potential impact.
- 36 The DKO website and partner websites will be updated to promote all changes to the public. Other advertising (such as the Durham County News magazine) will be utilised to ensure all changes are widely promoted.

Recommendations

- 37 Cabinet are recommended to agree to amend the Durham Key Options Letting Policy as set out in appendix 6.

Background Papers:

- DKO Letting Policy April 2016 v4 (amended from April 2013 v1 - v3)
- CLG Allocation of accommodation guidance for local housing authorities in England 2012

Contact: John Kelly, CBL Co-ordinator (Housing Team Leader)
Tel: 03000 262 545

Appendix 1: Implications

Finance -

There are no financial implications for DCC.

Staffing -

None beyond the initial training of staff re: policy changes.

Equality and Diversity -

A full impact assessment has been carried out as part of the consultation. There are impacts in relation to age, disability, pregnancy and maternity, and gender. There will be positive impacts for some applicants with a disability regarding the realignment of medical framework; and there will also be some positively affected by gender regarding affordability and size eligibility. Negative impacts have been identified for some in terms of age, disability, pregnancy and maternity, and gender. These will be mitigated by specific actions listed in the Equality Impact Assessment.

Accommodation -

None

Crime and Disorder -

None

Human Rights -

None

Consultation -

Consultation has been undertaken with all relevant parties/stakeholders by the relevant DKO partner. All DKO partner boards support the proposed changes, along with senior management teams within the Council. The outcome of the consultation is set out at appendix 5. The results show an overwhelming majority are in favour of each change.

Procurement -

None

Disability Issues -

None

Legal Implications -

Housing legislation requires certain steps to be taken in advance of changes to the DKO Letting Policy. Housing Solutions has liaised with DCC Legal to ensure that all necessary legal requirements have and will be complied with. Steps have been taken to minimise the risk of legal challenge; these steps include consultation and the completion of the EqlA for these policy changes.

Band 1
Regeneration
Urgent Medical
Overcrowded by 2
Supported Accommodation
Statutory Homeless
Care Leavers
Band 2
Medical/welfare
Overcrowded by 1
Hardship
Non-statutorily homeless
Armed Forces
Band 3
Independent Living (including relationship breakdown)
Band 4
Adequately housed

Time-plan: DKO Policy changes

Appendix 3

Milestone	Start date	End Date	Resources
Finalise policy banding	05/04/2016		DKO Board
Begin consultation	06/04/2016	19/08/2016	All partners
Consultation with OSC	28/07/2016		Marie Smith
Papers out for CMT	01/08/2016		
Draft policy report to Corporate MT	03/08/2016		Ian Thompson
Re-draft policy report following consultation	19/08/2016		DKO Board
Results of Consultation to OSC	26/09/2016		
Final policy report to CMT	28/09/2016		Ian Thompson
Papers out for Cabinet	30/09/2016		
Final policy report to DCC Cabinet	19/10/2016		
Policy to go to DKO partners' boards for info	20/10/2016	-	All partners
Proposed go live for Policy	04/01/2017		All partners

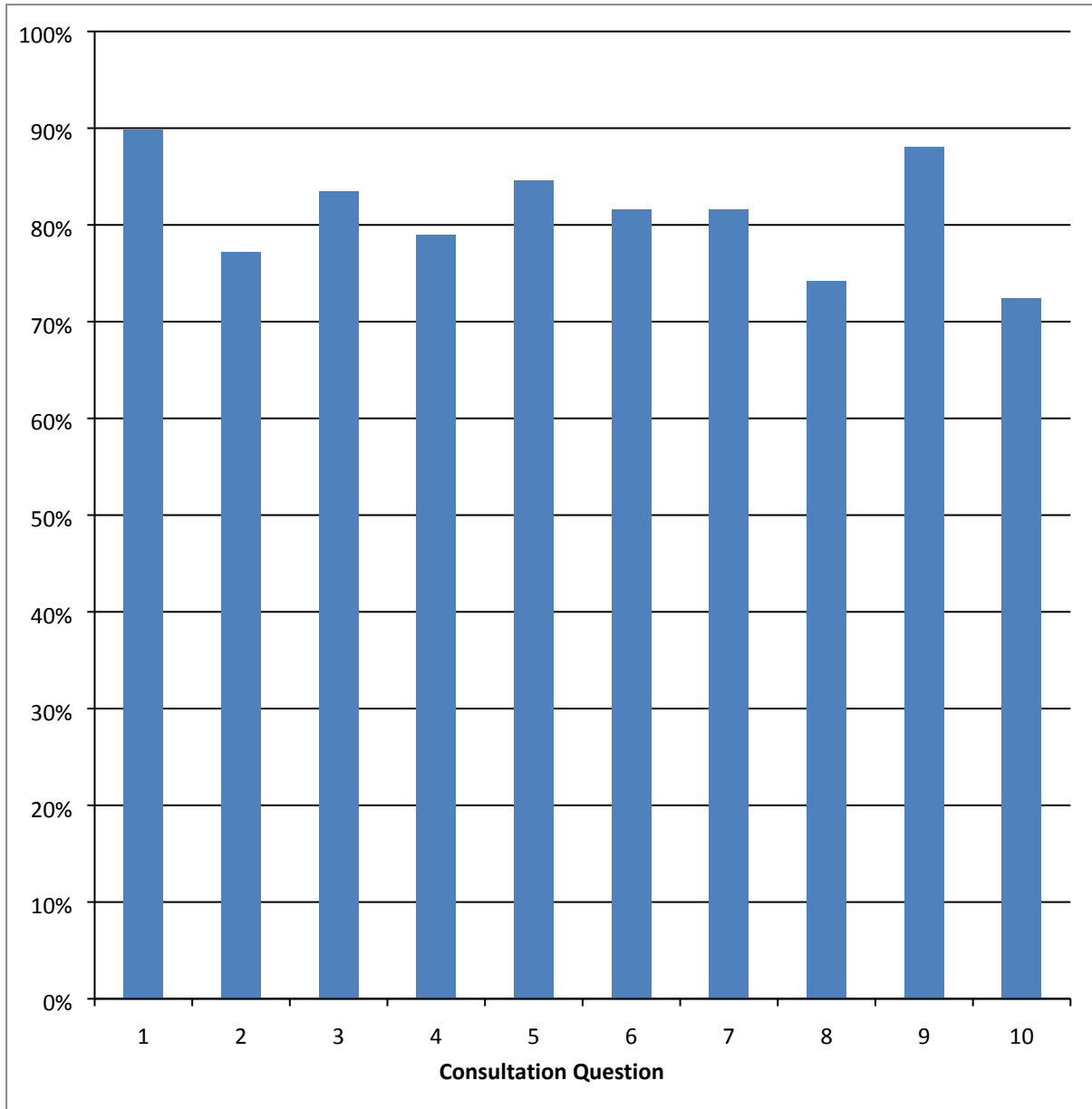
- 1) Do you agree with changing from 5 priority bands (bands A - E) to 4 priority bands (bands 1 - 4)?
- 2) Do you agree with the **removal** of the current banding quotas where 45% of adverts prioritise applicants in bands A and B; 40% in bands A and C; and 15% in bands A and D (ie all homes would be allocated strictly in banding order in future)?
- 3) Do you agree with changing from three tiers of medical assessment (urgent, high and 'medium') to two tiers of medical assessment (urgent medical and medical)?
- 4) Do you agree with limiting the amount of time the highest priority applicants (band 1) can spend in the top band, where it is reasonable a home could have been found in that time (eg 12 months)?
- 5) Do you agree with removing the banding reason 'Threatened with homelessness' (band D) for those providing notice from landlords; replaced with a direct referral to the Council's Housing Solutions section (for advice and assistance)?
- 6) Do you agree with removing the banding reason 'Wanting larger accommodation, outside of the overcrowding criteria' (band D)?
- 7) Do you agree that current tenants of DKO landlords, **assessed as having no housing need**, will not be allowed to re-apply to DKO for 12 months after a move (note: tenants in housing need will still be able to apply)?
- 8) Do you agree with changing the guideline to disqualify applicants with rent/mortgage arrears (and rechargeable repairs) from 8 weeks arrears to zero weeks?

Discretion would still be used to assess genuine reasons for the arrears, and (as now) applicants can show signs of change by clearing arrears or setting up an agreeable repayment plan.

- 9) Do you agree that applicants should only be offered homes if they can afford to pay the rent for that size home?

Currently, single applicants can apply for 2 beds; applicants with two children can apply for 3 beds; and people with three children can apply for 4 beds (etc) even if they can't afford the rent. In future, applicants that can afford a larger home will be allowed access to them, even if policy had previously restricted them.

- 10) In light of the changing benefit rules for single applicants under 35 years old, do you agree it is a good idea for DKO landlords to consider shared tenancies for single applicants (who can't afford rent on their own) to access social housing in future?



The banding structure will be reduced from 5 bands (A to E) to 4 bands (1-4). The existing quota system will also be removed so all allocations are awarded based solely on housing need, with all applicants being shortlisted in the order of their band (1-4) with their date of application acting as a tie breaker.

To accommodate the new 4 band structure, all applicants in high medical need will be assessed against a new two-tier medical framework, devised by DKO in partnership with Occupational Therapists. All applicants with a medical need will be placed in either band 1 with an urgent medical need, or band 2 for all other medical needs.

All applicants placed in band 1 will be expected to be rehoused (pending suitable accommodation available) within 12 months. If suitable accommodation has been deliberately overlooked or refused then the applicant may be placed in band 2, but only after a direct offer of accommodation has been made. Each case will be reviewed at the 12 month stage and where suitable accommodation has not been available (or where the applicant's circumstance means they have been unable to bid) then their time in band 1 will be extended. The 6 week timeframe to rehouse statutorily homeless applicants will remain in the policy, with a direct offer made after a 6 week period.

To increase engagement with the local authority's housing solutions service, DKO will remove the low level banding reason 'threatened with homelessness within the next three months' (that would have fallen into the new band 3). All applicants will be given their housing options but referred to the local authority for full homelessness advice (any potential homeless application required). Applicants found to be homeless and in priority need through a homeless application will be placed in band 1, those that the authority find they have no duty to, will be placed in band 2.

DKO will also remove the banding assessment reason 'wanting larger accommodation (outside of overcrowding)', currently in band D. All applicants that can afford larger accommodation will still be given access to it but will not be assessed as having a housing 'need' when they are adequately housed.

Applicants assessed as adequately housed that have moved within the last 12 months through the DKO scheme, will not be allowed to register until the end of that 12 month period (from date of move). If the applicant (or household) requires a new housing need to be assessed (eg welfare, hardship, medical) then their application for housing will be accepted at any time.

All rent/mortgage arrears will be assessed when considering applicant's current circumstance and acceptability as a future tenant. Every case will be dealt with on its own merits including the reason for accruing the arrears and 'signs of change' since.

Applicants will only be granted access to the size of home they can afford to pay the total rent for (whether in full, or part housing benefit).

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Cabinet

19 October 2016

County Durham Partnership Update



Report of Corporate Management Team

Lorraine O'Donnell, Director of Transformation and Partnerships

Councillor Simon Henig, Leader of the Council

Councillor Brian Stephens, Cabinet Portfolio Holder for Neighbourhoods and Local Partnerships

Purpose of the Report

1. To update Durham County Council's Cabinet on issues being addressed by the County Durham Partnership (CDP) including the board, the five thematic partnerships and all area action partnerships (AAPs). The report also includes updates on other key initiatives being carried out in partnership across the county.

Summary

2. Durham's Partnership working continues to make positive impacts across all of the five priority themes and all of the networks linked to the CDP, including supporting Armed Forces Day and continuing to engage volunteers across the county.
3. The focus of the report is the support given to volunteers and the wide range of partnership and AAP focused initiatives that take place across the county that often result in significant changes to the lives of local people and their wider communities. It also includes information on some social enterprises that have been established and recognises the importance of this work moving forward.

Key Partnership Activity and Developments

4. Partnership work with the **armed forces** has featured strongly in recent months. Events took place in a number of communities across the County to mark Armed Forces Day held on 25th June. The Council flew the Armed Forces flag at County Hall which the Chairman had received at a reception for representatives of the Armed Forces. Among the guests were representatives of Veterans at Ease (VAE), a registered charity based across Durham, who have recently been honoured with the Queen's Award for Voluntary Service. They are committed to helping veterans, reservists, serving military personnel and their families deal with combat stress-related issues.
5. The Council has recently finished its budget consultation events that took place in September and early October. There were presentations given at all AAP meetings as well as roadshows carried out at other venues including supermarkets, in order to engage with as broad a range of people as possible. Online and paper based surveys were completed, the findings of which will feature in a separate report to Cabinet in December.
6. Both strategic working groups, with the **voluntary sector** and **town and parish councils**, have met recently with the budget consultation also featuring on both

agendas. The VCS and town and parish council Members and clerks are all representing other groups and are therefore responsible for cascading information from the strategic groups to their relevant forums.

Supporting Volunteering and Social Enterprises

7. The voluntary sector are key partners within the CDP and are often best placed within communities to support the work of all partners to shape and deliver services as well as manage buildings and other facilities. Supporting volunteers can bring about significant change for them as individuals as well as their wider communities. As a result, they are often upskilled and offered training and support either to carry out their volunteering role or to move on into employment.
8. A focus on volunteering and building on community strengths both feature strongly in the Sustainable Community Strategy which sets the overarching vision for the county and the work of all parts of the CDP. Through our partnership working with Durham Community Action, funded through the Transformation Challenge Award funding, a Volunteer Passport has been developed that records a volunteer's journey as well as any accredited and non-accredited training they may receive. This can act as evidence to employers of an individual's skills particularly if they require additional support to enable them to enter the jobs market. To date, 13 volunteers have completed their accredited learning as part of the scheme.
9. People volunteer for a number of reasons ranging from a hobby to combatting social isolation as well as gaining experience in order to enter or re-enter employment. AAPs and employability programmes have heavily supported local people and communities in a range of ways and there are very positive outcomes evident across the county, with only a small selection featured in this report.
10. DCA have also developed and implemented the Volunteer Kitemark which is a quality standard for organisations who support volunteers. The Kitemark is awarded on a two yearly basis and shows that an organisation manages a volunteering programme where volunteers receive a high quality, positive volunteering experience.
11. In times of austerity it is more and more necessary for public services to enable and empower local communities to become resilient and to move towards self-sufficiency which will also enable them to take on services and facilities in order for them to be maintained, where there is a local need. Through working closely with groups, they have been offered the most appropriate support to be able to develop the correct governance model which will offer them sustainable and community business based models. A joint approach between the Council and VCS has been taken to support groups with asset transfer, drawing on the variety of skills and knowledge from across the sectors.

AAP supported projects

12. As this support for volunteers and development of social enterprises is a partnership one, the information in this report from the thematic partnerships and the AAPs has focused on this area of work and has some examples of broader work showcasing the support given to local communities and the VCS.
13. Much of the AAP support is for volunteers to enable local people, often older people and those with mental and physical health issues, to access vital services or to receive information that will help them. Some examples also exist in a variety of AAPs, for example:

- a. Volunteer Drivers schemes - Wheels to Meals and other schemes that operate in the **Teesdale (TAP)** and **Weardale AAP** areas are vital services particularly due to the rural nature of the county. Volunteers operate community transport mini buses that are used by lunch clubs and also include a much broader social aspect, theatre and music groups as well as sports clubs for young people. **TAP** funded the Upper Teesdale Agricultural Support Services (UTASS) to deliver a driver training programme to ensure that the correct licences were in place to allow volunteers to carry out their role. **Stanley AAP** also has a scheme that supports vulnerable people of all ages for social journeys and aims at preventing social isolation and improving people's quality of life.
 - b. Befriending services – **Great Aycliffe and Middridge Partnership (GAMP)** has supported the Pioneering Care Partnership and Cornforth Partnership, alongside Durham Dales Easington and Sedgefield Clinical Commissioning Group to deliver a Buddies befriending service to people over 50 and are isolated and lonely as a result of illness, disability age or family circumstances. To date 26 of the targeted 40 volunteer buddies have been recruited who are working with around 70 clients.
 - c. IT support – A number of AAPs are helping local people, particularly those who may be vulnerable to cybercrime and scammers, to understand how to use the internet safely and securely. Through working with Age UK and the Police, **Derwent Valley and Stanley AAPs** are providing training sessions led by supported volunteers. The project in Stanley is using community buildings to deliver this project, which is also a good way of attracting new volunteers. The Derwent Valley 'Beat the Scammers' scheme will recruit local volunteers to give presentations to older people in the community about how to handle cold callers and attendees will be given call blocker devices. The Police and Crime Commissioner also support this scheme and have provided additional funding to recruit the volunteers and roll out the project to other areas in the county. This is also an area that **Bishop Auckland and Shildon AAP (BASH)** will be focusing on in the forthcoming year.
 - d. Tourism – **Durham AAP** Pointers was established as a local response to the changes in how tourist information is offered across the county. The service runs from May to September and sees volunteers proudly act as mobile signposts and ambassadors for the city. They give out leaflets and general advice to the wide range of visitors who come into the city every day. The volunteers also receive training from Visit County Durham to enhance their knowledge on what is on offer countywide.
14. A recurring theme through the majority of AAPs is the involvement and support of volunteers in employability schemes:
- a. The Employability Pit Stop project has been supported by **GAMP** and **East Durham Rural Corridor (EDRC)** AAPs with a number of volunteers were recruited and trained to deliver the project. The aim is to engage and motivate residents in order to improve their confidence and provide employability skills of working age people who need help with CVs and application forms. Some people initially engaged in voluntary work as a stepping stone to employment and others have continued with it. The volunteers themselves also gained valuable experience and an increase in their own confidence and knowledge.

- b. **4Together** and **Spennymoor AAPs** have worked with the County Durham Furniture Help Scheme who provides volunteers within the community the opportunity to learn key skills at the scheme from carpentry to IT. One of the charity's main aims is to provide work based learning and skills which will also benefit the local area. AAP funding from their Welfare Reform allocation allows volunteers to receive training on being able to offer advice and guidance to local people as well as basic needs assessments and advice on benefits etc.
 - c. Catchgate Learning Hive, in the **Stanley AAP** area, provides a range of learning opportunities for residents and particularly targets those who face multiple barriers to making progress and improving their lives, and works with adults who are unemployed or unwaged, in low paid or part time employment. Activities supported by volunteers include; basic ICT classes, job searching and support with JCP's Universal Jobmatch site, Healthy Cooking on a Budget sessions and planning and organising community engagement events. All Volunteers also complete an accredited volunteering programme at The Hive to help them with their learning and career progression, and improve the likelihood of them securing paid employment.
 - d. **3 Towns Partnership** has training and preparing for employment project specifically targeted at people wanting to gain experience and employment in the sports sector. It has upskilled 42 volunteers, young people and adults, with 11 different sports clubs. Over 300 children and young people have benefitted from support from the volunteers.
 - e. **Mid Durham AAP's** Employability programme working with DCC's Employability Team and Derwentside Holmes's SHED (Social Housing Enterprise Durham) has seen 19 residents start with volunteering work which has in turn seen them move onto full time employment.
 - f. **East Durham AAP's** Financial Volunteers project helps people access the Credit Union. Eight people have been recruited and received training in order to undertake their role. The Debt First Aiders project also has volunteer champions who offer debt and welfare advice in local community venues after undertaking appropriate training.
 - g. The role undertaken by volunteers has had a positive and valuable affect for communities across the **East Durham** area. People who have participated in volunteering have learned new skills and gained experience which are transferable and may support volunteers to gain employment. An example of a volunteer who has secured employment after accessing the job club is Helen Waller who has been appointed as Project Co-ordinator for the Job Clubs with East Durham Trust.
15. Support to establish social enterprises is also important when building community capacity and is becoming more important due to increasing asset transfers of public sector facilities and increasing support and recognition of the opportunities enterprise can offer:
- a. **TAP** has supported a number of projects that support local enterprise, including Teesdale Enterprise Agency and UTASS, in providing dedicated space for businesses and a structured programme of support activities by working with existing providers which has been promoted amongst local businesses in the area. Also, Middleton Enterprise Hub's small business units have been supported by TAP who funded the Upper Dales CIC to

employ a worker to support business unit tenants and bring in more activity to the hub. This has proven to be very successful with a number of the businesses expanding into larger premises. They have also recently approved a number of new projects including an initiative that will help local enterprises develop their online business and another project will enable a local organisation to train their staff which will hopefully triple the usage (and income) of their services.

- b. As a social enterprise 'The Woodpile' won this year's Chairman's Medal, representing the **Durham AAP** area. Founded in August 2104 as a Community Interest Company and based in the Dragonville Estate, one of their aims is to reduce the amount of wood going to landfill and incinerators by means of recycling/upcycling. They have several volunteers with various skills to support beneficiaries in the training of painting, restoration and carpentry. They do this to support those who have barriers to work, those who are disadvantaged or disabled into and towards employment.
- c. **Mid Durham AAP** has supported local volunteers, residents and community groups by signposting them to either DCA or CDC Enterprises to enable them to develop local social enterprises which include community café's, coffee shops, parent and toddler sessions and community gardens. Residents have seen gaps in the market locally and through initial volunteering have, and are manging to, develop these projects in local villages. An example of this was when two parents from Langley Park recognised a need for parent and toddler support which could be delivered through messy play, arts and crafts and singing and in turn developed 'Clart About' which is now delivered in a number of villages across several AAP areas. Another good example of social enterprise and volunteering working 'hand in hand' is Durham Vineyard which operates numerous foodbanks across the County including the Brandon drop in. They utilise numerous volunteers and provide excellent training to enable some of these volunteers to go on to be employed through the social enterprise to deliver a variety of different advice and support sessions.

Altogether wealthier

16. The **County Durham Economic Partnership (CDEP)** has highlighted the role of social enterprises as models for maximising public good through business solutions.
17. Research through the Business & Enterprise Strategy places the Community and Voluntary sector as vital to achievement of an Altogether Wealthier County Durham. The CDEP Board has also looked to support this through strong advocacy of potential social value solutions and through potential European Funding. The most recent recognition of this is the Council being awarded a national social value award for its current procurement practice.
18. The CDEP works across the business, voluntary and community sectors through its many partners including Business Durham, County Durham Enterprise Agencies, Social Enterprise Acumen and Durham Community Action. Below are two examples supported by CDEP partners across both social enterprise and volunteering:
 - a. The Woodpile Community Interest Company based in Dragonville has been mentioned previously in the report and was set up by Karen Stubbings in August 2014. The work is carried out by volunteers or clients with disabilities in need of support into employment.

- b. Special iApps is a social enterprise in Durham which develops educational apps for children with special educational needs, including autism, Down syndrome, cerebral palsy, hearing impairment and other learning disabilities. Beverley and Colin Dean founded Special iApps in 2011 because they couldn't find the apps they needed to teach their son, who has Down syndrome. He'd had several medical setbacks since being born in 2005, and his hearing, speech and co-ordination weren't very good. They now employ three people and have won many awards including outstanding social enterprise in the NE Charity Awards 2015 and outstanding achievement at the Dynamites Awards 2015 which are the North East of England's annual IT and Technology awards.

Altogether better for children and young people

19. The **Children and Families Partnership** supports children, young people and families to get the best possible outcomes. The vision of the Partnership is that 'all children, young people and families believe, achieve and succeed'. Offering a variety of options to support and enable young people to achieve their goals has formed the basis of the Youth Engagement Initiative programme, DurhamWorks, funded through the European Social Fund and led by Durham County Council. The project aims to increase the participation of young people aged 16-24 living in County Durham who are not in education, employment or training (NEET).
20. A team of Business Advisors is working with employers to create a menu of opportunities, including volunteering, for young people who are engaged on the programme. A matrix of provision from a broad range of delivery partners is being rolled out across County Durham as part of the DurhamWorks programme to develop volunteering and social enterprise opportunities for young people aged 16-24, examples include:
 - a. Social Enterprise Acumen providing specialist support to inspire young people who are interested in becoming social entrepreneurs by providing opportunities to undertake social enterprise projects and placements within social enterprise organisations.
 - b. Citizens Advice Bureau providing volunteering opportunities for young people to gain real work experience in a call-centre environment by training them to support delivery of the 'Advice line' national helpline.'
21. Member organisations of the Children and Families Partnership and Health and Wellbeing Board are opening their doors to children and young as part of the Children's Commissioner's Takeover Challenge, which is an England-wide event where organisations are encouraged to involve children and young people in decision-making.
22. The Takeover Challenge is in its ninth year and will take place on 18 November 2016 and gives children and young people the chance to work with adults and get involved in decision-making. Children benefit from having their views heard, having fun and being inspired, and the Local Authority gets a fresh, unique and creative perspective on important issues.
23. AAPs continue to support a broad range of children and young people focused activities. **East Durham AAP** has provided funding to 11 local community organisations to support a programme of fun holiday activities for children age 5 to 16 with drinks and healthy meal included. The community organisations are delivering a range of activities including: discos; sports activities; trips away; Summer Activity Camp; fun days; arts and crafts and drama. Several people have

volunteered on a range of activities and have helped to ensure the successful delivery of the project.

Altogether healthier

24. The **Health and Wellbeing Board** supports people to achieve their optimum health and wellbeing. The vision of the Board is to 'improve the health and wellbeing of the population of County Durham and reduce health inequalities'.
25. The Health and Wellbeing Board works closely with the fourteen **Area Action Partnerships** (AAPs) across the county to give people a greater choice and voice in local affairs, ensuring that the services of a range of organisations and are directed to meet the needs of local communities, and receives updates on the work of the AAPs from a designated representative on a six monthly basis.
26. Well Being for Life is a service commissioned by Durham County Council to improve health and wellbeing through greater focus on integration, improving quality and efficiency, addressing the wider determinants of health and focusing on prevention and early intervention. The service has a distinct volunteering strand which helps to support overall delivery and is led and delivered through Durham County Council Culture and Sport Service (in East and South West Durham), and Leisureworks (in North Durham). Staff are deployed within integrated locality-based teams to maximise impact and ensure 'whole programme' co-ordination.
27. The wide range of volunteering roles that have been created ensure volunteering opportunities are available for individuals at all levels. The volunteering strand of the service has consistently over-achieved against contractual targets, with 209 volunteering opportunities being created for local people within the Well Being for Life programme. Individuals have engaged in activities such as community consultation, creation of community development plans, assisting health trainers with one to one visits, and supporting community events and activities
28. Building on the Health Trainer approach which demonstrates the value of 'advice from next door', a structured pathway into volunteer health trainer roles has been created, providing space for up to 32 'Community Health Champions'. 40 volunteers have engaged and those who could not be accommodated as Community Health Champions have been signposted or supported into alternative community volunteering opportunities.
29. The Community Health Champions will be offering training, support and mentoring to develop their personal skills, enabling them to work towards achieving a City & Guilds Level 3 Health Trainer qualification. The qualification will equip the Community Health Champions to go on to help members of their community to transform their own health and wellbeing.
30. Volunteer led groups delivering against the health and wellbeing objectives are well supported within AAPs. **Chester-le-Street & District AAP** has a longstanding working relationship with Aspire – Learning, Support and Wellbeing located in Chester-le-Street. Aspire is a women's development organisation who have delivered a range of AAP supported projects to engage with women to provide health advice and support and also learning and monitoring support. Aspire have a strong team of volunteers that help underpin their delivery.
31. In June 2016 they were successful with a Big Lottery Fund grant of £499,030 which will be used to set up and run their 'Supporting Sisters' project for the next five years. Aspire were one of only 63 national awards and the only award within County Durham. The cash will help Aspire offer a range of specialist support, health and wellness services for women, as well as funding additional jobs and

volunteering opportunities to support the project. It will also fund extended availability of Aspires on-site crèche.

32. The grant comes from the Big Lottery Fund's new Women and Girls Initiative, which aims to support women and girls in need, or at risk of experiencing a wide variety of complex issues. The application to the BLF was based on initial pilot work Aspire had done with an AAP grant to test out new services with local volunteers. This approach helped Aspire show their concepts worked and that the project would hit their specific target group.

Altogether safer

33. The **Safe Durham Partnership** is committed to working together to address Crime, Disorder and Anti-Social Behaviour issues and to make County Durham a better and safer place. The vision of the Partnership is 'for a county where every adult and child will be, and will feel, safe'. It utilises volunteers across the county to support a number of its initiatives.
34. County Durham Recovery Ambassadors is a group that helps people who are addicted to alcohol, drugs and gambling. They do this by offering support and guidance to people who are suffering from addiction. The group also promotes the prevention, recognition and treatment associated with use and misuse of substances. The award winning group was the first of its kind in the North East when it set up in 2013. The group members provide visible recovery within treatment services. They advise staff about mutual aid and do joint visits / appointments with staff. They visit local prisons to talk to prisoners before release about recovery services in the community and to show visible recovery; they support individuals to make steps towards abstinence and speak to community groups about recovery and how to get help. They tell their stories publicly to educate and inform and encourage others to take the path to Recovery.
35. The Safer Homes Scheme began with volunteers providing crime prevention advice to those in their communities who were vulnerable to crime. £500k of external funding was used to extend the scheme and Durham and Darlington Fire and Rescue Service have taken the scheme from strength to strength. The scope of Safer Homes now includes Health and Wellbeing and professionals can refer vulnerable people to a wide range of support opportunities. Police run volunteers remain an important element and continue to help keep people safe in their own homes.
36. In April 2012, the Government launched the Troubled Families Programme, known locally as the Stronger Families Programme, to incentivise local authorities and their partners to turn around the lives of over 120,000 families by May 2015. The programme aimed to work with families where children are not attending school, young people are committing crime, families are involved anti-social behaviour and adults are out of work. Families have received help and support delivered with a 'Think Family' multi-agency approach coordinated by a Lead Professional and a Team around the Family utilising a single multi-agency care plan in order to reduce duplication and maximise impact.
37. The Stronger Families Volunteer Programme is part of the County Durham Youth Offending Service offer which benefits from having been awarded 'Investors in Volunteers' status. The programme provides families working with services as part of the County Durham Stronger Families Programme with access to a family volunteer that can provide added value to the support offered as part of coordinated package of whole family intervention.

38. Feedback identifies that families overwhelmingly value the added support, Volunteers are well supported and work well within the team around the family process and Lead Professionals have evidenced how valuable the volunteers are in delivering successful outcomes.
39. Volunteers are also supporting the CDYOS Parenting Support Group (PSG) to deliver an accredited parenting programme to parents/carers who have been victims of their young person's offence, providing the opportunity for peer support. This was a gap that had been highlighted by magistrates and other victim support groups. The PSG works with groups of up to ten people, contributing to Youth Justice Board, Stronger Families, Restorative Justice Council and other positive outcomes. Post event evaluations show that nearly 90% of participants have developed improved relationships, better anger management strategies and enhanced communication skills with their children.
40. The Mini Police, originally launched in the **Durham AAP** area at Ludworth Primary School by PC Craig Johnson, has since been rolled out into a number of other communities. The scheme won a Durham Constabulary POP Award in the summer and PC Johnson is working in other areas across the country, starting in Merseyside, to help implement the scheme there.
41. In July, the Mini Police initiative was introduced into the **GAMP** area and will recruit 30 volunteer Mini Police Officers in four primary schools across the GAMP area; St Francis, Sugar Hill, Woodham Burn and Stephenson Way. It offers a fun and interactive volunteering opportunity for young people aged between 9–11 years who help to support Police priorities, through participation in community engagement events, and those involved will take part in a wide range of activities. The young people wear a Mini Police Uniform to perform their duties. Over the coming months the GAMP Mini Police Officers will be engaged in a number of activities in their local community.
42. **Bishop Auckland and Shildon AAP (BASH)** have been focusing on crime and community safety and will be specifically addressing the support needs of individuals and families through a programme of crisis intervention including flexible emergency provision. They will also be supporting young people aged 18-21 through housing difficulties.

Altogether greener

43. The **Environment Partnership Board** at its September meeting appointed Liz Charles from Durham Community Action (DCA) as Chair of the Environment in Your Communities sub group. The Board thanked Ian Hault for chairing the Environment in Your Communities Group in the interim.
44. Gill O'Neill, Interim Director of Public Health, provided the Board with a presentation on Obesity. The Board was asked to look at the importance of the environment and the use of greenspace in trying to reduce the growing number of obese cases. Board members were asked to identify links between current initiatives and identify future project areas which would assist with the overall aims of reducing obesity levels across County Durham. The Environment Partnership Board is to discuss a draft action plan at the December meeting. In addition, Environment Partnership Board members are to attend and provide representation at the Health and Wellbeing Board - Big Tent Event scheduled for Wednesday 5th October, 2016.
45. Entries for the 2016 County Durham Environment Awards are now closed. 57 applications have been received with applications in all categories. Judging booklets have been issued and the final judging session is to be held on 12th

October. The evening ceremony is taking place on 10th November at the Raddison Blu Hotel, Durham and the format will be the same as previous years with some changes to the actual winner presentation– where only category winners will be called to the stage to collect the award. £8,550 of sponsorship to date has been received from various partners including Durham University, BANKS Group Ltd, Groundwork, Durham Wildlife Trust and recycled outdoor furniture has been donated as prizes by Marmax Ltd.

46. **East Durham Rural Corridor AAP** is hoping to support Fishburn Allotment association to establish a bee keeping group. The funding will cover the purchase of three beehives as well as hive tools, protective suits, bees and membership to a local beekeeping club. By joining the local beekeeping club they will have the support they require in order to become efficient beekeepers. The number of bees both nationally and worldwide has reduced dramatically over recent times. Key environmental and wildlife groups are continuing to champion local communities to get involved in initiatives that protect and increase the bee population.
47. There is a direct link between outdoor pursuits/ physical activity and improved mental health. The group firmly believe that this project will help to improve health and wellbeing of residents/ members. A number of allotment association members as well as residents and individuals from other voluntary and community groups in the area have expressed an interest in beekeeping. After the first year of beekeeping, the sale of honey and beeswax from the hives will be re-invested into the project to ensure its sustainability. The group have mentioned an interest in becoming a social enterprise in the future which we will support them with.

Recommendations and reasons

48. It is recommended that Cabinet note the report.

**Contact: Clare Marshall, Principal Partnerships and Local Councils
Officer Tel: 03000 263591**

Appendix 1: Implications

Finance - Area and Neighbourhood budgets are utilised and delivered through the 14 AAPs and ensure the Council (and AAPs) receive improved information on the outputs achieved through use of locality budgets.

Staffing - None

Risk - None

Equality and Diversity / Public Sector Equality Duty - The actions set out in this report aim to ensure equality and diversity issues are embedded within the working practice of AAPs.

Accommodation - None

Crime and Disorder - Altogether safer is the responsibility of the Safe Durham Partnership.

Human Rights - None

Consultation - The County Durham Partnership framework is a key community engagement and consultation function of the Council and its partners. The recommendations in the report are based on extensive consultation with AAP partners and the establishment of a Sound Board to progress the recommendations and will continue this consultative approach.

Procurement - None

Disability Issues - None

Legal Implications – None

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Cabinet

19 October 2016



**Economy and Enterprise
Overview and Scrutiny Review of
support provided for skills
development within County
Durham**

**Report of Lorraine O'Donnell, Director of Transformation and
Partnerships**

Purpose

1. The attached report presents the key findings and recommendations of the Economy and Enterprise Overview and Scrutiny Committee's Review Group report focusing on support provided for skills development within County Durham.

Background

2. At a special meeting of the Economy and Enterprise Overview and Scrutiny Committee held on 29 October 2015 members agreed the terms of reference for the review with the aim of investigating and understanding the role and performance of DCC and key partners in supporting skills development, examine current partnership working and the future skill priorities for the county and identify any barriers to employment. It was agreed that the review would:
 - Consider and understand the current approach to skills development at a national, regional and local level.
 - Examine the existing occupational profile of County Durham including the skill base of residents within County Durham and compare to the regional and national skill base.
 - Consider and understand the role and performance of DCC and key partners in supporting skills development within the county including detail of various projects/initiatives.
 - Examine how DCC engages with key partners including the National Careers Service, Business and Education Board, FE colleges, specialist learning providers, employers and the County Durham Economic Partnership (CDEP) to support skills development within the county.
 - Identify any barriers to employment for a variety of specific sectors including: employers; adults; young people including young people who are not in education, employment or training (NEETs).
 - Examine any actions identified to address barriers.
 - Identify and consider future skill priorities for the county.

3. A review group of 13 members was established from the membership of the Economy and Enterprise Overview and Scrutiny Committee. Evidence was gathered over eight meetings and three visits providing members with the opportunity to see 'first hand' the type of skills support provided by partners in the county.
4. The review group's key findings are attached at Appendix 2 and have resulted in the formulation of the following recommendations:
 - That the Council robustly analyses the impact of the introduction of the Apprenticeship Levy and the statutory apprenticeship target on Durham County Council and further apprenticeship opportunities in the county.
 - That Durham County Council monitors the progress of the North East Area Based Review and the full devolution of the Adult Education Budget within the context of future FE provision within County Durham.
 - That Durham County Council (DCC) via the Regeneration and Economic Development (RED) Service Grouping is pro-active in promoting with SMEs and training providers in the county the various top up grants available from the County Durham Apprenticeship Programme (CDAP) together with the availability of support to employers to assist in applying for the various available top ups.
 - As part of the monitoring arrangements for the DurhamWorks Programme the Council ensures that the Economy and Enterprise Overview and Scrutiny Committee receive updates on the progress, performance and delivery of the programme.
 - That Durham County Council is pro-active in promoting with schools the importance of providing young people with good quality Careers Education, Information, Advice and Guidance (CEIAG) together with an opportunity for meaningful work experience placement with local employers, and continues to monitor take up of provision by schools.
 - That the Area Action Partnerships (AAPs) continue to develop local skill projects and initiatives and where appropriate share across the AAP network and work with the Children and Young People's Services Service Grouping to determine whether any elements of individual AAP projects can be used to complement the DurhamWorks Programme.
 - That key partners within the county be encouraged through the County Durham Economic Partnership (CDEP) to use the same labour market tools and share data so that there is a consistent approach to predicting employer's future skill requirements.
 - That the Business and Education Board build upon the success of 'Get the Buzz' week by continuing to work with partners to identify and develop

future opportunities for business and education engagement across County Durham.

- That a review of this report and progress made against the recommendations will be undertaken six months after the report is considered by Cabinet including as part of this process the following:
 - A summary of AAP activity currently undertaken across the county focusing on skills development.
 - A summary of activity undertaken to develop further opportunities for business and education engagement.
 - An update on the progress of the three local apprenticeship programmes (Teenage Parent Apprenticeship Programme, ICT Apprenticeship Hub Programme and the CDAP).

Service Response

5. The report was shared with Regeneration and Economic Development Management Team (RED MT) and Children and Young People's Services Senior Management Team (CYPS SMT) and resulted in following responses:
 - RED MT has considered the report and its recommendations and is happy for it to progress to Corporate Management Team and Cabinet for consideration. RED MT acknowledges the extensive work undertaken in producing the review report and welcomes its helpful findings.
 - CYPS SMT has considered the report, both its content and recommendations, and is happy for it to progress. The CYPS SMT would like to express its thanks to those Individuals and organisations that have contributed to and supported the review. The report's recommendations provide a useful basis to progress the skills development agenda in County Durham.

Recommendations

6. Cabinet is asked to note the recommendations in the report attached (Appendix 2, pages 4-5) and to formulate a response within the six month period identified in the report for systematic review of the recommendations.
7. That the report is shared with the County Durham Economic Partnership.

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Appendix 1: Implications

Finance – None

Staffing – None

Risk – None

Equality and Diversity / Public Sector Equality Duty – The necessary Equality Impact Assessment has been prepared concerning the review report.

Accommodation – None

Crime and Disorder – None

Human Rights – None

Consultation – None

Procurement – None

Disability Issues – None

Legal Implications - None



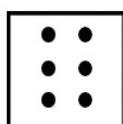
Economy & Enterprise OSC

Scrutiny review of support provided
for skills development within County
Durham

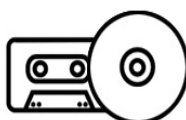
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Chairman's Foreword



The 'Altogether Wealthier' theme remains the top priority of the council with its main aim to improve the economy and job prospects of the county. The council has a vision for a higher value sustainable economy and strong ambitions for further inclusive growth. One of our key mechanisms to achieve greater economic prosperity for our communities is to increase the employment rate and prepare for a higher level skills workforce. We need to ensure that the skills and aspirations of County Durham's current and future workforce are raised so that they are willing and able to compete for jobs. It is against this backdrop that the Economy and

Enterprise Overview and Scrutiny Committee agreed to undertake a detailed review identifying how Durham County Council working with partners supports skills development.

County Durham has been extremely successful in recent years in attracting inward investment with a number of major companies locating in the county including Hitachi Rail Europe and Atom Bank. A number of established companies are also expanding such as Husqvarna, Gestamp and Tridonic. It is essential that DCC working with partners identify skill requirements and develop training programmes to ensure that the County Durham workforce have the skills to meet these needs.

During the review we received information on: the approach to skills development nationally, regionally and locally; our current occupational profile and skills base; barriers to employment; further education and skills reform; the role of DCC, key partners and business in supporting skills development and the future skill priorities for the county. The review group visited New College Durham, Infinite Learning and Development and South West Durham Training to see 'first hand' the quality of training provided. This review report proposes a number of recommendations which aim to build on the current partnership working to support local people into employment and meet the current and future skill requirements of local business.

I would like to thank all of those who have been involved in gathering information especially colleagues from FE Colleges, Infinite Learning and Development, County Durham Economic Partnership, Business Education Board, National Careers Service, South West Durham Training, Esh Group, Dyer Engineering LTD, Caterpillar, Area Action Partnerships and DCC officers from CYPS, T&P and RED Service Groups. I would also like to thank my fellow Councillors who have served on the review group.

Councillor Rob Crute
Chair Economy and Enterprise Overview and Scrutiny Committee

Executive Summary

- 1 The Economy and Enterprise Overview and Scrutiny Committee as part of the work programme for 2014/15 received an overview of skills development within the county. When considering the report and presentation members noted that some employers within the county were concerned that the current workforce does not have the skills they require. A lack of required skills could be preventing local people from accessing employment opportunities available within the county. As part of the refresh of the committee's work programme for 2015/16, members therefore agreed to conduct a scrutiny review looking at this area.

Focus of the review

- 2 The aim of the review is to investigate and understand the role and performance of DCC and key partners in supporting skills development within County Durham, examine current partnership working and the future skill priorities for the county and identify any barriers to employment.
- 3 The review objectives were to:
 - Consider and understand the current approach to skills development at a national, regional and local level.
 - Examine the existing occupational profile of County Durham including the skill base of residents within County Durham and compare to the regional and national skill base.
 - Consider and understand the role and performance of DCC and key partners in supporting skills development within the county including detail of various projects/initiatives.
 - Examine how DCC engages with key partners including the National Careers Service, Business and Education Board, FE colleges, specialist learning providers, employers and the County Durham Economic Partnership (CDEP) to support skills development within the county.
 - Identify any barriers to employment for a variety of specific sectors including employers, adults and young people including young people who are not in education, employment or training (NEETs).
 - Examine any actions identified to address barriers.
 - Identify and consider future skill priorities for the county.

Methodology

- 4 A review group of 13 members was established from the committee's membership which gathered evidence over eight meetings and three visits providing an opportunity to see 'first hand' the type of skills support provided by partners within the county.

Key Findings and Conclusions

- 5 The government is implementing a programme of Further Education (FE) and skills reform with the introduction of Area Based Reviews, the Apprenticeship Levy and a statutory apprenticeship target for public sector bodies. The programme also includes full devolution of the Adult Education Budget to Combined Authorities with skill devolution agreements by 2018/19. The reforms will have significant implications for Durham County Council and for County Durham. There is a need for DCC to robustly monitor the progress and impact of the reforms.
- 6 DCC working with partners has developed a number of local programmes to support skills development including three apprenticeship programmes (Teenage Parent Apprenticeship Programme, ICT Apprenticeship Hub programme and the County Durham Apprenticeship Programme). The County Durham Apprenticeship Programme (CDAP) provides a series of top up grants to County Durham SMEs with less than 50 employees to create additional apprenticeship or job opportunities. The grant criteria for the programme has recently been revised to increase the number of grants available. DCC needs to continue to monitor the development of the three apprenticeship programmes and be pro-active in promoting the various top up grants and support available to SMEs via the CDAP to increase take up within the county.
- 7 The DurhamWorks Programme is a County Durham programme developed to deliver the Youth Employment Initiative (YEI). The programme provides significant opportunities for young people aged 16-24 who are unemployed or inactive and resident in County Durham. Due to delays resulting from discussions between the British Government and the EU, the programme is to be delivered in 28 months, a much shorter timeframe than the four years originally proposed. The programme has a number of outputs and indicators set by the Department for Work and Pensions. DCC needs to ensure that the monitoring arrangements in place to monitor the performance and delivery of the programme are robust.
- 8 Turning to support arrangements in schools and colleges, young people need to be made aware of all available career opportunities. This should include vocational and apprenticeships routes together with an opportunity for a meaningful work experience placement. Currently, there is a wide range of good quality careers support available to schools, FE colleges and specific groups of young people. This support is provided by DCC through the Improving Progression of Young People Team, Durham Education Business Partnership (DEBP) and the One Point Service. Some schools in the county do use these services however there is a need to increase take up with DCC having a key role in promoting to schools the range of support available.
- 9 County Durham has 14 Area Action Partnerships (AAPs) and at the time of the review eight have employment and/or training included in their top three priorities with £1m of AAP Area Budget Spend (since 2012) spent directly on skill based projects. The AAPs working with partners have developed and delivered a range of successful skill projects including apprenticeship and mentoring programmes, enterprise and job clubs and individual bespoke

projects making a significant contribution to skills development in the county. The AAPs need to continue to develop local skill projects and where appropriate share details of projects across the AAP network. The council should also consider how any elements of individual AAP projects can be used to complement the DurhamWorks Programme.

- 10 Both employers and partners highlighted the importance of succession planning. However, the majority of businesses within the county are SMEs and micro-businesses and do not have the capacity or resources to succession plan. Partners in the county are currently using a variety of labour market tools to try to predict employers' future skill requirements which results in a lack of consistency in the data generated. Key partners in the county need to use the same labour market tools and share data generated to ensure consistency in the data provided for succession planning purposes.
- 11 Engagement undertaken in relation to skills development between key partners and with schools and employers is extensive and robust. The Business and Education Board (BEB) continues to give business and education engagement in the county a high profile by facilitating dialogue between the sectors. In July 2015 the BEB developed an event 'Get the Buzz' week, bringing schools/colleges and business together. During the event 17 businesses and nine schools participated resulting in the engagement of 3,363 pupils. The BEB needs to build upon the success of 'Get the Buzz' week whilst continuing to work with partners to identify and develop future opportunities for business and education engagement across the county.

Recommendations

Recommendation 1

That the Council robustly analyses the impact of the introduction of the Apprenticeship Levy and the statutory apprenticeship target on Durham County Council and further apprenticeship opportunities in the county.

Recommendation 2

That Durham County Council monitors the progress of the North East Area Based Review and the full devolution of the Adult Education Budget within the context of future FE provision within County Durham.

Recommendation 3

That Durham County Council (DCC) via the Regeneration and Economic Development (RED) Service Grouping is pro-active in promoting with SMEs and training providers in the county the various top up grants available from the County Durham Apprenticeship Programme (CDAP) together with the availability of support to employers to assist in applying for the various available top ups.

Recommendation 4

As part of the monitoring arrangements for the DurhamWorks Programme the Council ensures that the Economy and Enterprise Overview and Scrutiny Committee receive updates on the progress, performance and delivery of the programme.

Recommendation 5

That Durham County Council is pro-active in promoting with schools the importance of providing young people with good quality Careers Education, Information, Advice and Guidance (CEIAG) together with an opportunity for meaningful work experience placement with local employers, and continues to monitor take up of provision by schools.

Recommendation 6

That the Area Action Partnerships (AAPs) continue to develop local skill projects and initiatives and where appropriate share across the AAP network and work with the Children and Young People's Services Service Grouping to determine whether any elements of individual AAP projects can be used to complement the DurhamWorks Programme.

Recommendation 7

That key partners within the county be encouraged through the County Durham Economic Partnership (CDEP) to use the same labour market tools and share data so that there is a consistent approach to predicting employer's future skill requirements.

Recommendation 8

That the Business and Education Board build upon the success of 'Get the Buzz' week by continuing to work with partners to identify and develop future opportunities for business and education engagement across County Durham.

Recommendation 9

That a review of this report and progress made against the recommendations will be undertaken six months after the report is considered by Cabinet including as part of this process the following:

- A summary of AAP activity currently undertaken across the county focusing on skills development.
- A summary of activity undertaken to develop further opportunities for business and education engagement.
- An update on the progress of the three local apprenticeship programmes (Teenage Parent Apprenticeship Programme, ICT Apprenticeship Hub Programme and the CDAP).

Detailed Report

1. Approach to Skills Development

1.1 National approach

12 In November 2014, the government published a report 'Growth through People' UK Commission for Employment and Skills (UKCES) looking into the UK skills system.

13 The report describes the changing nature of the workforce, with the previous 20 years seeing a significant rise in technology throughout most working practices, 4.6 million more high-skill jobs and 1.3 million lower-skill jobs were created, whilst the number of mid-level skilled jobs declined. The report sets out the following five priorities for action for the next 20 years:

- Employers need to lead on skills development at national, regional and local level.
- Improving workplace productivity is the route to pay and prosperity, including better management, better job design and increased employee engagement.
- There should be a clear career pathway for young people such as apprenticeships and this should be a normal way for business to recruit and develop their workforce.
- Work experience should become an integral part of education for all young people, bridging the gap between education and work.
- Success should be measured by a wide set of outcomes, including jobs and progression and not just academic qualifications.

14 Following the publication of the report, the government has further expanded the apprenticeship programme and introduced additional reforms including:

- High quality professional and technical routes to employment, alongside robust academic routes which allow individuals to progress to high level skills valued by employers; and
- Better responsiveness to local employer needs and economic priorities, for instance through local commissioning of adult provision, which will help give the sector the agility to meet changing skills requirements.

15 In order to deliver the above, government requires a network of technology and national colleges to deliver high standard provision at levels 3, 4 and 5. There is also a move towards fewer, often larger, more resilient providers with the Departments for Education and Business Innovation and Skills facilitating a programme of area-based reviews to review 16+ provision in every area.

1.2 Regional approach

16 The North East Local Enterprise Partnership (NELEP) covers the local authority areas of County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland. The NELEP was set up as one of 39 local enterprise partnerships in England, which work with the government to drive economic growth. The national approach to skills

development outlined in the UK Commission for Employment and Skills report directly corresponds with the regional approach taken across the whole of the labour market.

- 17 The NELEP published a Strategic Economic Plan (SEP) in April 2014, which sets out its priorities for utilising government and European funding. The NELEP priorities relating to education and skills include: strengthening the skills system to align skills with the needs of employers, supporting young people and investing in new training facilities. The North East Strategic Skills Group work with the area's seven local authorities, business, voluntary partners and skills providers to implement the key priorities and report progress to the NELEP Board.
- 18 The NELEP also has a Skills Implementation Plan to drive economic growth and improve employability, outlining the key challenges that it needs to address such as: the relatively low uptake (particularly among females) of science, technology, engineering and mathematics (STEM) subjects; a lack of consistency or coordination of careers education and information, advice and guidance (IAG); structural economic and demographic issues (including too few private sector jobs, higher than average unemployment levels, an aging skilled workforce and gender imbalances in some sectors); the low proportion of the working age population that has Level 3 or above qualifications and employers understanding the complexity of the skills funding system.
- 19 The seven local authorities of Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland have jointly established a Combined Authority (NECA). The Combined Authority plays a leading role in creating conditions for economic growth and new investment.
- 20 The North East Combined Authority (NECA) will create an integrated employment and skills system tailored to the specific needs of the area. The aim will be to raise labour market participation and skills at all levels, increase productivity, improve the life chances of young people, help people into work and meet the skills shortages experienced by North East employers.
- 21 This process will be overseen by an Employment and Skills Programme Board with dual accountability to both the North East Combined Authority and to government.

1.3 Local - County Durham Skills Strategy 2014-2018

- 22 The 'Altogether Wealthier' theme remains the top priority of DCC with its main aim to improve the economy and job prospects across the county. The skills, abilities and attitudes of the current and future County Durham workforce are critical to the future economic success of the county. The County Durham Skills Strategy 2014-2018 is the county's key strategy for skills development.
- 23 The strategy has an economic focus, aiming to develop a more highly skilled workforce, with a higher proportion of residents gaining high-level qualifications. The strategy identifies the following 10 key priorities:

- Improve the qualifications and skills of County Durham residents;
- Develop skills to enable progression into employment;
- Improve skills to promote enterprise and entrepreneurial behaviour;
- Narrow the skills attainment gap in economically deprived communities;
- Develop skills to meet demand of growth sectors;
- Increase the number of Apprenticeship opportunities;
- Stimulate demand for higher level skills to increase productivity and growth;
- Develop high quality Information, Advice and Guidance;
- Develop market intelligence for employers, learners and providers in order to match supply with demand and to improve the relevance of skills provision;
- Support employers to utilise the skills funding system.

24 The strategy was developed by a task group of the County Durham Economic Partnership's Business, Enterprise and Skills Working Group which included representatives from a broad range of key partners. The group analysed changes in education, skills and the industrial and occupational profile of County Durham during the previous ten years. A review of regional and national strategies was also undertaken, to ensure that this strategy both reflects and influences national, North East LEP and Combined Authority activity in relation to education and skills.

2. Occupational profile and skills base of County Durham

25 County Durham has a more balanced occupational profile compared to the North East LEP area and England. The county has fewer residents employed in higher-level occupations (managers, directors, professional, and technical occupations) compared to the North East LEP area and England but similar levels in lower-level occupations (sales, customer service, plant and machine operatives, and elementary occupations). The largest proportion of the county's workforce work in mid-level occupations (administrative, skilled, caring and leisure occupations) and it is this group that has seen the largest increase since 2004.

26 Mid-level occupations require a level of education, training, experience or competence which is above basic literacy and numeracy and suggests they may have the potential to move up to higher-level occupations during their careers.

27 Due to job shortages within the county, there may be a significant number of people who are in occupations that require lower levels of skills and qualifications than those they possess; so the county's workforce should be well placed to drive growth when there are more jobs requiring higher skills and qualifications. This could lead to a significant shift in the county's occupational profile towards a larger number of workers in mid-level and higher-level jobs in the future. Whilst growth is subdued, it is vital that we grow and retain well-educated and skilled workers, particularly well-educated younger people, to offset the large proportions of older generations in the workforce that will retire in the next decade.

28 County Durham’s qualifications profile is significantly different to that of the North East LEP and England with fewer individuals of working age holding NVQ4+ qualifications. In addition, County Durham has a higher proportion of individuals with NVQ1 or no qualifications (see County Durham resident qualifications in table below).

County Durham Resident Qualifications

Qualifications (Jan 2014- Dec 2014)	County Durham (level)	County Durham (%)	North East (%)	Great Britain (%)
NVQ4 and above	85,400	26.4	28.4	36.0
NVQ3 and above	162,600	50.3	52.5	56.7
NVQ2 and above	223,800	69.2	71.7	73.3
NVQ1 and above	272,300	84.7	84.2	85.0
Other qualifications	19,600	6.1	5.3	6.2
No qualifications	31,300	10.0	9.7	8.8

Source: ONS annual population survey Notes. Numbers and % are for those of aged 16-64 - % is a proportion of resident population of area aged 16-64.

3. Barriers to employment within County Durham for specific groups

Key findings:

- Young people aged 16-24 identify the following barriers: lack of work experience opportunities, lack of good quality IAG, lack of qualifications, lack of digital skills, transport issues, lack of confidence, self-esteem, motivation and the unrealistic expectations of employers.
- Strands 1, 2 and 3 of the DurhamWorks Programme have been developed to tackle barriers identified by young people via the youth focus groups.
- Employers identify the following barriers to offering employment and training opportunities: complexity of skills system; need for employers to identify future skill requirements (succession plan) and the need for young people to meet employer’s expectations.
- Strands 1 and 3 of the DurhamWorks Programme include provision for significant employer engagement and support.
- The following barriers are identified for adults: an increase in the number of over 50s looking for work; more people qualified at Level 4 than Level 4 jobs available and younger people better qualified than older workers however they lack the level of skills required by employers.
- AAPs have successful projects to support the 50 plus group back into employment. The Council and partners are focusing on increasing the number of high level jobs and higher level apprenticeships available.

3.1 Young people

29 Prior to preparing the DurhamWorks Programme bid a significant amount of research has been undertaken with young people aged 16-24 in the county via youth focus groups and an on-line survey. One element of the research asked young people to identify barriers to employment.

30 Young people identify the following barriers:

- Lack of work experience opportunities.
- Lack of quality Careers Education information, Advice and Guidance (CEIAG).
- Lack of qualifications.
- Lack of digital skills – 18% of young people taking part in the research identified this as a barrier.
- Transport – lack of funding for travel costs.
- Lack of confidence, self-esteem, motivation – suggested the need for an advocate or mentor to support through the training and employment process.
- Employers need to have realistic expectations of young people and offer support particularly for those young people who have gone directly from school into employment.

31 The views of young people provided in the youth focus groups were used to inform the development of activities that are delivered across the following three strands of the DurhamWorks Programme:

- Strand 1 provides ‘wrap-around’ support to young people engaged in the programme.
- Strand 2 contains a wide range of targeted activities, programmes and projects which will engage participants and support their progression towards and into the labour market.
- Strand 3 supports the development of social entrepreneurs and self-employment and the creation of jobs and apprenticeships with the voluntary sector.

32 As part of the DurhamWorks Programme delivery partners can provide funding support to cover costs such as food and transport.

3.2 Employers

33 In developing the DurhamWorks Programme research was undertaken with employers to identify barriers to providing employment and/or training opportunities. Employers identify the following barriers:

- Complexity of the skills system – SMEs and micro – businesses struggle to engage and identify where support can be found.
- SMEs need to identify future skill needs and succession plan – to ensure their skill requirements can be met.

- Expectation of employers – Want new employees to have all necessary employability skills (not willing to provide support to new employees).

34 Strands 1 and 3 of the DurhamWorks Programme include focused provision for employer engagement and support via Business Advisors, an Employment Engagement Coordinator and a protocol for employer engagement that includes the following elements:

- Identifying the aspirations, growth plans and recruitment needs of a business.
- Exploring the potential for work experience, jobs, apprenticeships and traineeships.
- Identifying and removing barriers to employing a young person.
- Pre-screen all candidates.
- Maintain regular contact with Employer Advisors to ensure a smooth transition for the young person into the employee role.

3.3 Adults

35 Local intelligence and meetings with employers in the county identify the following barriers for adults:

- An increase in the number over 50s looking for work - JCP have noted an increase in the number of over 50s unemployed with no core initiative in place to target this group.
- More people qualified at Level 4 than Level 4 jobs available in the county – An increase in the number leaving university or college and taking lower level jobs and having to work their way up.
- ‘Younger people’ better qualified than older workers however they lack the level of skills required by employers.

36 AAPs have successful initiatives focusing on supporting adults (including those 50 plus) back into employment such as the DCC Employability Mentoring Project. Partners in the county are focusing on increasing the number of high level jobs and higher level apprenticeship opportunities with additional funding for Level 3 apprenticeships and above. Training providers are working with local employers to develop training programmes that meet their specific training requirements for example the welding programme developed by Infinite Learning and Development (ILD) for Caterpillar (for further detail of Welding Academy see page 28).

3.4 Skill Priorities 2016

37 Partners have identified the following skill priorities for 2016:

- Continue to develop school-business engagement with the implementation of the school-business engagement plan.
- Continue to encourage and facilitate apprenticeship creation - ensuring a mix of levels from Level 2 to higher Levels (Levels 4 and 5).
- Workforce upskilling – encouraging employers to succession plan and identify future skill requirements to ensure that the future workforce has

the skills required by employers (need for accurate Local Market Intelligence (LMI)).

- Implementation and delivery of the DurhamWorks Programme – a significant opportunity for County Durham providing ‘wrap-a-round’ support for 16-24 age group (for detail of DurhamWorks Programme see page 17).

38 The Review Group commented that the support provided in the county via DurhamWorks Programme, DCC apprenticeships programmes, Welfare Reform Initiative and relevant AAP projects provide significant opportunities to tackle the barriers to employment identified by the individual groups.

4. Further Education and Skills Reform Programme

Key findings:

- The North East Area Based Review of Post-16 Education and Training will include all four FE colleges in the county and will take 5/6 months.
- The review could result in a number of outcomes including: mergers, federations, alternative structures, shared back office functions, new Institutes of Technology and local outcome agreements.
- The Apprenticeship Levy is a charge on large employers (including public sector employers) and ring-fenced to pay for learning costs associated with hiring and training apprentices. The cost to DCC will be £1.89m based upon 2015/16 payroll.
- Government is consulting on the introduction of a statutory apprenticeship target of 2.3% for public sector bodies that employ more than 250 people. Based on DCC’s total workforce figure of 18,836 as at 31 March 2016, the estimated total number of apprentices required is 433.
- Government is working towards full devolution of the Adult Education Budget (AEB) by 2018/19 in those Combined Authority areas including the North East with skills devolution agreements.

4.1 Area Based Reviews

39 Government is facilitating a restructure of the further education sector through a series of Area Based Reviews. The reviews are designed to achieve a transition towards fewer, larger more resilient and efficient institutions. However, any changes to learning provision must take into account the needs of 16-19 year olds and adult learners with Special Educational Needs and Disabilities (SEND).

40 Government expects Area Based Reviews, covering all areas of the country to be completed by March 2017, with full implementation by 2020. The North East is included in wave four of the Area Based Reviews which will commence in September 2016 with the review process lasting for 5/6 months.

41 The four County Durham further education colleges (Bishop Auckland, Derwentside, East Durham and New College) are included in the North East Area Review along with other FE colleges from across the North East LEP area.

42 The North East Area Based Review could result in a number of outcomes including mergers, federations, alternative structures, shared back office functions, new Institutes of Technology and local outcome agreements.

4.2 Apprenticeship Reform

43 In the July 2015 Budget, the Chancellor announced that government would introduce an Apprenticeship Levy for large employers to fund the Apprenticeship Programme in the UK. The levy will apply to employers across all sectors with effect from 6 April 2017 and is a charge on large employers ring-fenced to pay for learning costs associated with hiring and training apprentices.

44 The charge will be paid into a central pot payable at a rate of 0.5% of the employers annual pay bill if it exceeds £3 million per annum. Each employer will receive an allowance of £15,000 to offset against their levy payment. The levy allowance will operate on a monthly basis and will accumulate throughout the year (an allowance of £1,250 a month with any unused allowance carried from one month to the next).

45 Once employers have paid the levy they will be able to access funding for apprenticeships through a new digital apprenticeship service account. Employers who pay the levy and are committed to apprenticeship training will be able to draw out more value than they have paid into the levy through a 10% top up from government to their digital account to spend on apprenticeship training. This means that for every £1 that enters an employer's digital account to spend on apprenticeship training the employer will receive £1.10.

46 The levy cannot be used on other costs associated with apprentices or wider training for example wages, travel and subsistence, management costs, traineeships, work placements or the cost of setting up an apprenticeship programme.

47 It is estimated that the cost of the Apprenticeship Levy to DCC based upon 2015/16 payroll including Local Authority maintained schools (excluding NI and employer's pension contribution) will be approximately £1.89m.

48 Government has announced its aim to deliver three million apprenticeships by 2020. In order to achieve this aim it wants to ensure that the public sector employs a significant proportion of apprentices. In January 2016 the government published a consultation on introducing a public sector apprenticeship target of 2.3% for public sector bodies that have 250 or more employees. Government's response to the consultation is still awaited.

49 DCC as at 31 March 2016 currently has 202 apprentices (127 in schools and 75 spread across DCC Service Groupings) throughout the authority. If a statutory target of 2.3% is introduced based on DCC's total workforce figure of 18,836 (including schools as at 31 March 2016) the estimated total number of apprentices required will be 433, an additional 231 apprentices.

4.3 Funding

- 50 The government is introducing important changes to the adult further education funding system including the full devolution of the Adult Education Budget (AEB) to Combined Authority areas with devolution agreements by 2018/19 including the North East.
- 51 The AEB combines the previous Adult Skills Budget (non-Apprenticeships); the Community Learning and the Discretionary Learning Support funding streams.
- 52 Bringing the three funding streams together provides opportunities to develop more tailored programmes of learning locally, including accredited and non-accredited provision, to help those furthest away from learning and the workplace.
- 53 Members commented that the FE and skill reforms taking place will have significant implications for DCC and County Durham. It was suggested that members receive updates on: the impact of the Apprenticeship Levy and the statutory apprenticeship target for public sector bodies together with detail of the progress of the North East Area Based Review and the full devolution of the Adult Education Budget.

Recommendation 1

That the Council robustly analyses the impact of the introduction of the Apprenticeship Levy and the statutory apprenticeship target on Durham County Council and further apprenticeship opportunities in the county.

Recommendation 2

That Durham County Council monitors the progress of the North East Area Based Review and the full devolution of the Adult Education Budget within the context of future FE provision within County Durham.

5. Skill programmes/projects

Key findings:

- There are six main skills programmes in place at a regional and local level which focus on providing support to young people to increase their employability opportunities including: Generation North East; three local apprenticeship programmes and the DurhamWorks Programme.
- The County Durham Apprenticeship Programme is the local apprenticeship scheme for County Durham and has supported almost 1000 young people since 2011.
- The DurhamWorks Programme is the new EU funding programme for young people in County Durham providing £17.04m in funding directed at 16-24 year olds who are unemployed, inactive and resident in the county.
- Adult initiatives within the county include the Welfare Reform Initiative and various AAP projects including the Employability Mentoring Project.

5.1 Regional programmes

- 54 The review group received detail of two regional programmes Generation North East (GNE) and the Apprenticeship Growth Partnership.
- 55 Generation North East (GNE) is a regional programme which was introduced to provide additional employability support to young people (18-24), with the aim of helping young people into work. The programme establishes stronger working relationships with JCP, provides an opportunity to test local models of business engagement, to work with employers and increases opportunities for young people.
- 56 The North East Apprenticeship Growth Partnership is a group formed to take forward the increasing apprenticeship numbers across the North East. The Partnership was formed in April 2015 from the North East Apprenticeship Hub with representation from local authorities, NELEP, JCP, National Careers Service (NCS), Skills Funding Agency (SFA), GNE, business sector, business support bodies, the Association of Colleges and the Learning Provider Network.
- 57 The partnership is focused on driving up the number of apprenticeship starts, as well as growing the number of higher level apprenticeships delivered across the North East.

5.2 County Durham Apprenticeship Programmes

- 58 The County Durham Apprenticeship Programme (CDAP) is the main local apprenticeship programme for County Durham. It was launched in November 2011 to tackle the high levels of youth unemployment experienced in the county by incentivising businesses to create additional apprenticeship opportunities.
- 59 Since launching this programme in 2011, DCC has worked with over 450 employers, FE colleges, training providers, NAS, JCP and in the early stages the Coalfields Regeneration Trust (CRT) in order to promote the benefits of the apprenticeship route resulting in 971 apprenticeship starts to the end of June 2016.
- 60 Following feedback from employers, training providers and elected members, the criteria for the programme has been revised to increase the range of top up grants available to create new apprenticeship opportunities and to stimulate more Level 3 (L3) and above apprenticeships. The CDAP provides the following top up grants to SMEs with less than 50 employees:
- £1,500 (top up grant) if young person is a resident of County Durham.
 - £1,500 (top up grant) for creation of an apprenticeship for the first time and paid on the first apprentice only.
 - £1,500 (top up grant) for creation of a L3 advanced apprenticeship.
- 61 Some training providers in the county have not made SMEs aware of the availability of the general top up grant which has resulted in the Service Grouping making a number of retrospective payments. Funding to support the programme is derived from a variety of sources with the major resource

coming from Economic Development cash-limit underspend/reserves and a number of the council's Area Action Partnerships (AAPs) with nine AAPs contributing from 2012-2015 a total of £252,095 to the programme.

- 62 The Service Grouping intends to promote the revised criteria and as part of this promotion will highlight to SMEs in the county the availability of the various top up grants.
- 63 In addition to the CDAP there are two further apprenticeship programmes: the Teenage Parent Apprenticeship Programme and the ICT Apprenticeship Hub Apprenticeship Programme.
- 64 The Teenage Parent Apprenticeship Programme is the result of a partnership arrangement between Public Health and the RED Service Grouping. The programme is a two year pilot which started in October 2014 funding apprenticeships for 30 Teenage Parents in the county.
- 65 The programme improves the outcomes for vulnerable teenage parents who live in the most deprived areas of the county. The model consists of two elements: a teenage parent support programme delivered through the One Point Service and an apprenticeship support programme. The programme is delivered in conjunction with the core apprenticeship offer with additional funding from public health providing an enhanced offer of financial support to employers (£4,500 over 2 years) plus up to £1,000 to support childcare and/or travel expenses paid in the first 3-6 months of the apprenticeship.
- 66 The ICT Apprenticeship Hub extends the ongoing programme of apprentice recruitment and progression within ICT services, increasing the opportunities provided by the programme and developing a larger group of ICT apprentices.
- 67 As part of the Hub proposal DCCs ICT Services are looking to set up an Apprenticeship Training Agency (ATA) which allows the council to manage apprentices who are working outside of the council's premises and undertaking work placements with employers as part of the apprenticeship programme.
- 68 The Review Group commented on the excellent partnership working in the development and delivery of the CDAP, the Teenage Parent Apprenticeship Programme and the ICT Apprenticeship Hub Programme.
- 69 Members highlighted the need for DCC to continue to be pro-active in promoting to SMEs in the county the availability of the various top up grants via the CDAP as this would encourage more SMEs to participate in the programme and provide more apprenticeship opportunities for young people.

Recommendation 3

That Durham County Council (DCC) via the Regeneration and Economic Development (RED) Service Grouping is pro-active in promoting with SMEs and training providers in the county the various top up grants available from the County Durham Apprenticeship Programme (CDAP) together with the availability of support to employers to assist in applying for the various available top ups.

Recommendation 9

That a review of this report and progress made against the recommendations will be undertaken six months after the report is considered by Cabinet including as part of this process the following:

- An update on the progress of the three local apprenticeship programmes (Teenage Parent Apprenticeship Programme, ICT Apprenticeship Hub Programme and the CDAP).

5.3 DurhamWorks Programme – Youth Employment Initiative (YEI)

70 The DurhamWorks Programme was developed to deliver the Youth Employment Initiative (YEI) in County Durham. The YEI is European funding to tackle youth unemployment across member states. County Durham is eligible for £17.04m in funding which is directed at 16-24 year olds who are unemployed or inactive and resident in the county. Funding cannot be directed at young people who are engaged in full-time education.

71 The programme has been developed following in-depth consultation and research undertaken with partners and young people to:

- Analyse local needs and opportunities;
- Identify best practice and gaps in existing delivery;
- Consider innovative ideas to address youth unemployment.

72 The DurhamWorks bid was approved by government in January 2016 and delivery of the programme commenced in April 2016. Originally YEI programmes were to be delivered from 2014-2018 however due to delays resulting from discussions between the British Government and the EU the DurhamWorks Programme will be delivered in 28 months. The various strands of the programme will be delivered by 20 delivery partners including CYPS (Progression and Learning, One-Point Service and Youth Offending Service) and RED Service Groupings (for detail of delivery partners see Appendix 2). The three strands of the programme are:

- Strand 1 – provides unemployed young people with individual guidance and support over a sustained period of time. There is additional resource to provide sustained ‘wrap-a-round’ support for disadvantaged and vulnerable groups such as Looked After Children and Care Leavers, young people who have SEND and young people known to the Youth Offending Service. Support is also provided to employers including help and advice to recruit young people.
- Strand 2 – provides specifically tailored programmes/activities to support vulnerable young people who have multiple barriers to their progression.
- Strand 3 – provides substantial volumes of employment engagement activity via Business Advisors targeting SMEs to identify and create jobs, apprenticeships and other work related opportunities. This strand also supports the development of social entrepreneurs and self-employment and creates jobs and apprenticeships with voluntary sector organisations.

- 73 The activities within the programme are targeted at 5,830 unemployed young people in the county aged 16-24 with the Department for Work and Pensions (DWP) setting the following outputs and indicators:

Durham Works Outputs

Output	Indicator
5830	Unemployed; long-term unemployed; inactive participants.
542	Participants who receive offer of employment, continued education, apprenticeship, traineeship upon leaving.
4910	Participants who are in education or training; gain a qualification or are in employment, including self-employment upon leaving.
875	Participants in continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving.
175	Participants in self-employment six months after leaving.

- 74 The Hanlon Data Management System is used by all delivery partners. Young people engaged on the DurhamWorks Programme are registered on the system and their progress tracked. The system also incorporates employer and vacancy tracking and produces a range of management information reports to assist with the performance management of the programme.
- 75 Members commented on the significant opportunities provided to young people in the county by the DurhamWorks Programme. However, the programme will be delivered in 28 months and whilst recognising that monitoring arrangements are in place members need to be kept updated on the progress, performance and delivery of the programme.

Recommendation 4

As part of the monitoring arrangements for the DurhamWorks Programme the Council ensures that the Economy and Enterprise Overview and Scrutiny Committee receive updates on the progress, performance and delivery of the programme.

5.4 Welfare Reform Initiative and DCC Employability Mentoring Project

- 76 Funding is available to support individuals who are the most disadvantaged by Welfare Reform in the county. This funding has been available since September 2014 and includes a wage subsidy of £2000 to encourage an employer to create an employment opportunity for a disadvantaged individual affected by Welfare Reform. This subsidy is split with a £1,000 paid after 3 months and the remaining £1,000 after 12 months.
- 77 A discretionary fund is available for individuals to access to contribute towards the costs of training and/or skills development that will help them enter employment. To April 2016 there have been 223 referrals of which 155 accessed employability support with 121 going into employment. A total of 77

wage incentive grants have been given totalling £102,000 together with 38 Discretionary Support Grants totalling £10,279.20.

- 78 The project co-ordinates a programme of pathways into employment enabling workless people to access opportunities and build the skills they need for sustainable employment. Engagement is also undertaken with local employers to identify staffing needs.
- 79 The project is delivered through outreach work which involves the provision of tailored 1:1 support to individuals helping to identify and overcome barriers to employment and find a pathway to sustained employment which is specific to the individual. The project currently covers the AAP areas of 3 Towns, BASH and Mid-Durham (for further detail of AAP projects see Appendix 1).

6. Role of Durham County Council in supporting skills development

- 80 As part of the review process members wanted to identify how DCC supports skills development in the county with activity currently spread across RED, CYPS and T&P Service Groupings.

6.1 Regeneration and Economic Development (RED) Service Grouping

Key findings:

- The RED Service Grouping delivers a number of skill projects with partners including: the DurhamWorks Programme; County Durham Apprenticeship Programme (CDAP), Teenage Parent Apprenticeship Programme; Welfare Reform Initiative; the Employability Mentoring Programme and GNE programme.
- RED distributes a variety of grants including: AGE 16-24; grants for various Durham apprenticeship programmes and the Welfare Reform Initiative.
- RED has a key role as a delivery partner in delivering the DurhamWorks Programme.

- 81 The Employability and Economic Development Teams in the RED Service Grouping deliver a number of time limited but complementary projects with partners including: JCP; DurhamWorks; National Apprenticeship Service (NAS); NCS; SFA; Credit Unions; Public Health; NELEP; NECA; CDEP; Business Education Board (BEB); business forums and the AAP's.
- 82 These partnership arrangements have resulted in the delivery of: DurhamWorks Programme, GNE Programme, the CDAP, the Teenage Parent Apprenticeship Programme, the Welfare Reform Initiative and the Employability Mentoring Programme.
- 83 RED and DCC procurement and planning now have policies in place to generate local employment and training opportunities from DCC procurement contracts and planning developments.
- 84 The Economic Development Team is a delivery partner for the DurhamWorks Programme delivering activities under strands 1 and 3 of the programme

providing 'wrap around' support to young people aged 16-24 and to employers in the county.

- 85 DurhamWorks funding has been used to support nine Youth Employment Advisors and six Business Advisors based in the Employability Team. Under the DurhamWorks Programme the YEAs will work with young people aged 19-24 to identify their needs and develop a programme of support, matching young people to the identified employment opportunities. The Business Advisors will be the first point of contact for business, providing detail of a recruitment and selection offer, possible funding availability and where training can be accessed.

6.2 Children and Young People's Services (CYPS) Service Grouping

Key findings:

Progression and Learning Service

Improving Progression of Young People Team

- The Improving Progression of Young People Team supports young people who have special educational needs and disabilities to make a successful transition into post-16 education, employment and training.
- The team manages and co-ordinates the tracking of young people 16-18 years of age identifying young people who are NEET and provides a range of support and activities to schools and colleges for them to meet their statutory responsibilities in relation to Careers Education, Information, Advice and Guidance (CEIAG).

Durham Education Business Partnership (DEBP)

- Offers a range of activities which can be purchased by schools including: work experience placements; work related learning activities and career exhibitions.

County Durham Adult Learning and Skills Service (ALSS)

- Offers a range of courses to suit the needs of individuals locally.
- Manages and co-ordinates delivery of the DurhamWorks Programme.

One Point Service

- The One Point Service works closely with ALSS to support the delivery of programmes including Community Learning delivered from One Point venues.
- The Service works in conjunction with other services to deliver learning programmes for specific groups of young people such as Teenage Parents.

Progression and Learning Service

Improving Progression of Young People Team

- 86 The Improving Progression of Young People Team manages statutory responsibilities on behalf of the local authority to increase the participation of young people in learning. This involves managing and co-ordinating the tracking of young people, ensuring those young people who are NEET (Not in Education, Employment or Training) are identified and supported and reporting performance to the Department for Education on a monthly basis.

The team supports young people who have special educational needs and disability (SEND) to make a successful transition into post-16 education, employment and training. The team also has a key role in commissioning further education provision for high needs students aged 16-24.

- 87 The team provide strategic leadership on policy developments relating to the provision of CEIAG (Careers Education, Information, Advice and Guidance) providing a range of support and activities to schools and colleges for them to meet their statutory responsibilities including: professional development for a CEIAG network; a newsletter that provides updates on national and local developments and the Help4Teens website for young people, incorporating a 'Planning Your Future' guide which provides information on the qualifications and learning routes available for young people aged 13 plus and 16 plus.
- 88 The Improving Progression of Young People Team engages with a number of partners including: schools; FE colleges; the North East Learning Provider Network; NECA; North East LEP, JCP; CDEP; RED Service Grouping and the One Point Service. This engagement ensures that the CEIAG provided by the team to schools and colleges is current and informs young people of all career options available including apprenticeship and vocational programmes together with detail of where further CEIAG support and information is available.

Durham Education Business Partnership (DEBP)

- 89 Durham Education Business Partnership (DEBP) sits within the Improving Progression of Young People Team and delivers careers guidance, work related learning and work experience to schools. DEBP offers a range of activities which can be purchased by schools including: a comprehensive work experience offer; work related learning activities to support skill development; careers exhibitions and mock interviews with employers.
- 90 In 2014/15 DEBP worked with 18,771 students, arranged 1,270 work experience placements (working with 31 schools of which 26 are in County Durham), delivered 181 work related education activities, enlisted 1,138 Business Ambassadors, delivered apprenticeship awareness sessions in 22 secondary schools and delivered 1,465 one to one careers interviews working with 12 schools in the county.
- 91 The DEBP engages with a number of partners including RED, ALSS, Education Development Service, FE colleges, local employers and schools in both the development and delivery of CEIAG. This engagement ensures that the support provided by the DEBP to young people is current, identifies growth employment sectors and gives detail of the various career opportunities and learning options available.
- 92 It was suggested by members that DCC needs to be pro-active with schools in promoting the importance of providing good quality CEIAG together with an opportunity for a meaningful work experience placement with a local employer and continues to monitor take up of provision by schools.

Recommendation 5

That Durham County Council is pro-active in promoting with schools the importance of providing young people with good quality Careers Education, Information, Advice and Guidance (CEIAG) together with an opportunity for meaningful work experience placement with local employers, and continues to monitor take up of provision by schools.

County Durham Adult Learning and Skills Service

- 93 County Durham Adult Learning and Skills Service (ALSS) provide learning opportunities for adults, employers and the community. The service offers a range of courses to suit the needs of individuals and is an approved provider for City and Guilds and the Institute for Leadership and Management. The range of courses on offer include:
- Vocational qualifications in: Business Administration; Customer Service; First Line Management; Health and Social Care, IT Application Specialist, Retail, Team Leading and Teaching Assistant qualifications.
 - Apprenticeships at both Level 2 and Level 3 to employed people aged 16 plus in the following sector areas: Business and Administration; Customer Service, First Line Management, Health & Social Care, IT Application Specialist, Retail, Team Leading and Teaching Assistant qualifications.
 - Functional Skills via maths, English & ICT courses to support individuals with basic skills from Entry Level to Level 2.
 - Supported Employment, supporting people with disabilities and/or a long-term health conditions in finding and retaining employment.
 - English for speakers of other languages providing practical English to enable better integration.
 - Community learning delivered in over 100 venues across County Durham.
 - Traineeships to vulnerable groups of young people e.g. Care Leavers.
- 94 In 2014/15 the ALSS delivered learning to 6,084 individuals with a 97% retention rate and a 98.6% achievement rate (ALSS performance targets). ALSS was graded 'good' by Ofsted with 'outstanding' apprenticeship provision when inspected in 2015.
- 95 ALSS undertakes extensive engagement with partners including RED, T&P (AAPs), CYPS (One Point and DEBP), CDEP, JCP, FE colleges, the voluntary sector and private training providers to develop and deliver various skill support programmes in the county.
- 96 This engagement provides ALSS with detail of the skill needs in local communities and the skill requirements of local employers enabling them to develop and deliver programmes which meet local needs. Examples of such programmes include: English and Maths for Work and Life; ICT for Users; and Preparation for Work.
- 97 ALSS is also responsible for the design, management and delivery of the DurhamWorks Programme.

One Point Service

- 98 The One Point Service works very closely with ALSS to support the delivery of programmes including Community Learning programmes delivered from One Point Service venues.
- 99 The Service also works in conjunction with other services to deliver learning programmes to specific groups of young people such as Teenage Parents. One Point Advisors provide advice, guidance and support to individual young people, focusing on those who are NEET, working with young people to identify their career aspirations, assess their employability/skill needs and engage them in appropriate learning.
- 100 The One Point Service is a DurhamWorks Programme delivery partner with the 10 DurhamWorks Transition Advisors located in the One Point Service supporting young people aged 16-18 through the programme.

6.3 Transformation and Partnerships (T&P)

Key findings:

- Eight AAPs currently having employment and/or training included in their top three priorities for 2015/16.
 - The largest share of AAPs Area budget (£5.7m from 2012) has been spent on projects under the 'Altogether Wealthier' theme with £1m spent directly on 74 skill based projects across all AAPs (for examples of AAP projects see Appendix 1).
- 101 The Transformation and Partnerships Service Grouping supports skill development by working in partnership to develop and deliver local projects via the Area Action Partnerships (AAPs) and strategic projects such as the Welfare Reform Initiative within the county (for further detail of the Welfare Reform Initiative see Page 18).
- 102 County Durham has 14 AAPs covering all areas of the county. The AAPs focus in engagement and empowerment through the delivery of high quality project interventions, giving local people and organisations a say in how services are provided.
- 103 Annually, AAPs identify their priorities with the 'Altogether Wealthier' theme becoming a priority in 2012 due to the impact of welfare funding changes. Currently eight AAPs have employment and/or training included in their top three priorities for 2015/16.
- 104 Members were informed that the largest share of AAP Area Budget (£5.7m) has been spent on projects/initiatives under the 'Altogether Wealthier' theme with £1m of AAP Area Budget spend going directly to 74 skill based projects across all AAPs. Data shows that for quarter 3 2015/16 the trend is continuing with £184,000 allocated to the 'Altogether Wealthier' theme.
- 105 The AAPs successfully develop and deliver a range of skill projects/initiatives across the county with various partners including: RED and CYPS Service

Groupings, JCP; NAS; Enterprise Agencies; schools, academies and FE colleges; employers and various voluntary sector groups in the county (for a summary of the various AAP skill projects developed and delivered by the 3 Towns, Derwent Valley and East Durham AAPs see Appendix 1).

- 106 The impact of Universal Credit, zero hour contracts and 'underemployment' will ensure that the 'Altogether Wealthier' theme remains an AAP priority with a project already in development 'Wheels to Work Scheme' to be piloted across Chester-le-street, Stanley and Mid Durham AAPs.
- 107 Members were provided with examples of various AAP projects focusing on skills development including a video produced on the Thomas Kenny VC Commemoration Event by East Durham College media students. The review group commented on the excellent quality of the video and suggested that it was shared with all AAPs providing an opportunity to show case the work of the students and to highlight the opportunities provided to the students by this community focused project.
- 108 The review group commented on the significant impact of AAP projects in supporting skills development in the county. Members continued by commenting that:
- AAPs need to continue to engage with local employers via Business Durham to ensure that AAP projects continue to meet their current and future skill requirements and that successful skill projects are shared across the AAP network.
 - The DurhamWorks bid presents significant opportunities for young people in the county. In order to maximise the opportunities available discussions need to continue between CYPS and AAPs to identify any AAP skill projects/initiatives that contain suitable elements to complement the DurhamWorks Programme.

Recommendation 6

That the Area Action Partnerships (AAPs) continue to develop local skill projects and initiatives and where appropriate share across the AAP network and work with the Children and Young People's Services Service Grouping to determine whether any elements of individual AAP projects can be used to complement the DurhamWorks Programme.

Recommendation 9

That a review of this report and progress made against the recommendations will be undertaken six months after the report is considered by Cabinet including as part of this process the following:

- A summary of AAP activity currently undertaken across the county focusing on skills development.

7. Role of key partners

7.1 National Careers Service (NCS)

Key findings:

- The National Careers Service (NCS) provides free impartial IAG to anyone over the age of 19 (18 if they are a JCP customer or offender).
 - The NCS has identified that there are few referrals from disability groups to the service and are in the process of developing links with DCCs Inclusion Team.
- 109 The National Careers Service (NCS) provides free and impartial Information Advice and Guidance (IAG) to anyone over the age of 19 (18 if they are a JCP customer or offender). All of the Careers Advisers are qualified to a minimum Level 4 with many holding Level 6 qualifications. The service delivers face to face sessions, group sessions and provides a full range of support from their phone service – ‘Careerline’ and from their Website.
- 110 NCS is responsible for delivering ‘Supporting Inspiration’, a new service which facilitates the brokerage between schools, colleges and employers. It aims to complement the work already being delivered in schools and colleges by assisting schools in meeting their statutory responsibilities for careers provision.
- 111 The initiative assists young people to develop their appreciation of the world of work, understand the local labour market and raise their awareness of opportunities and progression pathways whilst providing the opportunity for employers to educate young people about their sector and nurture future talent. The initiative has resulted in 19 schools and colleges in County Durham engaging with employers.
- 112 NCS has identified that there were few referrals from disability groups to the service and are in the process of developing links with DCCs Inclusion Team.

7.2 Bishop Auckland FE College (BAC) and New College Durham (NCD)

Key findings:

- Both colleges develop their curriculum through engagement and working with partners and employers at a regional and local level, and have identified opportunities to increase the number of apprenticeships, higher education students and 16 year old school leavers.
 - The colleges have designed bespoke training programmes for employers including: Black and Decker; Beamish Museum and Auckland Castle.
 - The colleges identified a number of future challenges; the need for succession planning; the need for Labour Market Information (LMI) to be consistent; the potential impact of Area Based Reviews and the Apprenticeship Levy.
- 113 Bishop Auckland FE College (BAC) is a medium sized college based in the South West of the County with training courses for engineering and manufacturing delivered at Newton Aycliffe by South West Durham Training (SWDT). New College Durham (NCD) is a large college with its main site at

Framwellgate Moor on the outskirts of Durham City, a technology centre at Belmont, NHS Clinics at Bishop Auckland and Newton Hall and links to the Welding Academy at Peterlee.

- 114 Both colleges curriculum is developed through engagement and working with partners and employers. BAC currently engages with 600 and New College 800 local businesses. Both colleges also work and engage with various partners including: DCC; social housing groups, JCP and Work Programme Providers, NCS, employer forums, Community Associations, Durham Business Club, CDEP and Employability Networks. At a regional level the colleges engage with North East Chamber of Commerce (NECC), NELEP and the Association of Colleges.
- 115 Both colleges design bespoke training programmes for employers including: Black and Decker, Beamish Museum, Durham and Darlington Fire and Rescue and Auckland Castle (Auckland Academy).
- 116 Both BAC and NCD identified a number of future issues and challenges including: the need to succession plan and ensure training programmes are in place to meet employers future skill requirements; the need for Labour Market Information (LMI) to be consistent across the sector with providers using the same Labour Market tools such as EMSI software (Economic Modelling Specialists Intl - provides employment data and trends); the potential impact of Area Based Reviews and the Apprenticeship Levy; schools failing to promote all career options to young people including apprenticeships and vocational and the high proportion of learners who lack basic employability and core skills such as maths and English requiring more intensive and bespoke support.
- 117 The colleges identify a number of future opportunities including government increasing the number of apprenticeship to 3 million by 2020 with both colleges having excellent apprenticeship success rates and ranked as high performing regionally and nationally. The colleges will continue to grow their market share of 16 year old school leavers, apprenticeships and higher education students and will continue to look for opportunities to develop new partnerships.
- 118 As part of the review process the group visited NCD and South West Durham Training (provides Engineering and Manufacturing based training programmes for BAC) (for detail of visits see Appendix 4).
- 119 The Review Group commented that partners in the county need to use the same Labour Market tools to ensure consistency in the data generated and used for succession planning purposes.

Recommendation 7

That key partners within the county be encouraged through the County Durham Economic Partnership (CDEP) to use the same labour market tools and share data so that there is a consistent approach to predicting employer's future skill requirements.

7.3 Business and Education Board (BEB)

Key findings:

- The BEB was established to give business and education engagement high profile across County Durham.
- In July 2015 BEB developed an event 'Get the Buzz' week which included a series of employer roadshows delivered to schools in County Durham to help students learn more about the world of work.

120 The BEB gives business and education engagement a high profile in the county, facilitating dialogue between the sectors with a view to building lasting relationships.

121 To encourage dialogue the BEB developed a series of events to bring schools/colleges and businesses together. One event in July 2015 'Get the Buzz' week (supported by Business Durham) involved a series of employer roadshows delivered to County Durham schools which were designed to help students learn more about the world of work and the various opportunities available.

122 'Get the Buzz' week resulted in 17 businesses participating in the event together with nine schools in the county resulting in the engagement of 3,363 pupils. Feedback from the event from both schools and business was very positive however the event was a one-off as future funding could not be secured.

123 The members of the Review Group highlighted the need for the BEB to use the success of 'Get the Buzz' week to sustain and increase dialogue between the sectors and to work with key partners in the county to identify and develop future opportunities for business and education engagement.

Recommendation 8

That the Business and Education Board build upon the success of 'Get the Buzz' week by continuing to work with partners to identify and develop future opportunities for business and education engagement across County Durham.

Recommendation 9

That a review of this report and progress made against the recommendations will be undertaken six months after the report is considered by Cabinet including as part of this process the following:

- A summary of activity undertaken to develop further opportunities for business and education engagement.

7.4 County Durham Economic Partnership (CDEP) and the Business, Enterprise and Skills Working Group (BES WG)

Key findings:

- The CDEP is one of five thematic partnerships within the County Durham Partnership and provides linkages to the NELEP and the NECA.

- The BES WG is a working group of the partnership with a key role in co-ordinating business engagement in the county and in the development and delivery of the County Durham Skills Strategy.

- 124 The CDEP is one of five thematic partnerships within the County Durham Partnership with has over 60 public, private and voluntary and community sector organisations making up the membership. The Partnership provides linkages to the NELEP and the NECA via DCC, influences the allocation of EU funding and supports linkages and partnership working across the county.
- 125 The members of the CDEP serve on the various partnership Working Groups including the Business, Enterprise and Skills Working Group (BES WG). A key role for the group is involvement in the development, co-ordination, monitoring and delivery of the County Durham Skills Strategy. The strategy aims to improve the skills of working age residents within the county. All partners in the CDEP are signed up to the Skills Strategy.
- 126 The BES WG also has a role in co-ordinating business engagement. Over 90% of the business base in the county is made up of SMEs and micro-businesses which makes engagement with the majority of the business base challenging particularly when trying to identify future skill requirements. SMEs and micro-businesses do not have the resources to produce a forward skills plan.
- 127 In response, the BES WG has developed a Business Protocol. The protocol ensures intelligence, contacts and duplication of activity is shared and avoided to allow businesses to access the best level of service available and in relation to providers to ensure delivery through the appropriate targeting of limited resources. The protocol benefits both skills development and business through the better understanding of the future skills requirements of business across the county.
- 128 The Review Group commented that the development of the Business Protocol by the BES WG would significantly add to the data already available in the county to predict future skill requirements particularly in relation to SMEs and micro-businesses (see recommendation 7 page 26).

7.5 Infinite Learning and Development (ILD) and South West Durham Training (SWDT)

Key findings:

Infinite Learning and Development (ILD)

- ILD is a private training provider with training facilities and a separate welding academy at Peterlee offering a range of training opportunities.
- The welding academy was established by ILD to meet the skill requirements of Caterpillar (CAT) a local employer based at Peterlee.
- Apprentices receive four month intensive welding training up to industry standards as part of the apprenticeship programme.
- The apprenticeship programme has been extremely successful with 92% of apprentices retained.

South West Durham Training (SWDT)

- SWDT is a private training provider based on Aycliffe Business Park.
- Since 2014 SWDT have worked in strategic partnership with BAC to develop and deliver a portfolio of apprenticeship and training programmes with over 80% of students achieving apprenticeships.
- SWDT deliver BTEC programmes for Woodham Academy, Staindrop School and Ferryhill Business Enterprise College.

- 129 ILD have facilities at the Caterpillar (CAT) Learning Centre and a separate welding academy on the North West Industrial Estate, Peterlee. SWDT is based in large, modern built premises, the CORE (Create Opportunity, Realise Excellence) on Aycliffe Business Park.
- 130 ILD offers a range of training opportunities at both facilities including apprenticeships, workplace qualifications, industrial services, pre-employment courses and a Simulated Working Environment (SWE). SWDT provides access to bespoke and accredited vocational training and apprenticeships developed with local manufacturing and engineering companies.
- 131 The ILD welding academy was established to train young people to the industrial standards required by Caterpillar (CAT) and some of their suppliers. The Academy provides a one-stop-shop for training with trainees undergoing intensive training for four months at the end of which they will have completed a Diploma in Fabrication and Welding Functional Skills.
- 132 Following the four months in the welding academy the trainees move to the shop floor for a short period of 'on the job' training where they are supported by mentors to complete the NVQ element of the Level 2 Apprenticeship and further welding qualifications. The welding academy also offers programmes that deliver training courses and qualifications which run from one to five days to help improve the skills of employees from local companies.
- 133 In the last three years, the welding programme has delivered 57 'Junior Welders' for CAT of which after one year, 92% have been retained on an agency contract. It was explained that over 50% of those retained had returned to complete Level 3 apprenticeships. Discussions are taking place between ILD and Caterpillar to use this model of apprenticeship programme to provide a one year apprenticeship for fitters.
- 134 In February 2015 the Welding Academy, the apprentice programme and the partnership between ILD, CAT, DCC and New College, Durham was recognised by the Science, Engineering, Manufacturing and technologies Alliance (SEMTA) as a finalist in the National Training Partner of the Year Awards held in London.
- 135 Since 2014, SWDT has worked in a strategic partnership with BAC with SWDT retaining its status as a separate company within the college's structure. BAC and SWDT working jointly to develop a portfolio of vocational progression routes. SWDT also deliver apprenticeship programmes in partnership with Darlington and Middlesbrough colleges and engage with a number of local schools delivering BTEC programmes for Woodham Academy, Staindrop School and Ferryhill Business Enterprise College.

- 136 SWDT currently offers an extensive range of apprenticeships programmes including: tool-making/machining; electrical/mechanical maintenance; and fabrication and welding. The apprenticeship programmes has a high success rate with over 80% of students achieving apprenticeships.
- 137 SWDT delivers bespoke training programmes for local employers via its commercial courses such as: Fork-lift truck; manual handling; electrical; health and safety; hydraulics and pneumatics and robotics and automation; lean manufacturing and quality assurance.
- 138 SWDT has identified a number of future opportunities including: an increase in local employers wanting bespoke commercial training and apprenticeships (currently delivering training programmes for Hitachi Rail Europe and EDF); continuing to develop its relationship with local schools and to develop and deliver higher level apprenticeships (HND level) in 2017.
- 139 The Review Group visited ILD on 18 May and SWDT on the 2 June 2016 (for detail of the visits see Appendix 4)

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Examples of projects undertaken within 3 Towns, Derwent Valley and East Durham Area Action Partnerships

3 Towns AAP

1. The 3 Towns Partnership has worked on the priority of employment and job prospects, education and training for the last five years and has invested over £185K of Area Budget in a range of projects including:
 - **Social Justice Pilot** was launched in 2014 with the aim of improving welfare and wellbeing outcomes for customers receiving DWP benefits in crook, especially those who are vulnerable and or have particularly challenging circumstances.
 - **DCC Employability Mentoring Project/** provides tailored support for unemployed people living in the 3 Towns area and was launched in 2011. The project provides a co-ordinated programme of pathways into employment, enabling workless people to access opportunities and build skills that lead to sustainable employment and work with local employers to identify staffing needs to help fill vacancies from the target group (unemployed residents of the 3 Towns AAP who at registration are not part of the work programme). From 2012-2015 the project has achieved: 546 referrals to the programme; 454 one to one mentoring; 214 into employment; 66 into self-employment; 125 in employment; 106 into training; 31 volunteers/work placements and 23 apprenticeships.
 - **Inspiring young people and securing their futures** is a project developed from the relationship between the 3 Towns Partnership and Parkside Academy which provides a set of bespoke careers education events to offer extra support to pupils on top of the schools statutory careers requirements. These events are in the form of off timetable days that enable pupils to talk to both local and regional employers, obtain useful skills and knowledge by taking part in mock interviews and finding out key careers guidance information that will help them find the right employment pathway post 16. The project to date has delivered: 4 advice and guidance sessions; an entrepreneurial session for year 10 pupils; a post 16 parents evening for year 11 with a variety of employers in attendance and 2 careers based sessions delivered by DCC's Education Business Partnership to year 8 and year 11 pupils. To date 470 pupils have benefitted from the project.
 - **South Durham Enterprise Challenge** has been funded for two years in the 3 Towns Partnership area. The project aims to motivate and build self confidence in young people through a programme of skills development and enterprise and engineering activities. In 2012, the project took place with Parkside Academy, Teesdale School and Wolsingham School. In 2013 4 AAP's came together to fund the 2013 Schools Enterprise and Engineering Challenge bringing students from four schools into contact with employers and the workplace while working on a design and engineering project.
 - **Training & Preparing for Employment (Young People)** project aims to train and upskill around 20 local young people interested in the sports industry/sector.

DCC's Dales Sport & Physical Activity Development is working across the 3 Towns locality with community sports clubs, youth and community groups, schools and colleges to identify appropriate candidates to offer training and voluntary experience to give the young people a much greater opportunity of employment either full-time, part-time, apprenticeship or casual session work. Those young people accepted onto the project can then access appropriate coaching courses followed by a further period of 10 hours voluntary work within a sports club or community setting.

- **Willington Job Club – Willington Community Action** provided a community based job club with the aim of helping local people to become more employable. The project included functional skills, how to write a covering letter and CV, money management skills as well as opportunities to gain qualifications in subjects such as health and safety and food hygiene.
- **Computer Equipment Renewal – Tow Law Community Association** is a project replacing existing computer equipment to bring the computer suite at Tow Law Community Centre up to date to enable the delivery of training in I.T and other subjects provided by DCC's Adult and Skills training service.

Derwent Valley AAP

2. Derwent Valley partnership has tackled Employment, Education and Training since 2012. During this time, the partnership has helped to support and deliver a range of related projects and activities including:
 - **Derwent Valley Enterprise Clubs** are enterprise clubs designed and developed to encourage and support local people considering enterprise as an employment option. The clubs took the format of informal gatherings featuring speakers from the local business community as well as mentors/business coaches (£8,500 funding – match funding £35,000).
 - **Engineering Challenge** continues to raise student's aspirations by providing an awareness of the potential for a career in engineering or manufacturing. Participating students undertook a competitive challenge to design and manufacture electric cars and mechanical transporters to the engineering specifications provided (£5,500 funding – match funding £20,000).
 - **Routes into employment** is a project which has a number of elements aimed at supporting the development of skills and accessing employment. The project set up Construction Skills Certificate Scheme (CSCS) card pre-testing training and a public CSCS card testing centre locally. The project offers a particular focus on those who fall outside the eligibility of other training, longer term unemployed (six months plus), 16/17 year olds and those with health disabilities which included providing work placements, support with job searches, developing CV's, interview preparations, confidence building and raising self-esteem making individuals more job ready (£8,000 funding – match funding £11,123).
 - **Consett Swimming Club Coaches** project supported Consett Amateur Swimming Club (CASC) to develop the swimming skills of children and swimmers of all ages to national NPTS standards by developing Level 1 coaches up to Level 2 (£6,000 funding).

- **Business Adviser Project** provides a face to face business support service designed to work directly with business owners with a view to helping them grow to create employment opportunities and to maximise the support services and resources that are available to them (£10,000 funding).
- **Able, Gifted and Talented Challenge Programme** is an activity which aims at challenging and stretching able, gifted and talented students at Consett Academy aged between 11-18 years. A total of 220 students have benefitted from the programme (£5,178 funding – match funding £250).
- **Derwentside Valley Skills Audit** was undertaken in partnership with over forty local employers which provided an overview, giving a holistic picture of the area's employment and skills level which will be used to create a skills and employability action plan (£2,900 funding).
- **Derwent Valley Apprenticeship Scheme** builds on the success of the previous scheme in 2012 and will create a further 20 x 12 month apprenticeship opportunities in Derwent valley with an emphasis upon higher level skills and qualifications (£16,500 funding – match funding £30,000).
- **Security industry Authority (SIA) Licence and Construction Skills Certificate Scheme (CSCS)** two training courses are available and offered for anyone unemployed, aged 19 plus living in the area (£8,490 funding – match funding £21,496).
- **STEM Careers and Job Event** is a one day event involving local and regional employers, Further and Higher Education colleges for students from across North Durham to increase their awareness of the wide range of local and regional employment opportunities linked to STEM (Science, Technology, Engineering and Maths) areas and entitled 'I didn't know that these jobs existed' (£3,000 funding).

Moving forward the partnership through the Employment, Education and Training Task Group, a strong emphasis is being placed on supporting the development of higher level Science, Technology, Engineering and Maths (STEM) skills/qualifications for young people in the fields of creative industries, financial, professional and business services, digital industries and life sciences. This focus reflects the proposed approach of the North East Combined Authority Economic and Regeneration Advisory Board.

Two emerging projects that the partnership is looking to develop: the STEM Employment Engagement Manager post and a Business Growth Skills Academy.

- **STEM Employment Engagement Manager** – the Task Group is currently working with Consett Academy to develop a part-time STEM Employer Engagement Manager post 2 days per week to be provided at Consett Academy.

The aim of the project is to raise young people's (11-18 years of age) awareness of the world of work; raise young people's aspirations; support young people to understand the opportunities the STEM sector represents in the local and regional labour markets; challenge aspirations, stereotypes and

misconceptions about employment, particularly in the STEM sector. The project is planned to start in April 2016.

- **Business Growth Skills Academy** –the aim of this pilot project is to accelerate business growth, improve management skills and deliver job creation. The project consists of a skills training programme aimed at managers and business owners who have a level of ambition, capacity and capability to improve and grow their businesses but need extra training and support to plan and implement their own growth programme. The project will train participants in recognised business growth skills, followed by a period of mentoring to support them with implementation. Each business will participate in three training workshops followed by twelve hours of 1-2-1 mentoring. The project will create 8 additional jobs locally, with 8 businesses demonstrating improved capacity and performance.

East Durham AAP

3. Job Creation, Training and Education has been one of the top priorities for East Durham AAP since 2009. Working together with key stakeholders including DCC Employability Team, local businesses, schools and colleges, training providers and residents, East Durham has delivered a wide range of projects to tackle the barriers that prevent access to education training or employment opportunities. This work had been supported by a total investment of £141,831 (Area Budget) and £193,817 (Neighbourhood Budget). Each project has been developed to address local need and skill gaps. Examples of projects include:
 - **Targeted Apprenticeships** – it was identified that an aging work force was an issue for a number of local industries, and whilst there was a focus from the National Apprenticeship Organisations on engineering, retail, administration, the voluntary sector were finding it difficult to offer opportunities for young people. The DCC Employability Team, working with partners identified not for profit organisations that would create 7 new apprenticeship/ job opportunities within the community voluntary sector. In order to ensure that the Programme was flexible and as inclusive as possible the DCC Employability Team worked with Jobcentre Plus to engage with their clients.
 - **Family Learning** – the aim of the project is to provide family learning opportunities and address the issues of access to learning. The project supported parents to engage in the learning process with their children by providing family learning activities. The focus of this project was to target those families experiencing intergenerational unemployment and engage families as a unit in the first step towards more structured and accredited training.
 - **Thomas Kenny VC Commemoration Event** - East Durham AAP has introduced a number of projects that challenge existing stereotypes and encourage individuals to look at all opportunities. As part of the Thomas Kenny VC project, East Durham College media students were commissioned to record the event. They were able to use their skills and knowledge gained on their course, working closely with the BBC and Tyne Tees news teams. This project increased the student's aspirations, will significantly contribute to their qualifications and support their applications to University and employers. The project was funded by Heritage Lottery funding (£6,600).

- **Community Job Clubs** - the Community based Job Clubs were introduced to minimise both the financial and health impact on individuals and families of being unemployed. Based in Community Buildings across East Durham, the Community Job Clubs were launched in June 2015. There are now Job Clubs in ten communities in East Durham AAP area which are run by trained volunteers. There is a regular weekly attendance of nearly 200 residents across the 10 clubs with 26 people to date securing employment.

DurhamWorks - Delivery Partners

SHAID (Single Homeless Action Initiative Durham)	Strand 2
Consett YMCA	Strand 2
Springboard Sunderland Trust	Strand 2
Citizens Advice County Durham	Strand 3
Cornerstone Supported Housing and Counselling	Strands 2 & 3
Jack Drum Arts	Strand 2
Social Enterprise Acumen CIC	Strand 3
Sunderland, Chester le Street and Fencehouses YMCA	Strand 2
Groundwork NE and Cumbria	All strands
Gateshead College	Strands 2 & 3
County Durham Community Foundation	Strand 3
Foundation of Light	Strands 2 & 3
Amacus Limited	Strands 2 & 3
TIN Arts Limited	Strand 2
East Durham Business Service	Strand 3
Dame Kelly Holmes Trust	Strands 2 & 3
Durham County Council – Progression and Learning	Strand 1
Durham County Council – One Point (and delivery on behalf of Looked After Children and Public Health)	Strand 1 & 2
Durham County Council – Regeneration and Economic Development	Strands 1 & 3
Durham County Council – County Durham Youth Offending Service	Strands 1 & 2

Employers

Dyer Engineering Limited (DEL) and the Esh Group

1. Dyer Engineering Limited is based in the North of the county (Annfield Plain and Harelaw) and was established in 1977 and provides a range of services including: design services; fabrication and welding; specialist coatings and assembly; rapid response and computer numerical control (CNC) engineering and traditional machining.
2. The Esh Group has its Head Office on the Bowburn North Industrial Estate near Durham City and operates in a number of sectors including: housing and regeneration; civil engineering; general and specialist building; fencing and landscaping; plant hire; recycling and energy solutions.
3. Both companies recognised that they had an aging workforce (DEL 60% of skilled workforce over age 55) and that they needed to succession plan and, establish suitable apprenticeship programmes to ensure that they 'grow' the skills within their own workforce to replace retiring members of staff.
4. The companies have dedicated resources to promote and manage the various apprenticeship programmes. In relation to promotion both companies engage with schools, colleges and universities in the county highlighting opportunities and identifying the wide range of career pathways (including graduate opportunities) available in both companies. Type of engagement undertaken includes:
 - Attendance at school and FE colleges career days, events and fairs.
 - Providing work experience opportunities, specific projects working with young people (Employability Skills Programme, Future Business Magnates and STEM Careers Event), host visits and mock interviews.
 - Websites providing detail of apprenticeship and graduate opportunities available and career pathways.
 - The Esh Group also have handouts which detail the opportunities within the various sectors of the company.
5. The Esh Group engage with primary schools via the 'Get into STEM' initiative and has invested over £5,000 to develop a 'building and engineering' focused STEM kit. The kit will be deployed in approximately 72 schools for up to two weeks over the course of the 2015/16 academic year. The Esh Group estimate the STEM activities will engage over 5,000 students. In 2015, the STEM kit was deployed in 4 primary schools in Durham (Framwellgate Moor, Our Lady Queen of Martyrs R.C, Esh Winning and Witton Gilbert) engaging 135 students from Reception to year 1.
6. Both DEL and the Esh Group commented that teachers do not have the knowledge of the skill requirements of the various sectors and the career pathways available to be able to advise young people of current and future opportunities within their companies for example in the Esh Group a kerb layer has a career pathway which can lead to a site manager. Engagement by the

companies with secondary schools and FE colleges provides the opportunity for good quality IAG to be given to young people for them then to make an informed decision.

7. DEL provide opportunities for teachers to undertake work experience with the company so that they are informed about the various career options/pathways in the engineering sector and can provide young people with quality IAG. Teachers who have undertaken work experience have commented on how much better informed they are on the requirements and opportunities within the engineering sector and can provide better quality IAG to students.
8. Members commented that the need for young people to be provided with good quality IAG had been highlighted in a number of meetings and would feature in the recommendations of the Review Group.

Visits

New College Durham – Visit 25 April 2016

- 1 On the 25 April 2016 members of the review group visited New College Durham where they were greeted by the Principal, John Widdowson and Vice-Principals Mark Anderson and Mo Dixon. The Principal highlighted that NCD works in partnership with DCC, collaborating on various projects together with other partners in the county such as Infinite Learning and Development (ILD) in terms of the Welding Academy at Peterlee.
- 2 Approximately 22% of the school leaver cohort in County Durham attend NCD providing an alternative to staying on at school in the Sixth Form with a different culture to school, more akin to university or the workplace with students treated as adults and expected to maintain high standards of behaviour and timekeeping.
- 3 NCD offers students the opportunity to study for AS/A-Levels however the majority around 90% were studying for technical and professional qualifications with a number of students becoming entrepreneurs having successfully completed vocational programmes in catering, hospitality, painting and decorating, hairdressing, plumbing and electrical testing. NCD also provide ESF work related programmes for the unemployed via a number of partners based in the local community and response to redundancy programmes.
- 4 It was highlighted by NCD that one of the major challenges for partners within the county is to identify future skill needs. NCD works with partners and employers, approximately 1,000 annually (in terms of apprenticeships, work experience and work placement) providing an opportunity to discuss and identify their skill requirements whilst also providing opportunities for young people in the work environment. NCD is working with Atom Bank identifying the skills they currently need and also their future skill requirements, to grow apprentices locally to support their future skill needs going forward. It was suggested by NCD that partners need to use the same Labour Market tools to predict future skill requirements.
- 5 Data is captured by NCD at the end of each academic year on the destination of students (continue in further education or training, into employment, which sector employment is, apprenticeships etc.) with the destination then tracked/monitored for a further five years. The data is then used by NCD to remodel programmes if required to reflect those destinations identified.
- 6 The college is currently undergoing building works totalling £5m which includes the reconfiguration of the Higher Education building to create more classrooms and breakout areas, the creation of a Creative and Digital Centre, a creative hub with industry standard design and media facilities and an advanced Manufacturing and Engineering Centre to respond to the regions need for skilled workers in the sectors.

- 7 NCD publicises the range of programmes via its website including social media, education networks including schools in the county, various employer networks and forums, links with the NECC, Business Durham and career events held on a monthly basis (first Tuesday of every month).
- 8 The Principal (John Widdowson) and Head of Marketing and External Partnerships (Dawn Fairlamb) then took members on a visit of the main college building which included the following areas: The Le Nouveau Restaurant, where members of the review group sampled refreshments including scones prepared by the students with a chef from the Marriot Hotel in attendance to give instruction; kitchens and facilities for SEND students; engineering and motor vehicle maintenance areas; joinery and bricklaying areas; gas, plumbing and electrical testing areas; painting and decorating; the Sixth Form Centre; health and social care; the Creative and Digital Centre; hair and beauty salons and the performing arts provision.
- 9 Members of the review group commented on the outstanding facilities and the wide range of courses and programmes on offer including: FE vocational; GCSE and A Levels; apprenticeships; Higher Education (50 degrees available); community short courses; bespoke courses designed for employers and return to work and employability provision.

Infinite Learning and Development (ILD) - private learning provider) – Visit 18 May 2016

- 10 On the 18 May 2016 members of the review group visited Infinite Learning and Development where they were greeted by Keith Corbett, Operations Director. Members were reminded that Infinite Learning and Development occupied two sites providing training opportunities in facilities at the Learning Centre of Light and at the separate Welding Academy.
- 11 Members were then given a tour of the facilities at the Learning Centre of Light and were informed that ILD work with partners including New College Durham to provide and deliver various training including apprenticeships, pre-employment courses and qualifications.
- 12 ILD provide a Simulated Working Environment (SWE) (one of three in the country) in the Learning Centre of Light, which replicates a fully operational assembly line and includes an integrated classroom facility. ILD use the SWE as part of the induction programme which they deliver for CAT and pre-employment programmes they deliver to various organisations and universities. Over 7,500 people had undergone training via the SWE
- 13 The review group was then taken on a tour of the welding academy where members were informed that ILD has developed and delivered welding programmes specifically to meet the training and succession planning needs for Caterpillar Articulated Trucks (CAT). CAT and its suppliers had recognised that they had an aging workforce (2010 average age of a welder at CAT plant was 55) however young people with NVQ qualifications in welding did not have the specific welding standards required by both CAT and its suppliers.

- 14 Following the tour the review group met with representatives from Caterpillar (Graham Anderson, Group Manager, Helen Hopper, Human Resources and Jim Richardson, Senior Section Manager (Operations)) to discuss with them the model of training used by ILD for apprentice welders.
- 15 Members were informed that Caterpillar considers the apprenticeship model a great success with apprentices trained to industry level within a 4 month period this then allows them to return to the caterpillar plant where they can 'hit the floor running' and be productive, working alongside mentors to provide support and further develop their skills. It was highlighted that apprentices who have not undergone apprenticeship training via the academy do not have the level of skill required by Caterpillar. The most recent cohort of apprentices from the Welding Academy included a female welder.
- 16 It was highlighted that Caterpillar was proactive in engaging with partners and developing training programmes to meet its current and future training needs. It was highlighted that this model works because ILD are delivering training specific to the requirements of an employer and that this model could be adapted for use in other sectors.
- 17 It was also commented that Caterpillar and ILD promote the opportunities provided by the welding academy and that Caterpillar also engages with schools to raise the profile of career opportunities to attract young people into the manufacturing and engineering sector.
- 18 CAT currently provides work experience opportunities to five local schools via 4 work experience modules which have been developed with business partners and have been added to the school's curriculum for 2015/16. CAT have 12 engineering ambassadors who evaluate students' performance in the work place whilst on work experience, any student deemed as excellent in one module by more than one business ambassador may get the opportunity to be fast tracked to an assessment centre for future apprenticeship opportunities. CAT also have a further 26 employers trained to be business ambassadors who deliver work experience in manufacturing, career choices and work readiness.
- 19 The review group highlighted the excellent training facilities provided at ILD both at the Learning Centre of Light and the Welding Academy. Members also commented on the significant success of the apprenticeship model used by ILD at the welding academy which had been developed with CAT to meet their skill requirements.

South West Durham Training (SWDT) - Visit 2 June 2016

- 20 On the 2 June 2016 members of the review group visited South West Durham Training where they were greeted by Lee Childs, Chief Executive Officer. Members were informed that SWDT provides training for local manufacturing and engineering companies predominantly around the Newton Aycliffe and Darlington areas.
- 21 Members were then given a tour of the excellent facilities provided at the CORE facility where they were given detail of the special equipment provided including:

- High Automated System (HAS) which has been devised based on the training requirements in industries with a high level of automation. Its versatility and attractive design allow the reproduction of the operation of a real factory, allowing the study of different scenarios. The highest state-of-the art technologies used in productive processes are integrated in this didactic system, which responds to the need of the most diverse sectors (automotive, semiconductors, food, pharmaceutical etc.).
- Flexible Manufacturing System (FMS) is used for integral training in industrial automation. The modular features of this flexible automation cell allow the introduction of variations in the posts of which it is comprised so that they adapt to the different requirements of companies and training centres.
- Industrial Process control and Bottling and Filling Station allows the raw material to be moved from the side tanks to where the mixing takes place. Once mixed, the liquid leaves the tank and moves towards the drainage section of the station. This equipment is specially designed for the development of professional skills required in the continuous process industry (in sectors such as food, pharmaceutical, chemical, petroleum, etc.).

22 In addition, when undertaking the tour the review group observed young people using welding equipment, operating the lathe machine and various electrical engineering equipment used in the sector with employers from Hitachi Rail Europe undertaking a bespoke introductory course during the visit.

23 The review group commented on the excellent training facilities provided.

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Cabinet

19 October 2016

An Opportunity for Every Care Leaver



Report of Corporate Management Team

Margaret Whellans, Interim Corporate Director of Children and Young People's Services

Councillor Ossie Johnson, Cabinet Portfolio Holder of Children and Young People's Services

Purpose of the Report

- 1 The purpose of this report is to update Cabinet on the action being taken by the Council to ensure all of our Care Leavers have the opportunity to achieve their aspirations and fulfil their potential and to highlight ongoing barriers to the successful progression into Apprenticeships (and employment) for some of our Care Leavers.

Background

- 2 In March 2016, Corporate Management Team agreed to the development of an Action Plan to identify and promote opportunities for Care Leavers within DCC and to clarify roles and responsibilities, this included:
 - The identification of Directorate Champions to support the sourcing and promotion of opportunities.
 - Briefings for Management Teams to include information on the support available to them when engaging with Care Leavers.
 - The establishment of a central brokerage function to match the identified opportunities with young people who could benefit from them.
 - Individual support and action planning with Care Leavers to include proactive identification and sourcing of opportunities within DCC.
 - Identifying opportunities to develop coaching and mentoring skills to support Care Leavers undertaking opportunities within DCC.
 - Celebrating success.
 - Reviewing innovative practice from other Local Authorities.
 - Establishing a baseline of current provision of opportunities for Care Leavers; monitoring progress and reporting on outcomes.

Current Position

- 3 An Action Plan was developed and is now being implemented. Key developments include:
- Identification of Directorate Champions to support the sourcing and promotion of opportunities (for Apprenticeships and Traineeships):
 - Profile of agenda raised with Strategic Managers via Management Teams and identification of possible opportunities for Care Leavers.
 - Establishment of a central brokerage function to support unemployed Care Leavers into education, employment or training and/or to benefit from the identified opportunities.
 - All unemployed Care Leavers (15-24) allocated a Transition Advisor (through DurhamWorks) to support them on their pathway to employment. The Advisors will continue to work with them until July 2018.
 - Celebration of Success of individual Care Leavers, e.g. Care Leavers undertaking a Traineeship with the Adult Learning and Skills Service recently received a Group award at an Awards evening on the 16th June. In addition, a Care Leavers Celebration of Achievement Event will be held on the 26 October 2016 as part of national Care Leavers Week.

Support Available for Care Leavers

- 4 There is considerable support now in place for unemployed Care Leavers which can be provided or sourced via their individual Transition Advisor/Young People's Service. This can include, for example:
- Mentoring
 - Financial management
 - Careers guidance
 - Childcare
 - Transport
 - Equipment (to access work or training)
 - Mental health
 - Sexual health
 - Emotional resilience
 - Homelessness
- 5 Many of our Care Leavers continue to face multiple barriers to progression. These include low confidence and self-esteem, a lack of stable relationships and associated emotional support, social isolation, previous negative experiences of education which can impact on motivation to progress into education, employment or training. Some of our Care Leavers are also teenage parents and their barriers to progression can be even greater, including coping with the responsibilities of being a parent, childcare

arrangements, transport, as well as concerns about their financial responsibilities.

6 As an example, a cohort of unemployed Care Leavers was engaged in September 2016 on a 26 week pilot Traineeship with the Adult Learning and Skills Service. The trainees received intensive one to one support from the Young People's Service and from their tutor. Each individual received support to:

- Build resilience
- Develop confidence
- Develop English and Maths skills
- Undertake a successful work placement
- Enhance employability skills.

7 The evaluation of the programme demonstrated that all the trainees found the experience extremely positive. Their comments included:

'I've got more ambition and more confidence'.

'This course has helped me to prepare for work in the future'.

'I feel I can get anything I want out of life and I know that I deserve it'.

'I have a bigger understanding about myself, more confidence around people'.

8 Despite the success of the programme, it has been difficult to ensure they continue to develop their skills and experience.

Support Available for Employers

9 As well as providing tailored support to young people, DurhamWorks has a team of Business Advisors working with businesses across the county to encourage employers to create opportunities for young people including jobs, apprenticeships, traineeships, internships and work and volunteering placements. In addition, DurhamWorks has several Delivery Partners who support young people in developing the skills and knowledge that they need to start their own businesses or develop a social enterprise. The Business Advisors:

- Identify aspirations, growth plans and recruitment needs
- Explore potential for work experience, jobs, apprenticeships and traineeships
- Identify and remove barriers to employing young people
- Access funding and support to create opportunities for young people
- Identify suitable candidates for vacancies
- Coordinate interviews and support an employer's recruitment needs

- Provide in-work support and mentoring for the young person and the business.
- 10 In addition to existing Council funding available to support young people and adults access employment, employers (small and medium sized enterprises) will have access to the DurhamWorks Learning Working Earning Grant administered by County Durham Community Foundation which is solely for employers who wish to employ DurhamWorks participants, including Care Leavers. The grant can contribute 50% of a young person’s salary once all other funding has been taken into consideration (in all cases the employer must contribute a minimum of £1000); uniform/workwear and equipment.

Barriers to Employment/Apprenticeships

- 11 In addition to the many personal barriers individual Care Leavers can face to progression, there continues to be a financial disincentive for many to progress onto an Apprenticeship or into employment.
- 12 For many, the first step into employment is an Apprenticeship. Table 1 illustrates the wage rates received by Apprentices.

Table 1: Apprenticeship minimum wage levels				
	Age			
	16-18	19-20	21-24	25 +
Year 1	£3.30 ph £6,349.20 pa	£3.30 ph £6,349.20 pa	£3.30 ph £6,349.20 pa	£3.30 ph £6,349.20 pa
Year 2	£3.30 ph £6,349.20 pa	£5.30 ph £10,197.20 pa	£6.70 ph £12,890.80 pa	£7.20 ph £13,852.80 pa

- 13 All Apprentices receive the Apprentice rate of the National Minimum Wage during year 1. From year 2 onwards, Apprentices aged 16-18 continue to receive the Apprentice rate of the National Minimum Wage. All other Apprentices are entitled to the appropriate rate of the National Living Wage / National Minimum Wage – depending on their age.
- 14 In year one of an Apprenticeship it is likely that an individual will receive £529 per month. Many Care Leavers, as a result of their individual circumstances, receive benefits far in excess of this and therefore continue to be caught in a benefits trap. Initial discussions with both Revenue and Benefits and Jobcentre Plus suggest there is no local flexibility to waiver national rules which dictate the support Care Leavers can receive when undertaking an Apprenticeship.

Proposal

- 15 It is therefore proposed that a small Task Group be established involving the Young People's Service, Adult Learning and Skills Service, Revenue and Benefits, Regeneration and Economic Development and Jobcentre Plus to develop a more detailed understanding of the level of financial support that would be required to support an estimated 10 Care Leavers each year with a two year income guarantee and a process by which this could be managed.
- 16 This work will model a solution that will enable best practice to be adopted by other businesses who are willing to support Care Leavers in the future and the Council's role as a Corporate Parent.

Recommendation

- 17 It is recommended that Cabinet:
 - Note the activity being undertaken to support Care Leavers address financial barriers to undertaking an Apprenticeship/access employment and ensure the Council meets its responsibilities as a Corporate Parent.

Contact: Linda Bailey, Strategic Lead: Progression and Learning, Children and Adult Services Tel: 01325 375940

Appendix 1: Implications

Finance – It is anticipated that the Task Group will identify a level of funding to potentially be made available every year to support Care Leavers out of the benefit trap.

Staffing - None

Risk - None

Equality and Diversity / Public Sector Equality Duty – It is clear from this work the significant inequality for Care Leavers and young people who experience significant poverty of skills and positive networks.

Accommodation - None

Crime and Disorder - None

Human Rights - None

Consultation - None

Procurement - None

Disability Issues - None

Legal Implications - None

Cabinet**19 October 2016****Public Health Annual Update Report**

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Purpose of the report

- 1 This report provides an update on national, regional and local public health developments. In particular, it will highlight to Cabinet the last 12 months work undertaken by the Durham County Council's public health team and areas for priority going forward.

Background

- 2 Public health has been in Durham County Council for three and a half years. The impetus behind the transfer from the NHS was to transform the approach to improving the health of the population by a re-focus on tackling the social determinants of health as evidenced by the Marmot Review and to work more closely with communities. Tackling the social determinants of health includes improving the life chances for children, reducing income inequality, creating good employment and housing conditions, improving the social environment in which people live and work and helping people to live healthier lives.

Statutory duties

- 3 As a statutory appointment within the local authority the Director of Public Health (DPH) has statutory delivery requirements and mandated functions for which the public health ring fenced grant must be spent. This is as prescribed in the Health and Social Care Act 2012. The statutory duties of the DPH include:
 - Taking appropriate steps to improve the health of their population. This duty complements much of the local authority's existing core business and its strategic responsibility for stewardship of place.
 - Supporting local political leaders in their ambitions to improve local health.
 - Contribute fully to rigorous and well-informed joint strategic needs assessments and joint health and wellbeing strategies
 - Working with wider partners to foster joint commissioning arrangements (where appropriate) and to inform wider strategies, for example around adult social care, children's services, transport, housing and leisure
 - Providing officers and elected members with appropriate advice, based on a rigorous appreciation of patterns of local health need, what works and potential returns on public health investment

- Providing advice to partners more broadly
- Being the person who elected members and senior officers look to for leadership, expertise and advice on a range of issues, from outbreaks of disease and emergency preparedness through to improving local people's health and concerns around access to health services
- Working through local resilience fora to ensure effective and tested plans are in place for the wider health sector to protect the local population from risks to public health
- Having a particular focus on ensuring disadvantaged groups receive the attention they need, with the aim of reducing health inequalities
- Commissioning clinical services such as sexual health and drug and alcohol services the DPH will need to ensure that providers have appropriate clinical governance arrangements in place that are equivalent to NHS standards

Mandated functions

- 4 The work of the public health team is focused on delivering the stipulated mandated functions, as well as high priority discretionary services which are deemed most relevant to reduce health inequalities. The mandated functions include:
- A. Sexual health services** which include prevention and treatment of sexually transmitted infections and contraception
 - B. NHS health checks** for 40 – 74 year olds. This is a programme designed to identify those in the population at risk of developing cardiovascular disease
 - C. National child measurement programme (NCMP)** part of obesity prevention
 - D. Five universal visits to families with children under the age of five** as part of the healthy child programme (as of October 2015)
 - E. Support and advice to CCGs*** to commission equitable and evidence based health services to the local population which increase health outcomes and reduce inequalities
 - F. Health protection**** – through the DPH holding the system to account and being the senior health advocate for the local population and protecting the health of residents

Health care public health (mandated function E*)

- 5 The DPH has responsibility, and funding within the grant, to provide a core offer of public health advice and support to the NHS locally. National guidance stipulates that there should be 1 whole time equivalent senior public health specialist / consultant per 250,000 population supporting the CCGs. This support arrangement provides an opportunity for local authorities to build and maintain close links with clinical commissioners and complements the close working relationship required for the health and wellbeing board. A separate public health work plan for the CCGs has been developed and is being delivered.
- 6 The public health service should have the staff resource to be able to offer:
- Expert advice to ensure that joint strategic needs assessments reflect the needs of the whole population
 - Support the development of commissioning strategies that meet the needs of vulnerable groups

- Support the development of evidence-based care pathways and service specifications by CCGs
- Contribute advice on evidence-based prioritisation policies and individual funding requests
- Health needs assessments and health equity audits as required
- Provide other specialist public health advice as required by NHS commissioners

Health protection (mandated function F)**

- 7 The Secretary of State has the core duty to protect the health of the population. The DPH has a critical role at the local level in ensuring that all the relevant organisations have plans in place to protect the population against a range of threats such as major incidents, biological and radiological hazards and infectious diseases.
- 8 This will link to, but be different from, their statutory responsibility for public health aspects of planning for emergencies within local authorities. Most health protection incidents are contained locally and managed by Public Health England with assurance being sought from the DPH. The DPH will be the lead for the local authority at strategic coordinating groups (SCG) for major events such as pandemic flu.
- 9 The DPH and Consultants in Public Health should therefore:
- Provide strategic challenge to health protection plans/arrangements produced by partner organisations
 - Scrutinise and as necessary challenge performance
 - If necessary, escalate any concerns to the local health resilience partnership (LHRP)
 - Receive information on all local health protection incidents and outbreaks and take any necessary action, working in concert with Public Health England and the NHS. This may include, for example, chairing an outbreak control committee, or chairing a look back exercise in response to a sudden untoward incident
 - Contribute to the work of the LHRP, possibly as lead DPH for the region;
 - Provide the public health input into the local authority emergency plans.

Public Health ring fenced grant

- 10 The public health grant allocation is ring fenced to commission, provide and discharge the statutory public health functions and achieve the public health outcomes agreed through the joint health and wellbeing strategy and national public health outcomes framework (see appendix two for PH outcomes framework and appendix 4 for the 2016 County Durham Health profile). The grant has been subject to a £4.3 million cut in 2016/17. This means that, as it stands, the grant in County Durham is £51,246 million.

The budget reductions for 2016/17 will be achieved through a re-prioritisation of spending. The following principles were considered when determining how to reduce the budget:

- Mandated / statutory responsibilities within the Local Authority

- Health needs of the local population and the inequality gap
- National research evidence and Public Health England's recommendations for priorities of spend
- Overlay of current proportion of spend in budget compared to the three factors listed above.

The majority of public health spend relates to commissioned services and medium term contracts with third party providers. This limits the flexibility/opportunity to react in the time scales that would be required to reduce expenditure in line with the reduced level of public health grant in 2016-17. In order to optimise service delivery and re-prioritise the service provision that can potentially be delivered within the reduced financial envelope, public health management team intend to phase in the saving over 2016/17 and 2017/18, facilitated by the use of public health earmarked reserves. The proposed re-prioritisation will deliver £4.3M reduction in spend by the close of 2017/18, using £3.6 million reserves.

Funding will be reduced from the following areas:

- Drugs and alcohol services
- Sexual health services
- NHS Health Checks
- Stop smoking service and NRT (Nicotine Replacement Therapy)

Public health has a commissioning review programme to manage the reductions to the public health grant. This includes completion of equality impact assessments and risks assessments. There are specific project plans in place for all of the planned reductions. Individual communication strategies and consultations are being managed as part of due processes.

National discussion is taking place currently to consider what the public health grant allocation will include from 2018/19 and whether it should be drawn from local business rates.

National picture

Public Health England

- 11 PHE is a national agency commissioned by the Department of Health to provide direction and advisory support to the public health system. PHE local centres provide the functions related to health protection and work closely with Directors of Public Health and environmental health services. In addition, they provide specialist advice on health care public health and health intelligence. Working with local authorities through local public health teams, they offer advice and guidance and aim to, where appropriate, suggest ways to operate at scale.
- 12 Through evidence reviews and engagement with public health professionals PHE has identified seven priorities for the next four years which are laid out in their strategic plan 'Better outcomes by 2020'.
 - Tackling obesity – prevention through whole systems

- Reducing smoking – tobacco control, stopping children from starting to smoke and stopping smoking during pregnancy. Changing social norms by making smoking history
- Reducing harmful alcohol consumption – reducing alcohol related admissions
- Every child to have the best start in life – resilience building, parenting programmes, early years provision, addressing poverty
- Reducing the risk of dementia – its incidence and prevalence in 65 – 74 year olds – lifestyle related changes as well as supporting those to live with Dementia and care for people with Dementia
- Tackling the growth in antimicrobial resistance
- Achieving a year in year decline in Tuberculosis

NHS England

- 13 NHS England has five area teams working to support local system delivery. County Durham sits within the sub-regional area consisting of Cumbria and the North East of England. NHS England commission population health screening and immunisation programmes. The Director of Public Health requires assurance of the effective delivery of these services to protect the health of the local residents. Inequalities can exist within County Durham as well as when compared to the England average or North East. It is therefore vital that local area data is received from NHS England to consider the uptake of screening and immunisation programmes.

Screening and immunisation programmes include:

- Cancer screening
- Bowel, breast, cervical

Non cancer screening programmes

- Diabetic retinopathy, Abdominal Aortic Aneurism (AAA), antenatal and new-born

Immunisation schedule

- Childhood and adolescent programme, flu, pneumococcal,

Overall County Durham performs well in immunisations and screening programmes. A separate report will be presented on the health protection functions of PHE and NHS England's performance on screening and immunisation delivery in November 2016.

Regional picture

NHS Five year forward view and Clinical Commissioning groups: Role of public health

- 14 To enable the implementation of the NHS five year forward view Sustainable and Transformation Plans (STPs) are being established based on patient flow foot prints. County Durham is part of two STP footprints. North of Tyne and Wear STP which covers: County Durham, Sunderland, Gateshead, South Tyneside, Newcastle and Northumberland. The second STP is County Durham, Darlington, Tees, Richmond, Hambleton and Whitby STP.

- 15 The main drivers behind the STPs are better quality and more cost efficient health services, incorporating modern ways of working and a focus on prevention / early intervention. It is essential that public health has a strong voice in the prevention and early intervention element of both STPs.
- 16 The tool to drive the STPs through is known as the 'Better Health Programme' (BHP). There are two component parts to BHP. The review and reconfiguration of hospitals and specialist treatment centres is one element. The second element is the 'not in hospital' care. The 'not in hospital' model is focused on the integration of health and social care and how, through the appropriate skill mix of professionals and by working with communities, residents can stay out of hospital and be well within the community. Public health has a key role to play in both elements of the BHP.
- 17 Through the *health care public health* remit public health will be providing advice and guidance to CCGs about the re-design of services such as maternity care. Public health must also ensure locally commissioned services such as Health Visiting and the Wellbeing for Life programme are included and built upon in local communities.

North East Combined Authority (NECA) and link with public health

- 18 Whilst the North East Combined Authority at its meeting on 6th September voted against plans to move forward with public consultation on the deal, there has been much work completed to date on regional partnerships which remains relevant. Over the last 12 months public health staff have been involved in all work streams across NECA which has provided a significant platform to influence plans ensuring health is considered in all strategic thinking and planning.
- 19 Health and social care (HSC) commission. The largest contribution from public health is on the HSC commission. Prevention and early intervention is a theme that overlaps with the two STPs discussed earlier. Public health is advocating for a higher proportion of spend to be allocated to prevention based activity. *Due North says - The health sector can still do much more to champion action on health inequalities; facilitating and influencing action across all sectors to increase numbers of people seeking help in primary care. Integrating support across agencies for the full range of problems that are driving them to seek help (e.g. employment support, debt, welfare advice, housing), will reduce pressure on GPs and enable early intervention to prevent the exacerbation of problems, reducing poverty among people with chronic illness and reducing children's exposure to poverty, and its consequences. For example by creating or expanding upon services in primary care which consider debt and housing advice and support to access disability-related benefits can impact on health outcomes for those with chronic illness.*
- 20 Increasing the spend on prevention is about the proportion of total spend across the health and social care system and not only about the public health grant allocation. If secondary prevention is to gain traction then health services must invest. One example of this could be the treatment of nicotine addiction and the financial benefit gained by the NHS with reduced spend on CVD, cancer and respiratory pathways. Local authority public health teams will continue to focus on tobacco control measures and making smoking history. Through this systems approach health

inequalities will reduce and the NHS will be able to re-invest funding elsewhere from what is released from the current spend on smoking related ill health.

Local picture

- 21 The work of the DCC public health team is wide ranging and over the last three and a half years has endeavoured to reach out to work with as many stakeholders and communities as possible. The public health team structure can be found in appendix three. The Health and Wellbeing Board, Safe Durham Partnership and Children and Families Partnership are heavily reliant upon the leadership and delivery of the Public Health team to achieve strategic objectives. Much of the local delivery works in close partnership with the AAPs.
- 22 The remainder of the report provides some highlights of the local delivery over the last 12 months.

Early years and children's public health

0 – 19 service (health visiting and school nursing): Transformation

(Health and Wellbeing Board, Children and Families Partnership, LSCB)

- 23 Professor Michael Marmot emphasised the importance of investing in 'the best start in life' for the maximum gain in the future. During 2015/16 the health visiting 0 – 5 function moved across from NHS England to local authority control. This provided an opportunity to commission an integrated 0 – 19 service which includes the two mandated functions of the universal visits within the healthy child programme and the NCMP. Following extensive engagement and consultation with children, young people, parents, carers, schools and wider stakeholders a new service specification was designed. A comprehensive procurement process was undertaken to secure the best provider for the new 0 – 19 service.
- 24 In April 2016 Harrogate and District Foundation Trust (HDFT) were awarded the contract. Through a transformation programme staff numbers were maintained in County Durham and service delivery has altered to be much more focused on mental health and emotional wellbeing. In particular the school nursing service is making significant changes to be more visible for young people, more accessible through a variety of mechanisms such as text messaging and community as well as school based drop-ins. In addition to this a standard core offer for health improvement is being delivered within schools and a more bespoke / enhanced offer for special schools and children educated outside of mainstream. During the academic year 2016/17 these changes will be coming to fruition.
- 25 A vulnerable parent pathway has been designed for more targeted intervention for those families with risk factors such as domestic abuse, mental ill health, drug and alcohol use. All pregnant teenagers will be assessed through the vulnerable parent pathway to determine level of support. The vulnerable parent pathway is also designed to tackle root causes of ill health and family problems. Strong links are being made with housing and welfare colleagues to address poverty.

Children's wellbeing: Innovation and partnership

(Children and Families Partnership, LSCB early help sub group)

- 26 A rethink on how to deliver support to families to enhance the work on the best start in life was progressed in close partnership with children's services, education and voluntary and community sector (VCS). A resilience pathway has been created through a:
- Community Parenting Programme which consists of trained, quality assured and supported volunteers to work with families who are pregnant or have a child under the age of five. This programme has dual benefits for both the volunteers to progress on a skills pathway and develop confidence and competence as well as the clear benefits to the families being supported by the volunteers. During the last 12 months 26 volunteers have been recruited and trained, five of which have progressed into employment and training.
 - Durham resilience in schools programme. This programme is gaining real momentum in schools. The whole school approach to building resilience enables schools to consider how they could improve their environment and culture to embrace the concept of how the wellbeing of a child impacts directly on how well they achieve academically.
 - Longer term outcomes for this programme are focused on the closing of the gap in attainment between children on free school meals, a reduction in absenteeism and an improvement in behaviour. All of which will improve the health outcomes of our future working age adults.

Stop smoking service and tobacco control: Reducing impact on health

(Health and Wellbeing Board, Children and Families Partnership, Safe Durham Partnership)

- 27 The single most modifiable risk factor for ill health is for people not to start to smoke or to stop as soon as possible. A new stop smoking provider has been secured over the last 12 months. Solutions for Health is already working to increase the 4 week smoking quit rate in County Durham. Smoking at time of delivery continues to be a major priority and significant work has been undertaken with the regional 'Baby Clear' programme. Percentage of women quitting through this service has increased from 43% in 2012 to 60% in 2015/16. 18.1% of women still smoke at time of delivery so there is still much work to do.
- 28 Smoke free play parks has gained national interest and local media coverage. The most recent population survey demonstrated that 99% of those surveyed were in favour of the voluntary code to make play parks smoke free. This area of work is about changing social norms so smoking is not accepted in public spaces and visible to children and young people. This work was sponsored by the Health and Wellbeing Board.
- 29 Electronic cigarette use is continuing to increase and be the main form of quitting tobacco for adults. Whilst PHE have suggested stop smoking services should be 'vaping friendly' as the evidence to date demonstrates it is significantly less harmful than tobacco, there should be caution about any unknown long term risks. There is a clear message that public health teams should be making sure young people don't start to vape and become addicted to nicotine. Latest smoking prevalence for County Durham shows a 3.2% decrease since 2012.

- 30 On 9th March 2016 (No Smoking Day) the Tees Esk Wear Valley (TEWV) Foundation Trust implemented their smoke free policy. The policy covers service users, staff, visitors and contractors are no longer able to smoke tobacco on any Trust premises. However the policy is much wider than a smoke free site provision, it is a policy that recognises that much needs to be done to address the high smoking rates and lower life expectancy amongst those living with mental health problems. The Trust recognise they have a duty of care to their service users and by going smoke free aims to significantly increase both the physical and mental health of service users. The policy does not allow staff members to accompany or support a service user to smoke at any time, and includes nicotine management and smoking cessation support for service users.
- 31 Pathways have been developed to support the identification of a smoker and provide nicotine abstinence support on admission. A total of 1,479 staff have been trained in smoking cessation brief intervention and a further 187 staff trained as champions on wards to give nicotine management support and provide NRT (nicotine replacement therapy) e.g., patches etc. within 30 minutes of admission. A high proportion of the training has been delivered by the Durham County Council commissioned stop smoking service team. Links have also been made with all community stop smoking services to enable referral of patients to their nearest stop smoking service on discharge, to enable patients to continue their smoke free journey.

Mental health: Review and good practice

(Health and Wellbeing Board, Mental Health Partnership)

- 32 There is ongoing work to review the commissioned services focused on mental health. The intention is to ensure there is a seamless connection with the Wellbeing for Life programme, adult social care, mental health services and community involvement through AAPs and VCS. The emphasis is to be on mental health promotion and resilience going forward. Working on improving the mental health of the population will reduce the need for mental health treatment services.
- 33 The County Durham Crees (men's sheds) have undergone a local evaluation delivered through a co-produced piece of work with Teesside University. The Crees are designed to support socially isolated individuals who may be deemed to be at greater risk of suicide. Whilst there remains a focus on men, the Crees model has been expanded to include socially isolated young people and women. By bringing people together through a volunteer led infrastructure the Crees are as autonomous within the community as possible. The County Durham Crees have had national recognition for good practice.
- 34 Since the 2014 DPH annual report focusing on social isolation there has been a significant amount of activity driven by the AAPs in local communities. Funding has been invested in befriending schemes and inter-generational projects; all designed to connect people back into their communities and reduce isolation.

Wellbeing for Life: Effective implementation and roll out

(Health and Wellbeing Board)

- 35 The Well Being for Life service is commissioned by public health and delivered by Durham County Council Culture and Sport, County Durham and Darlington Foundation Trust, Leisureworks, Durham Community Action and Pioneering Care

Partnership. Taking a community asset based approach, the Wellbeing for Life service is operating in the 30% most deprived areas as well as providing outreach support to individuals and communities with specific needs outside of these geographical boundaries. The service provides 'one to one' support, group activities, volunteering opportunities and community development approaches.

36 Over the last 12 months the wellbeing for life service has had a specific drive to promote LOCATE, the DCC information website. There has also been significant success with the more targeted elements of the service working closely with AAP colleagues. In South Moor and Quaking Houses 222 clients have engaged with the service and 98% of them demonstrated improvements in confidence, wellbeing and self-esteem.

37 The key performance indicators for the service have been exceeded in most cases, with those engaged with the service reporting improvements in their sense of wellbeing and being more engaged in their local community. This includes:

- From April 2015 to the end March 2016, 78 community-based group intervention programmes, in response to expressed community need were delivered, including friendship groups, walking, seated exercise and physical activity across the Wellbeing for Life target areas. A total of 715 participants benefited from these groups.
- From April 2015 to the end of August 2016, 2815 people received a 'one to one' wellbeing intervention. Two in five had sought help for multiple reasons, while one in five wanted help with weight loss or weight maintenance
- 209 volunteering opportunities have been created including 15 participants going into employment.

38 One of the main outcomes of the wellbeing for life programme is to reduce social isolation and work to enable people to connect with others in their communities. An independent evaluation is being completed by Durham University and will be published by December 2016.

39 The second phase of the Wellbeing for Life approach is to move beyond the specific commissioned service and engage social housing providers. The housing and health group has been established and is focusing on two main areas to begin with:

- Tackling fuel poverty and links to managing long term conditions
- Making every contact count (MECC) training for housing staff to deliver brief intervention messages and sign post to relevant health providers

This second phase of wellbeing for life has a primary aim of tackling the impacts of poverty.

Fuel poverty / Warmer Homes: Social determinants of health

(Health and Wellbeing Board)

40 The Warm and Healthy Homes programme is a joint programme between public health and the housing regeneration team part of economic development and housing in DCC. It aims to reduce fuel poverty and improve health and wellbeing.

41 The programme has become more embedded with health and social care this year with 193 referrals made by health practitioners, social care staff and partner

organisations. In particular working with both CCGs' who now have information on their websites. Information has also been disseminated to DDES CCG Patient Reference Groups and links with the Dales Federation have been made with a view to exploring how the scheme can be targeted utilising Care Connectors. The project is embedded into the Health and Wellbeing and Affordable Warmth Strategies and performance managed via the respective systems.

- 42 Both in terms of patient disease profile and age range, the intervention is reaching the priority groups identified by the project. The project has also brought additionality, including external funding of £100K awarded from the Department of Energy and Climate Change Health Booster fund.

Fire and Rescue: safe and wellbeing visits: Partnership working

(Safe Durham Partnership, Health and Wellbeing Board)

- 43 Public health have worked collaboratively with County Durham and Darlington Fire and Rescue Service (FRS) to implement safe and wellbeing visits (S&WBV) across the county. The idea of Making Every Contact Count (MECC) is based on the 3 As' – Ask, Advise, Assist, and can include one or more of the following; giving individuals information, directing them where to go for further help, raising awareness of risks and providing encouragement and support for change.

- 44 The safe and wellbeing visits use a MECC approach and focuses on a number of health issues such as alcohol, smoking, dementia, social isolation, winter warmth and slips, trips and falls. These are health issues identified in the Joint Strategic Needs Assessment and Health and Well Being Strategy. Public health worked with the FRS to:

- Design a framework document for the programme
- Co-design the safe and wellbeing visits through consultation with partner agencies
- Support the delivery of training and development for MECC and topic based modules.
- Advise on systems and processes to ensure relevant data is provided to partners when a referral is made via the appropriate pathway.
- Commissioned an external evaluation from Teesside University to evaluate the medium to longer term impact of the intervention.

- 45 Between 15th Feb (when the visits were first introduced) and 31st August a total of 9,255 visits were carried out. 3,506 people agreed to answer the lifestyle related questions. 1352 referrals were made to partner agencies. The highest numbers of referrals made were regarding loneliness and isolation which is a key issue for communities in County Durham.

MacMillan: Joining the dots: Innovation and investment

(Health and Wellbeing Board)

- 46 Due to the history of strong partnership working between the former PCT and MacMillan, as well as work with the local authority over the years, MacMillan approached DCC to be an early adopter of a new social model of managing cancer. As we progress to consider cancer as a long term condition due to much improved survival rates, we need to consider how patients and carers live with and beyond cancer. There has been a £1 million investment into Durham to develop the joining

the dots programme. Led by public health, Joining the Dots will consider new ways of working across the system to bring together health, social care, employers and the VCS to work to best effect for patients and carers. Implementation of this programme will be September 2017.

20 MPH: Policy change

(Health and Wellbeing Board, Safe Durham Partnership)

- 47 The 'Slow to 20 for Safer Streets' is an important initiative that is being rolled out across a number of communities throughout the county over the next two years and will help ensure our children are happier and safer as well as better environments for walking and cycling, improvements to health and calmer and quieter streets. Public health were instrumental in working with colleagues in Neighbourhood services to bring a proposal to Cabinet in 2014 that approved a programme of 20mph limits across 33 schools with higher accident rates. The 'Slow to 20mph for Safer Streets' campaign was developed to support the programme and has met with local success. This programme is being extended to other schools after the first phase of 33 schools is complete. The programme is being evaluated by Durham University and public health. Following the roll out of the slow to 20 programme many elected members have chosen to back the scheme to enable expansion into their own constituent areas.

Drugs and alcohol: Service delivery and tackling trade through licencing

(Safe Durham Partnership)

- 48 The provision of effective substance misuse services in County Durham makes a significant contribution to tackling health inequalities, increasing life expectancy, improving the health and well-being of families and reducing crime and disorder in local communities.
- 49 The integrated Drug and Alcohol Service is beginning to show signs of improvement in relation to numbers of successful treatment completions and Blood Borne Virus (BBV's) testing and vaccination rates. Due to the public health grant reductions a new service is currently being designed and will focus on community outreach and recovery in the community.
- 50 The Alcohol Harm Reduction Group saw County Durham innovatively partnering with Gateshead Council to undertake a mock licensing hearing to support Public Health England's need for evidence to help advocate for a new national public health objective. If successful this will go some way to help to reduce the cumulative impact of alcohol harm across all local communities in County Durham.
- 51 The partnership between public health, Durham County Council's Trading Standards and Consumer Protection departments and the Alcohol Harm Reduction Unit based in Durham Constabulary continues to provide a comprehensive approach to managing the Licensing Act (2003) at a local level. This enables the activity of the 1724 on and off-sale licensed premises (April-June, 2016) to be effectively monitored, helping to reduce the cumulative impact of alcohol within our local communities. The positive outcomes for utilising this innovative approach results in the prevention of crime and disorder, increasing public safety, the prevention of public nuisance and the protection of children from harm.

Domestic abuse and sexual violence: Re-designing service

(Safe Durham Partnership, Health and Wellbeing Board, Children and Families Partnership)

- 52 A review of domestic abuse and sexual violence services across County Durham was completed which informed the service review of the public health contract held by Harbour Support Services. This enabled an informed re-modelling of the service taking into consideration the reductions in the funding available going forward. The contract was awarded to Harbour Support Services with additional funding sourced and secured from children's services, doubling the value of the contract, to provide specialist workers within social work led teams provided alongside the specialist domestic abuse service. This will ensure no duplication of provision, better value for money and an improved service for victims and families.
- 53 Part of the Harbour contract is to deliver "Operation Encompass" which is a programme designed to provide schools with information about a domestic abuse incident that has taken place and witnessed by one of their pupils. The police will phone the school following the incident and share the alert. This will enable to school to support the pupil and have a greater appreciation of why the pupil may not be behaving or performing as usual. Operation Encompass has been financially supported by members budgets led by Cllr Joy Allen. This is a strong example of multiple members coming together to back a priority which impacts on the public's health.
- 54 A service to reduce Lesbian, Gay, Bisexual and Transgender (LGBT) health inequalities by promoting education around providing better access, better range of services, and more integrated services has also been commissioned which commenced in April 2016. The service, provided by DISC will deliver a collaborative and innovative partnership, working across a wide range of agencies including primary & secondary care, local authority, education and voluntary agencies for Durham County Council raising awareness about a variety of issues around the wider determinants of health, domestic abuse, homophobic bullying and hate crime.

Sexual health and teenage pregnancy: Reducing inequalities

(Health and Wellbeing Board, Children and Families Partnership)

- 55 Public health has a statutory duty to commission sexual health services to treat and prevent sexually transmitted infections (STIs). During the last 12 months an integrated sexual health service has been delivered by County Durham and Darlington Foundation Trust (CDDFT) and bespoke work with LGBT&Q via DISC.
- 56 Regionally sexually transmitted infections (STIs) have increased in line with national trends. However, rates in County Durham, which are lower than region rates in the first place, have largely remained steady or have fallen. Public health commissioned services have played an important role in this trend.
- 57 County Durham continues to have a low prevalence of HIV. For over a decade, the most common probable route of infection for new HIV diagnosis in the North East has been heterosexual sex. However, we are now seeing a greater percentage of new diagnosis attributed to sex between men. Public health commissions community-based sexual health and HIV prevention services with LGBT communities through a contract with DISC.

- 58 Teenage pregnancy rates have gone down progressively over the last 14 years which is good news. The current (2014) rate is 28.5 per 1,000 females aged 15-17 which amounts to 243 individuals. This has fallen from a rate of 48.8 in the year 2,000 (435 individuals). There is further work to do to narrow the gap between County Durham and the national average. A rapid health needs assessment (HNA) for teenage pregnancy has been completed. This focused on preventing pregnancies, supporting teenagers who were pregnant and teenage parents. The outcomes of the HNA have informed the refreshed teenage pregnancy action plan which has been ratified by the Health and Wellbeing board.
- 59 There is a much greater emphasis on building the resilience of our young people, improving the relationship and sexual health education delivered within schools, better integration of support for those young people more likely to become teenage parents such as those in the looked after system or criminal justice system. There is also further work to be done on contraception services and take up of long acting reversible contraception options such as implants and depo injections.
- 60 During the last 12 months a very successful teenage parent support programme has been delivered through partnership working and is being maintained through the European investment of Durham Works. The programme has been oversubscribed by teenage parents who are normally reticent to engage. The programmes evaluation has demonstrated an increase in confidence, social skills and the young people gaining qualifications such as Duke of Edinburgh award.

Obesity: Whole systems approach – A national pilot

(Health and Wellbeing Board)

- 61 During 2015/16 work commenced on thinking differently about tackling obesity rates as population statistics remain stubborn in spite of a multitude of activity happening across County Durham. Work commenced in the Four Towns AAP area on a pilot whole systems approach to obesity. The approach aimed to include a variety of local stakeholders to understand obesity through their eyes. During the months of work in partnership with national experts on whole systems thinking it became clear that as a community obesity and weight did not resonate as a topic or a priority with the population.
- 62 A huge amount of obesity related activity was already happening in the Four Towns area and yet this work may not have been as connected as it could be or working towards a shared goal. Work is ongoing through schools and community groups to better connect the system such as certain schools applying for funding to create after school play rooms, or develop school allotments. This initial local pilot work, as well as the work being undertaken by the wider healthy weight alliance, was sufficient evidence for DCC public health team to submit a bid to become a national pilot working with PHE and Leeds Beckett University on whole systems thinking. During the last 12 months the DPH annual report has been a call to action on obesity.
- 63 DCC is leading by example to tackle obesity by changing the County Hall canteen and wider catering offer to emphasise the healthier alternatives. Vending machines in civic sites are being changed to include healthier options and to have brand advertising removed from outside of the machines. DCC has participated twice in the Step Jockey initiative to get people moving more and using the stairs.

- 64 Working collaboratively with Culture and Sport the newly formed Physical Activity Leadership Group have agreed to include the national child measurement programme (NCMP) childhood weight measures as part of their success criteria. This is in addition to standard metrics for demonstrating an increase in physical activity.
- 65 Further work is ongoing to influence planning and the impact the County Durham Plan can have on health outcomes including obesity.

Oral Health: Strategy development

(Health and Wellbeing Board)

- 66 The most recent oral health survey of five year olds highlights the health inequalities which exist within County Durham. Of those surveyed within the wards Woodhouse close has 61% of five year olds with decayed, missing or filled teeth. This is compared to Chester le Street South which has 6% of children with decayed, missing or filled teeth. In light of this health intelligence and the publication of the NICE guidance for oral health promotion, the DCC public health team are leading on the development of an oral health strategy and action plan. This is out for consultation and will go live once ratified by the Health and Wellbeing Board in November 2016.

Better health at work award: Regional programme demonstrating local success

- 67 The North East Better Health at Work Award recognises the efforts and achievements of local businesses in addressing health and wellbeing within the workplace. The award scheme is available to all organisations regardless of size, location or type of business and supports them to move forward in a structured and supportive way. For those employers who have not considered promoting health at work, taking part in the award helps them reap the rewards of encouraging a healthier workforce and better business productivity.
- 68 Public health commissions and provides strategic advice and support to the co-ordination of the local award programme. There are four levels of the Award, Bronze, Silver, Gold and Continuing Excellence, with appropriate criteria at each stage to build into an Award Portfolio which is assessed annually. This allows organisations to move through a level each year.
- 69 The accreditation process follows a calendar which means that many assessments take place during spring. The initial contract required the providers to work with 45 organisations currently 58 are actively involved in the award.
- 11 Businesses working towards Bronze
 - 16 Businesses working towards Silver (includes 2 multi-site businesses)
 - 7 Businesses working towards Gold
 - 24 Businesses working towards Continuing Excellence

Public Health Pharmacy: health embedded in communities

- 70 The Public Health Pharmacist works across DCC and community pharmacies to support a wide range of initiatives including the publishing of the pharmaceutical needs assessment, the development of Healthy Living Pharmacies programme and

advice on pharmacy and medicines to public health, commissioning, social care and education.

- 71 The pharmaceutical needs assessment (PNA) is a statutory responsibility of the Director of Public Health and determines whether there are sufficient pharmacies distributed across the population. The Health and Wellbeing Board endorses the PNA and requires regular updates on the progress made against recommendations. The Health and Wellbeing board are also made aware of any pharmacy closures or requests for new businesses to be established as these changes alter the distribution in local communities. The last PNA was completed in 2014 and concluded that County Durham has above the national average supply of community pharmacies with good overall access to pharmaceutical services. This is an opportunity to allow more patient choice and links strongly into the belief of self-care and managing illness closer to home.

Healthy Living Pharmacy (HLP) programme

- 72 The aim of the healthy living pharmacy programme is for the pharmacy to become involved with the local community in order to improve the health and wellbeing of that community. HLPs are largely driven by the pharmacy staff who train to become healthy living champions. There are three levels to the HLP programme: levels 1, 2 and 3 which follow a national framework. Public health currently supports the HLP programme through the employment of part time public health pharmacist and funding for resources in the pharmacies to run health campaigns. Currently there are 54 pharmacies engaged in the HLP programme at various levels. This equates to 40% of pharmacies across County Durham. The programme is very well received by both the pharmacies and the local communities. Examples of successful areas of work include stop smoking advice and support, alcohol brief interventions, weight management advice and support, flu vaccination promotion and most recently an oral health promotion campaign running.

Gypsy Roma Traveller (GRT) Communities: Targeting vulnerable groups

(Health and Wellbeing Board)

- 73 Work has continued to address the sizable health gap between our GRT communities and the general population. The public health team has commissioned two health trainers and a specialist Health Visitor to work with the communities. There is ongoing work with the local community to develop accessible health related information. The work of the GRT health project is showing early signs of success and is being evaluated by a national expert, who is due to feedback outcomes in spring 2017. This will coincide with the delivery of a regional conference sharing the good practice which has developed across County Durham in work with our GRT communities. This will mainly focus on the health related work but will also include the range of other excellent GRT services provided locally through DCC.

Health checks and Diabetes prevention: mandated function and national example of good practice

(Health and Wellbeing Board)

- 74 The NHS Health Check is a free health MOT for adults aged 40-74 who do not have a pre-existing condition. It is one of the mandated public health functions in the Health and Social Care Act 2012. Not only does it check circulatory and vascular health but also informs patients of their risk of developing vascular disease. Health

Checks are also used to establish risk of diabetes. In County Durham there is a more targeted approach to Health Checks. This more targeted approach was endorsed by the Health and Wellbeing board and is a way to ensure those invited for a check are more likely to need the support to reduce their risk of CVD. The Health Check service is currently under review and a new programme will be operating through GP Federations from April 2017.

- 75 County Durham was a demonstrator site for the National Diabetes Prevention Programme and as such has contributed significantly to the development of the national programme. As part of this an intensive lifestyle programme, linked to local Health Checks, was established to help those identified as being at risk of developing diabetes to reduce their risk. As well as feeding local learning into national, the results of this programme have been discussed at regional, national and international conferences. Going forward County Durham, in part due to its previous experience, was chosen as a First Wave Site for the new national programme. The provider is now in place and is beginning to accept referrals. Whilst this is now a national process with local leadership provided by CCGs the public health team continues to provide advice through regular meetings with CCG representatives and the national provider.

CCG core offer and health care public health: mandated function with NHS partners

- 76 The public health team continue to provide extensive support which is agreed through a CCG health care public health work plan. There is comprehensive work carried out on NHS value based commissioning policies for treatments that fall outside of NICE guidance, are not being utilised as cost effectively as possible and are causing unnecessary variation in treatment and care. Public health advice is also given for individual funding request (IFR) panels. A recent example of a policy update includes changes to the patient pathway for varicose veins and what is available through NHS funded treatment. IVF treatment would be another example where County Durham and the North East are seen as an example of best practice for adherence to NICE guidance. The public health team is an important part of the system, which also includes several CCGs, which reviews and writes such evidence based clinical policies.
- 77 Patient pathway reviews and service re-design contributes to the work load of the public health team. The skills of the Public Health Consultants and health intelligence team enable the patterns of disease to be mapped (epidemiology) and then to benchmark local pathways to international, national and regional comparators. This work supports service re-design to encourage the NHS to commence pathways starting from prevention and progress to treatment and maintenance or recovery. The public health team are working to encourage greater link up between the NHS and people based services into place based thinking and community development. The Sustainable Transformation Plans (STPs) work highlighted earlier is part of this thinking.

Health intelligence and academic public health: Core work - Adding to the evidence base

- 78 The health intelligence team lead on the health data aspects of the DCC integrated needs assessment (INA). The INA is intended to be the central repository for key population statistics to inform county wide strategies and lead to informed

commissioning of services. If there is a gap in health intelligence then further specific tools are used by the public health team to bridge that gap. Examples include health needs assessments, health equity audits, health impact assessments and more general health profiles for certain population groups or diseases. Examples of work completed over the last 12 months include:

Health Needs Assessments (HNA)

- 79 A health needs assessment is used to review and provide a baseline of the current needs of a population including whether there is a mismatch between what is needed and what is currently provided, that can include service provision. A health needs assessment is a much more in depth analysis compared the integrated needs assessment factsheets being provided to fulfil the important function of the JSNA.
- 80 A teenage pregnancy HNA has been completed which has informed the refreshed action plan and commissioning intentions.
- 81 A HNA of the Youth Offending services currently underway and report due in November 2016.

Health Equity Audits (HEA)

- 82 A HEA is a tool that can be used to reduce health inequalities within a population. A HEA identifies and measures health inequalities within a population so that services or other resources can be fairly redistributed relative to the health needs of different group or areas.
- 83 The 2014 Health Equity Audit of County Durham NHS Stop Smoking Services highlighted that the gap between people in the more deprived areas setting a quit date and going onto quit has reduced compared to 2007, therefore reducing inequalities. This demonstrates good strategic planning and effective delivery.
- 84 The cancer HEA from 2014 is currently being refreshed. The previous HEA found increasing early deaths in female lung cancer in both CCG areas and male bowel cancer in North Durham.
- 85 A breastfeeding HEA has begun. The profile, highlighting the inequality gap, was completed in July 2016. Currently the recommendations and actions for where and what we should work on for the next two years are being disseminated. A follow up analysis in 2018 will complete the HEA cycle to determine if inequalities have narrowed.

Health Impact Assessment (HIA)

- 86 A HIA can be used to assess policies programmes or projects and is intended to help make decisions by predicting the health consequences if a proposal is implemented, both good or bad. It may examine the overall population and the particular impact on discrete groups within that population. Work is underway to support the County Durham Plan.

Health profiles

- 87 In 2015 Early Years Profiles were created at children's centre cluster level. They contained a mix of both local and national data and were designed to help commissioners and providers to assess their priorities. Rather than comparing against England averages, which does not consider the specific social or economic nature of the County, the profiles benchmarked against similar local authorities. Benchmarking in this way gives local context, enabling a more detailed look at whether local people's health is better, worse or similar to like authorities and to consider how other areas achieve the higher levels

Co-production evaluation programme: Skills development

- 88 The Durham Evaluation project is a co-production piece of work involving collaboration between Teesside University and the public health team on the evaluation of new and existing public health services. Public health initiatives tend to be complex and context specific and it is imperative that these initiatives are evaluated to prove effectiveness. It is an opportunity for public health to test new and innovative ways of working and add to the evidence base. Collaboration with university partners allows robust and timely assessment of initiatives and provides a real world evidence base upon which to make decisions.
- 89 Previous evaluations have included: Alcohol Hospital Liaison Team; Exercise Referral Scheme; Durham CREE evaluation; Real Time Suspected Suicide Surveillance Early Alert Pilot; Asset based tobacco control evaluation; Relax Kids Evaluation; B Mindfulness in Schools Evaluation; Teenage Parent Support and Teenage Apprentice Programme Evaluation; Healthy Horizons Evaluation. Current collaborations include Operation Encompass; Safer Home Visits; Excess Winter Deaths and Youth Aware Mental Health Evaluation. These evaluations have informed de-commissioning decisions as well as identifying which interventions should be expanded due to their success.

Next steps

- 90 This report has provided an overview of national, regional and local developments during the last 12 months. Going forward public health is passionate about collaborating across the whole of DCC and continues to build on the positive relationships with wider stakeholders. Public health must become a core part of DCC at policy and strategy level as well as front line delivery. With the accountability *dotted line* between public health and culture and sport there is a significant opportunity to build upon existing work and further exploit the links between the two service areas.
- 91 Priorities going forward are in alignment with PHE and best available evidence, building on community assets and impacting on the health needs of our population. Wellbeing for life and AAP connections will be pivotal in achieving this.
- 92 As the County Durham Plan gathers pace public health has much to offer to describe the impact on health and how growth in the local economy benefits health

outcomes. *Work and Health with an aging population* will be the DPH annual report for 2016.

- 93 Further work will be undertaken through the housing and health group and links with the poverty action group to consider how by maximizing income and improving the quality of housing can reduce premature mortality and increase life expectancy.
- 94 The work with the NHS on the STPs and the Health and Social Care Commission will take up increasing amounts of time within the public health team to ensure prevention and early intervention is at the forefront of thinking across all work streams.
- 95 The public health budget remains uncertain so further work needs to be done at a local level to ensure the mandated and statutory functions are delivered effectively and that the continued drive to reduce health inequalities is maintained as a shared priority.

Recommendations

- 96 Cabinet is requested to:
 - note the content of this report
 - agree to receive an annual update on public health in relation to ongoing transformations in service delivery and commissioned services.

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Appendix 1: Implications

Finance

Public health budget has been used to commission services designed to reduce health inequalities and improve health outcomes for the local population.

Staffing

There is a core public health team which is paid for out of the public health grant. The public health workforce goes beyond those specifically trained in public health. Part of the making every contact count (MECC) work is to ensure that multiple professionals provide health improving messages as part of their routine work.

Risk

All commissioned services are performance managed which includes risk management.

Equality and Diversity / Public Sector Equality Duty

Public health aims to reduce health inequalities and narrow the gap in health outcomes.

Accommodation

Public health team is based within County Hall.

Crime and Disorder

Impact on the reduction of crime and disorder through partnership working and specific commissioned services.

Human Rights

Mandated functions, such as sexual health services, are available to those who need them.

Consultation

Following commissioning and procurement guidelines any changes to service delivery are consulted upon where required.

Procurement

Close working with DCC procurement colleagues for all commissioned services to ensure due diligence processes are adhered to.

Disability Issues

Considered as part of equality impact assessments for services.

Legal Implications

Close partnership working with legal and democratic services.

Appendix 2

VISION
To improve and protect the nation's health and wellbeing and improve the health of the poorest fastest
Outcome measures
Outcome 1) Increased healthy life expectancy, i.e. taking account of the health quality as well as the length of life
Outcome 2) Reduced differences in life expectancy and healthy life expectancy between communities (through greater improvements in more disadvantaged communities)

Alignment across the Health and Care System

- * Indicator shared with the NHS Outcomes Framework.
- ** Complementary to indicators in the NHS Outcomes Framework
- † Indicator shared with the Adult Social Care Outcomes Framework
- †† Complementary to indicators in the Adult Social Care Outcomes Framework

Indicators in italics are placeholders, pending development or identification

Rectangular Snip

Public Health Outcomes Framework 2013–2016

At a glance

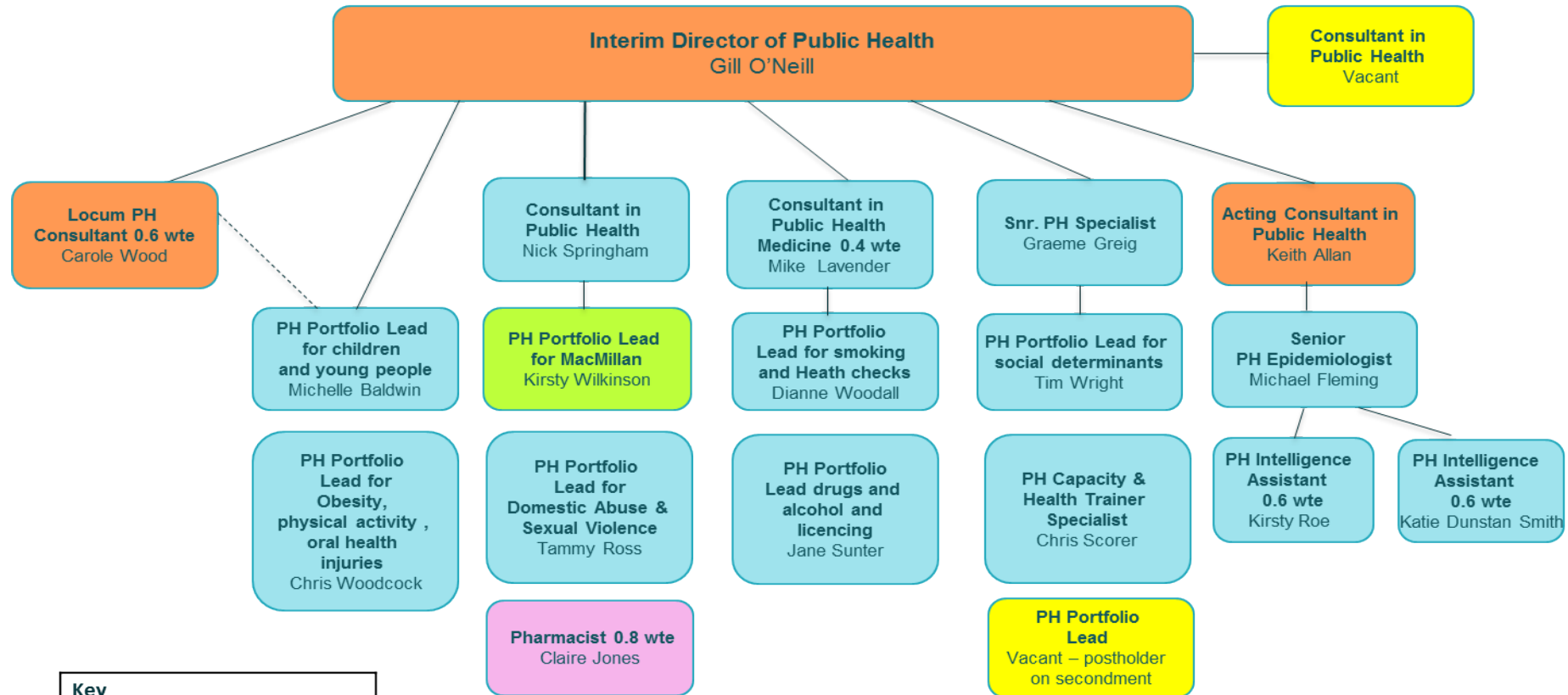
1 Improving the wider determinants of health
Objective
Improvements against wider factors which affect health and wellbeing and health inequalities
Indicators
1.1 Children in poverty
1.2 School readiness
1.3 Pupil absence
1.4 First time entrants to the youth justice system
1.5 16-18 year olds not in education, employment or training
1.6 Adults with a learning disability / in contact with secondary mental health services who live in stable and appropriate accommodation* (ASCOF 1G and 1H)
1.7 People in prison who have a mental illness or a significant mental illness
1.8 Employment for those with long-term health conditions including adults with a learning disability or who are in contact with secondary mental health services *(i-NHSOF 2.2) ††(i-ASCOF 1E) ** (i-NHSOF 2.5) †† (i-ASCOF 1F)
1.9 Sickness absence rate
1.10 Killed and seriously injured casualties on England's roads
1.11 Domestic abuse
1.12 Violent crime (including sexual violence)
1.13 Re-offending levels
1.14 The percentage of the population affected by noise
1.15 Statutory homelessness
1.16 Utilisation of outdoor space for exercise / health reasons
1.17 Fuel poverty
1.18 Social isolation † (ASCOF 1I)
1.19 Older people's perception of community safety †† (ASCOF 4A)

2 Health improvement
Objective
People are helped to live healthy lifestyles, make healthy choices and reduce health inequalities
Indicators
2.1 Low birth weight of term babies
2.2 Breastfeeding
2.3 Smoking status at time of delivery
2.4 Under 18 conceptions
2.5 Child development at 2 – 2 ½ years
2.6 Excess weight in 4-5 and 10-11 year olds
2.7 Hospital admissions caused by unintentional and deliberate injuries in children and young people aged 0-14 and 15-24 years
2.8 Emotional well-being of looked after children
2.9 <i>Smoking prevalence – 15 year olds (Placeholder)</i>
2.10 Self-harm
2.11 Diet
2.12 Excess weight in adults
2.13 Proportion of physically active and inactive adults
2.14 Smoking prevalence – adults (over 18s)
2.15 Successful completion of drug treatment
2.16 People entering prison with substance dependence issues who are previously not known to community treatment
2.17 Recorded diabetes
2.18 Alcohol-related admissions to hospital
2.19 Cancer diagnosed at stage 1 and 2
2.20 Cancer screening coverage
2.21 Access to non-cancer screening programmes
2.22 Take up of the NHS Health Check programme – by those eligible
2.23 Self-reported well-being
2.24 Injuries due to falls in people aged 65 and over

3 Health protection
Objective
The population's health is protected from major incidents and other threats, whilst reducing health inequalities
Indicators
3.1 Fraction of mortality attributable to particulate air pollution
3.2 Chlamydia diagnoses (15-24 year olds)
3.3 Population vaccination coverage
3.4 People presenting with HIV at a late stage of infection
3.5 Treatment completion for TB
3.6 Public sector organisations with board approved sustainable development management plan
3.7 Comprehensive, agreed inter-agency plans for responding to health protection incidents and emergencies

4 Healthcare public health and preventing premature mortality
Objective
Reduced numbers of people living with preventable ill health and people dying prematurely, whilst reducing the gap between communities
Indicators
4.1 Infant mortality* (NHSOF 1.6i)
4.2 Tooth decay in children aged 5
4.3 Mortality rate from causes considered preventable ** (NHSOF 1a)
4.4 Under 75 mortality rate from all cardiovascular diseases (including heart disease and stroke)* (NHSOF 1.1)
4.5 Under 75 mortality rate from cancer* (NHSOF 1.4i)
4.6 Under 75 mortality rate from liver disease* (NHSOF 1.3)
4.7 Under 75 mortality rate from respiratory diseases* (NHSOF 1.2)
4.8 Mortality rate from communicable diseases
4.9 Excess under 75 mortality rate in adults with serious mental illness* (NHSOF 1.5)
4.10 Suicide rate
4.11 Emergency readmissions within 30 days of discharge from hospital* (NHSOF 3b)
4.12 Preventable sight loss
4.13 Health-related quality of life for older people
4.14 Hip fractures in people aged 65 and over
4.15 Excess winter deaths
4.16 Estimated diagnosis rate for people with dementia * (NHSOF 2.6i)

PH TEAM – SEPTEMBER 2016



Key	
	Funded from baseline
	Vacant posts
	MacMillan funded
	Funded from reserves
	Interim
	Line management

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County Durham

Unitary Authority



This profile was published on 6 September 2016

Health Profile 2016

Health in summary

The health of people in County Durham is generally worse than the England average. About 23% (19,800) of children live in low income families. Life expectancy for both men and women is lower than the England average.

Health inequalities

Life expectancy is 6.9 years lower for men and 7.6 years lower for women in the most deprived areas of County Durham than in the least deprived areas.

Child health

In Year 6, 21.4% (1,104) of children are classified as obese, worse than the average for England. The rate of alcohol-specific hospital stays among those under 18 was 65.5*, worse than the average for England. This represents 66 stays per year. Levels of teenage pregnancy, GCSE attainment, breastfeeding initiation and smoking at time of delivery are worse than the England average.

Adult health

The rate of alcohol-related harm hospital stays is 746*, worse than the average for England. This represents 3,827 stays per year. The rate of self-harm hospital stays is 239.1*, worse than the average for England. This represents 1,217 stays per year. The rate of smoking related deaths is 368*, worse than the average for England. This represents 1,101 deaths per year. Estimated levels of adult excess weight are worse than the England average. Rates of sexually transmitted infections and TB are better than average.

Local priorities

Priorities in County Durham include tackling health inequalities, improving mental health and wellbeing, and children's health. For more information see www.durham.gov.uk

* rate per 100,000 population



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Population: 518,000

Mid-2014 population estimate. Source: Office for National Statistics.

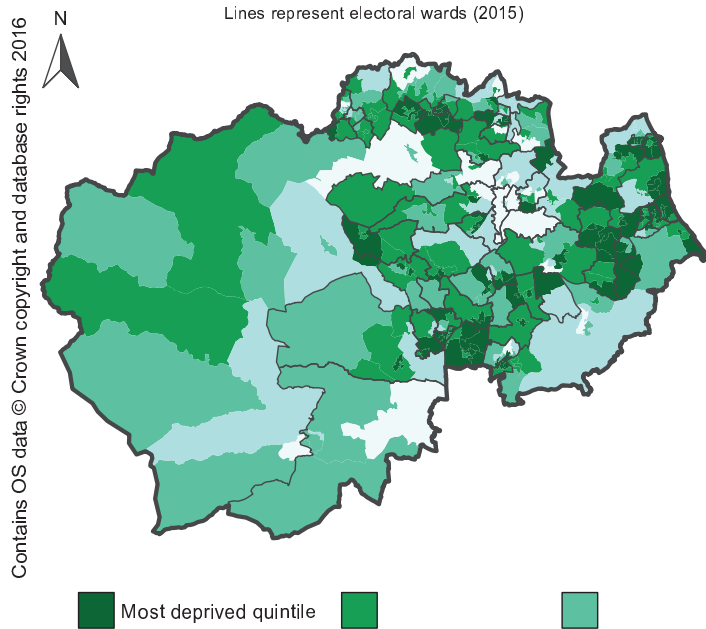
This profile gives a picture of people's health in County Durham. It is designed to help local government and health services understand their community's needs, so that they can work together to improve people's health and reduce health inequalities.

Visit www.healthprofiles.info for more profiles, more information and interactive maps and tools.

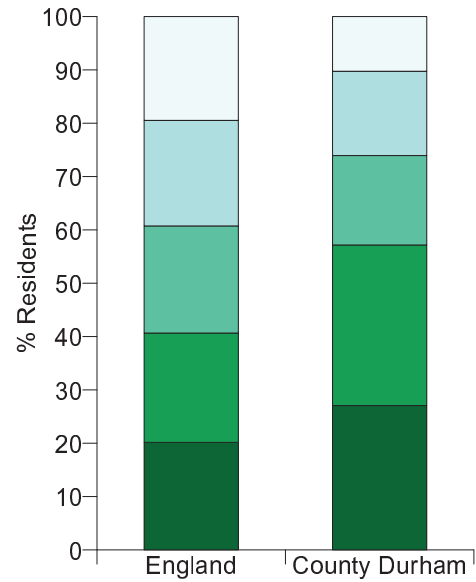
Follow [@PHE_uk](https://twitter.com/PHE_uk) on Twitter

Deprivation: a national view

The map shows differences in deprivation in this area based on national comparisons, using quintiles (fifths) of the Index of Multiple Deprivation 2015 (IMD2015), shown by lower super output area. The darkest coloured areas are some of the most deprived neighbourhoods in England.



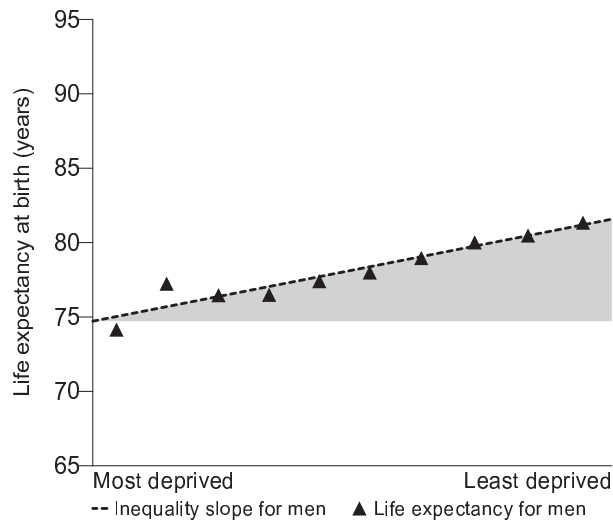
This chart shows the percentage of the population who live in areas at each level of deprivation.



Life expectancy: inequalities in this local authority

The charts below show life expectancy for men and women in this local authority for 2012-2014. Each chart is divided into deciles (tenths) by deprivation (IMD2010), from the most deprived decile on the left of the chart to the least deprived decile on the right. The steepness of the slope represents the inequality in life expectancy that is related to deprivation in this local area. If there was no inequality in life expectancy as a result of deprivation, the line would be horizontal.

Life expectancy gap for men: 6.9 years

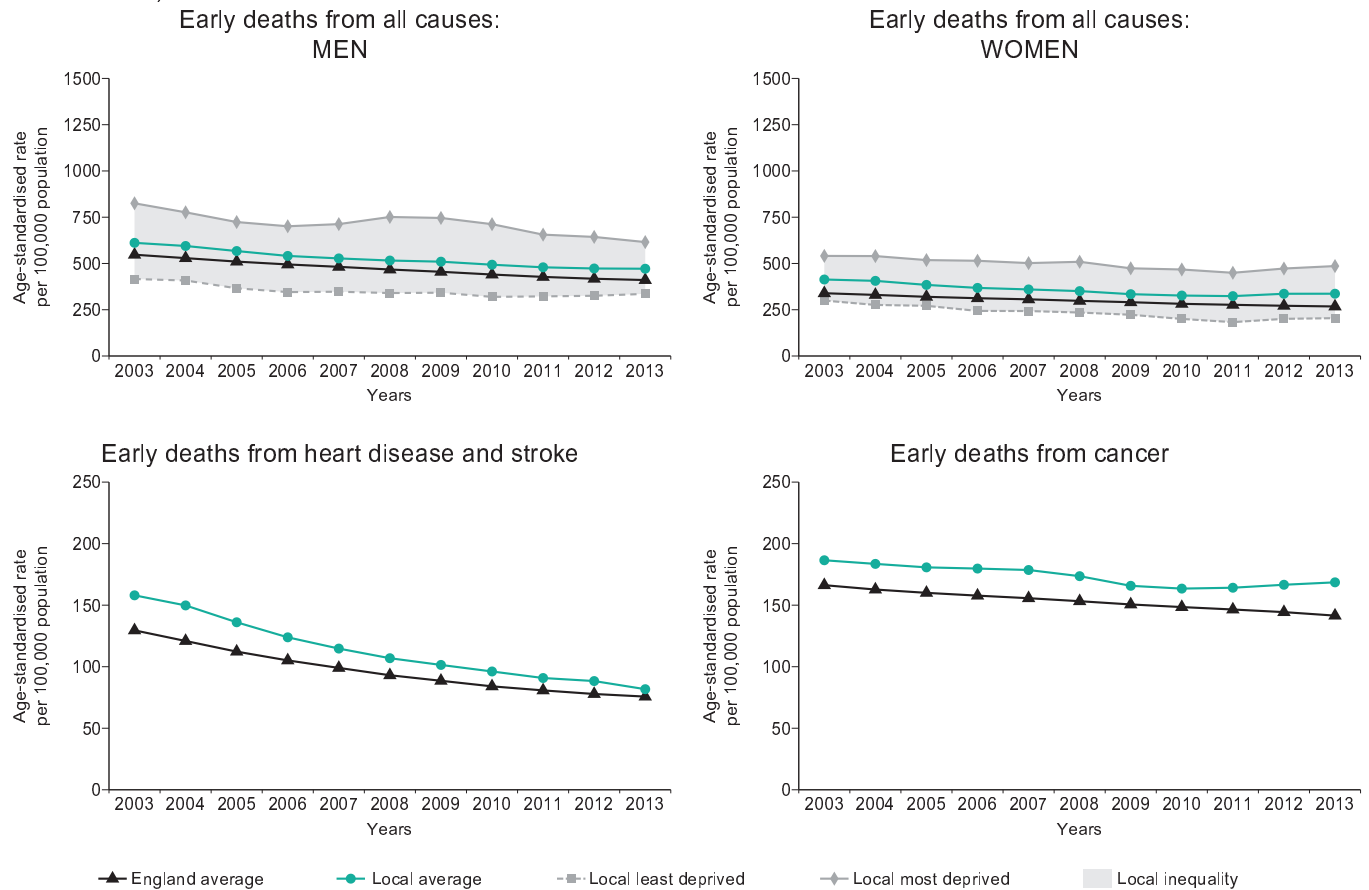


Life expectancy gap for women: 7.6 years



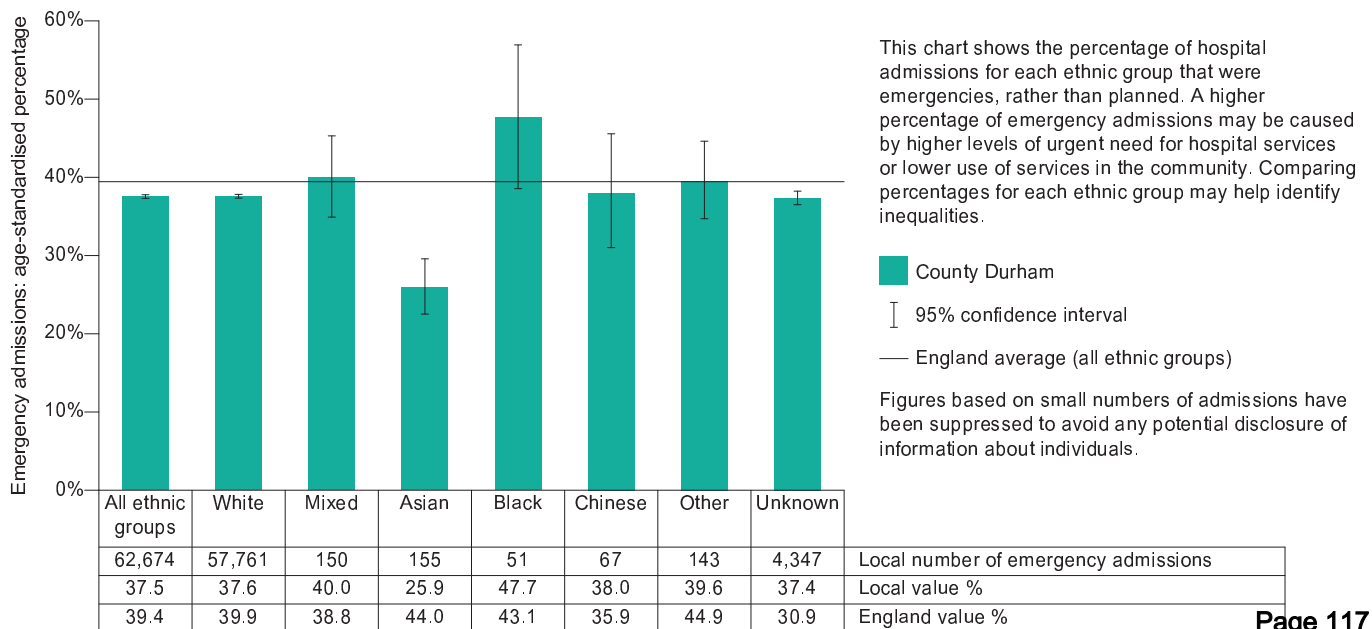
Health inequalities: changes over time

These charts provide a comparison of the changes in early death rates (in people under 75) between this area and all of England. Early deaths from all causes also show the differences between the most and least deprived quintile (IMD2010) in this area. (Data points are the midpoints of 3 year averages of annual rates, for example 2005 represents the period 2004 to 2006).



Health inequalities: ethnicity

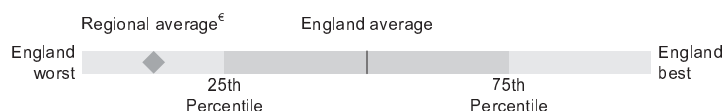
Percentage of hospital admissions that were emergencies, by ethnic group, 2014/15



Health summary for County Durham

The chart below shows how the health of people in this area compares with the rest of England. This area's result for each indicator is shown as a circle. The average rate for England is shown by the black line, which is always at the centre of the chart. The range of results for all local areas in England is shown as a grey bar. A red circle means that this area is significantly worse than England for that indicator; however, a green circle may still indicate an important public health problem.

- Significantly worse than England average
- Not significantly different from England average
- Significantly better than England average
- Not compared



Domain	Indicator	Period	Local No total count	Local value	Eng value	Eng worst	England Range	Eng best
Our communities	1 Deprivation score (IMD 2015) #	2015	n/a	25.7	21.8	42.0		5.0
	2 Children in low income families (under 16s)	2013	19,815	22.5	18.6	34.4		5.9
	3 Statutory homelessness†	2014/15	65	0.3	0.9	7.5		0.1
	4 GCSEs achieved†	2014/15	2,950	55.6	57.3	41.5		76.4
	5 Violent crime (violence offences)	2014/15	5,334	10.3	13.5	31.7		3.4
	6 Long term unemployment	2015	1,972	6.0	4.6	15.7		0.5
Children's and young people's health	7 Smoking status at time of delivery	2014/15	975	19.0	11.4	27.2		2.1
	8 Breastfeeding initiation	2014/15	2,943	57.6	74.3	47.2		92.9
	9 Obese children (Year 6)	2014/15	1,104	21.4	19.1	27.8		9.2
	10 Alcohol-specific hospital stays (under 18)	2012/13 - 14/15	197	65.5	36.6	104.4		10.2
	11 Under 18 conceptions	2014	243	28.5	22.8	43.0		5.2
Adults' health and lifestyle	12 Smoking prevalence in adults†	2015	n/a	19.0	16.9	32.3		7.5
	13 Percentage of physically active adults	2015	n/a	57.3	57.0	44.8		69.8
	14 Excess weight in adults	2012 - 14	n/a	69.0	64.6	74.8		46.0
Disease and poor health	15 Cancer diagnosed at early stage #	2014	1,105	49.6	50.7	36.3		67.2
	16 Hospital stays for self-harm	2014/15	1,217	239.1	191.4	629.9		58.9
	17 Hospital stays for alcohol-related harm	2014/15	3,827	746	641	1223		374
	18 Recorded diabetes	2014/15	31,056	7.0	6.4	9.2		3.3
	19 Incidence of TB	2012 - 14	35	2.3	13.5	100.0		0.0
	20 New sexually transmitted infections (STI)	2015	1,846	554	815	3263		191
	21 Hip fractures in people aged 65 and over	2014/15	589	574	571	745		361
Life expectancy and causes of death	22 Life expectancy at birth (Male)	2012 - 14	n/a	78.1	79.5	74.7		83.3
	23 Life expectancy at birth (Female)	2012 - 14	n/a	81.4	83.2	79.8		86.7
	24 Infant mortality†	2012 - 14	56	3.4	4.0	7.2		0.6
	25 Killed and seriously injured on roads	2012 - 14	581	37.5	39.3	119.4		9.9
	26 Suicide rate†	2012 - 14	202	14.8	10.0			
	27 Deaths from drug misuse #	2012 - 14	86	5.8	3.4			
	28 Smoking related deaths	2012 - 14	3,302	367.8	274.8	458.1		152.9
	29 Under 75 mortality rate: cardiovascular	2012 - 14	1,156	81.7	75.7	135.0		39.3
	30 Under 75 mortality rate: cancer	2012 - 14	2,407	168.6	141.5	195.6		102.9
	31 Excess winter deaths	Aug 2011 - Jul 2014	849	16.8	15.6	31.0		2.3

Indicator notes

1 Index of Multiple Deprivation (IMD) 2015 2 % children (under 16) in low income families 3 Eligible homeless people not in priority need, crude rate per 1,000 households 4 5 A*-C including English & Maths, % pupils at end of key stage 4 resident in local authority 5 Recorded violence against the person crimes, crude rate per 1,000 population 6 Crude rate per 1,000 population aged 16-64 7 % of women who smoke at time of delivery 8 % of all mothers who breastfed their babies in the first 48hrs after delivery 9 % school children in Year 6 (age 10-11) 10 Persons under 18 admitted to hospital due to alcohol-specific conditions, crude rate per 100,000 population 11 Under-18 conception rate per 1,000 females aged 15-17 (crude rate) 12 Current smokers, Annual Population Survey (APS) 13 % adults achieving at least 150 mins physical activity per week 14 % adults classified as overweight or obese, Active People Survey 15 Experimental statistics - % of cancers diagnosed at stage 1 or 2 16 Directly age sex standardised rate per 100,000 population 17 The number of admissions involving an alcohol-related primary diagnosis or an alcohol-related external cause (narrow definition), directly age standardised rate per 100,000 population 18 % people on GP registers with a recorded diagnosis of diabetes 19 Crude rate per 100,000 population 20 All new diagnoses (excluding Chlamydia under age 25), crude rate per 100,000 population 21 Directly age and sex standardised rate of emergency admissions, per 100,000 population aged 65 and over 22, 23 The average number of years a person would expect to live based on contemporary mortality rates 24 Rate of deaths in infants aged <1 year per 1,000 live births 25 Rate per 100,000 population 26 Directly age standardised mortality rate from suicide and injury of undetermined intent per 100,000 population (aged 10+) 27 Directly age standardised rate per 100,000 population 28 Directly age standardised rate per 100,000 population aged 35 and over 29 Directly age standardised rate per 100,000 population aged under 75 30 Directly age standardised rate per 100,000 population aged under 75 31 Ratio of excess winter deaths (observed winter deaths minus expected deaths based on non-winter deaths) to average non-winter deaths (three years)

† Indicator has had methodological changes so is not directly comparable with previously released values.

€ "Regional" refers to the former government regions.

New indicator for Health Profiles 2016.

More information is available at www.healthprofiles.info and <http://fingertips.phe.org.uk/profile/health-profiles>

Please send any enquiries to healthprofiles@phe.gov.uk

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Cabinet

19 October 2016

**Durham County Cricket Club-
Financial Support**



Report of Corporate Management Team

Ian Thompson, Corporate Director Regeneration and Local Services

John Hewitt, Corporate Director Resources

Councillor Neil Foster, Cabinet Portfolio Holder for Economic Regeneration

Councillor Alan Napier, Cabinet Portfolio Holder for Finance

Purpose of the Report

- 1 To advise Cabinet of an urgent item that will need to be considered following a request from the English Cricket Club (ECB) and Durham County Cricket Club (DCCC) for agreement to an arrangement regarding the Council's outstanding loans to the DCCC.

Background

- 2 Following discussions between the ECB and the DCCC regarding the latter's financial position; the Council has received a request from the ECB to consider an arrangement in relation to the monies owed by DCCC to the Council. This request has occurred in the wake of the club's financial difficulties, which has resulted in sporting sanctions being imposed by the ECB.
- 3 As the request has been recent and is subject to ongoing dialogue and discussion with the ECB, who will meet on 18 October 2016 to consider the rescue package they are proposing, it is not possible to file a detailed report for Cabinet's consideration at this stage but one will be tabled for Cabinet consideration by 19 October 2016.

Recommendations and Reasons

- 4 That Cabinet note the need for consideration of an urgent item in respect of proposals put to the Council by the ECB in respect of loans made to DCCC, with a more detailed report to be circulated / potentially tabled at the Cabinet meeting on 19 October 2016.

Background Papers

None

Contact: Ian Thompson Tel: 03000 267331

Appendix 1: Implications

Finance - The County Council has previously provided two tranches of loan finance to the cricket club totalling £4.3 million. To date all repayments of debt have been made by the cricket club. The current outstanding loan balance is £3.785 million. Since 2009, the club has paid circa £680,000 in interest payments to the County Council.

Staffing - To be addressed as appropriate in the detailed report

Risk - To be addressed as appropriate in the detailed report

Equality and Diversity / Public Sector Equality Duty - To be addressed as appropriate in the detailed report

Accommodation - To be addressed as appropriate in the detailed report

Crime and Disorder - To be addressed as appropriate in the detailed report

Human Rights - To be addressed as appropriate in the detailed report

Consultation - To be addressed as appropriate in the detailed report

Procurement - To be addressed as appropriate in the detailed report

Legal Implications - To be addressed as appropriate in the detailed report

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Cabinet

19 October 2016

Durham County Cricket Club – Financial Support



Report of Corporate Management Team

Ian Thompson, Corporate Director Regeneration and Local Services

John Hewitt, Corporate Director Resources

Councillor Neil Foster, Cabinet Portfolio Holder for Economic Regeneration

Councillor Alan Napier, Cabinet Portfolio Holder for Resources

Purpose of the Report

- 1 To inform Cabinet of developments in relation to securing the future of first class county cricket in the county. The report will also provide an update on the finances of Durham County Cricket Club (DCCC), a change in their articles of association and subsequent restructure of the Club in response to a financial rescue package agreed with the England and Wales Cricket Board (ECB).
- 2 To also seek agreement to the Council converting its outstanding loan balance into equity in the form of redeemable preference shares in the new Community Interest Company (CIC) that will run the Club going forward as part of the rescue package to secure the future of DCCC.
- 3 The proposals set out in this report are part of an 'all creditor' agreement rescue package put forward by the ECB which they consider would ensure the retention of a financially stable first class county cricket Club in County Durham, with an ongoing commitment to limited overs international cricket being brought to the county each year and the Emirates Durham International Cricket Ground in Chester-le-Street being a Cricket World Cup venue in 2019.

Background

- 4 DCCC is an important economic and cultural asset for the county and the region more widely.
- 5 The Emirates Durham International Cricket Ground in Chester-le-Street is a world class multi-purpose events and entertainment venue that has hosted a number of prestigious, high-profile cricket matches, including an Ashes Test Match in 2013, many one day and limited overs T20 internationals plus a range of concerts, conferences, meetings and events which provide significant tourism and promotional benefits to the county.

- 6 Over the summer, DCCC made the Council and the ECB aware of the extent of the significant financial difficulties that the Club was facing and raised grave concerns over the future viability of the Club unless there was a significant restructuring of its debt position or new additional cash investment into the business. DCCC had hoped that commercial and residential developments on the site could have provided much needed financial security but it was unlikely that these benefits could be realised quickly enough.
- 7 The Council has previously provided two tranches of loan finance to DCCC, detailed as follows:
- (i) 2009-2011 - £1.5million of loans with an interest rate of 4.7% - approved by Cabinet 16 September 2009. These loans run until 2024.
 - (ii) 2013-2014 - £2.8million of loans with an interest rate of 7% - Approved by Cabinet 13 March 2013. These loans run until 2035.

Current Situation

- 8 To date all repayments of debt have been made by the cricket Club. The loans advanced were on an annuity basis, therefore in the earlier years the majority of the repayments relate to interest. The current outstanding loan balance is £3.740million. Since 2009, the Club has paid circa £680,000 in interest payments to the county Council. Had the Council had been able to invest the £4.3million advanced across this period we would have only earned around £140,000 in interest. The required debt repayment for 2016/17 is as follows:

- 9 The Club's position in relation to outstanding debts to other creditors is as follows:

- 10 Current annual revenue costs of servicing these debts is circa £1.0million and this, together with the funding model that exists within county cricket, inhibits DCCC's ability to continue to trade as a going concern at this current time without either a significant reduction in debt management costs or significant new investment in the Club. The ECB is presently reviewing the funding model of first class cricket to ensure this is sustainable in the future.
- 11 In approving the loans previously made to DCCC the Council expected the Club to deliver against its business plan and manage within the funding and resources available to the Club.

- 12 Over the last three years the Council has worked with DCCC to significantly reduce their costs with circa £1million in costs taken out of the business - mainly from a significant reduction on player costs. Similarly, the Council has worked closely with the Club to drive forward commercial development of the site including a hotel and conference centre which would help derive additional income for the Club.
- 13 Although these matters were progressing, they were fundamental to the Club's strategy of bringing further additional income to the Club and had not progressed sufficiently to avert a cash crisis across the summer of 2016.
- 14 The Club has recognised that the developments will not be finalised quickly enough to avoid difficulties caused by inadequate revenue to service debts and was involved in lengthy negotiations with the ECB for further financial support.
- 15 The ECB commissioned a review by Deloitte's of DCCC's business plan and governance arrangements to inform its position for supporting the Club going forward.
- 16 This culminated in the ECB advising DCCC that they would require a restructure of the Club's governance and overall indebtedness, through an all creditor agreement and that sanctions would apply to the Club as part of any financial rescue package they would seek to put in place.
- 17 Without additional financial support from the ECB via an 'all creditor' agreement and a restructuring of loans or a significant injection of capital from an alternate source, the Club could not continue to run on a solvent basis and across the summer appointed an insolvency practitioner to advise the Board on options available to it. The appointed insolvency practitioner (RSM UK) undertook soft market testing to gauge interest in purchasing the Club across the summer, although they were unable to find suitable buyers for the Club.
- 18 In negotiation with creditors, it was established that CR Financial Solutions (CRFS), who bought out the outstanding bank debt and the North East Local Enterprise Partnership (NELEP) had no intention of writing off their loans.
- 19 The ECB has also been negotiating with the NELEP in relation to their outstanding debt whilst the Directors of DCCC were asked to agree to write off loans or convert their loans into equity in the newly formed CIC to run the Club going forward.
- 20 The ECB is in turn willing to take on and hold the bank debt which would effectively increase the ECB debt levels to circa £3.8million, in line with the loan outstanding to the Council.

Way Forward

- 21 In anticipation of preserving county cricket and with ECB support, DCCC has resolved (via an Extraordinary General Meeting of the Club on 7 September, 2016) to form a CIC, which will involve a New Chairman, a new Board of Directors and a new management structure in due course.

- 22 The ECB wrote to the Council on 6 October 2016 to request that the Council agree to its loan being converted into redeemable preference shares of the same value in the new CIC to enable the Club to continue as an international cricket venue and to provide county cricket going forward, overseen by a financially stable CIC. A copy of the letter from the ECB is attached at Appendix 2.
- 23 This is a proposal put to the Council as part of a rescue package to retain first class county cricket in County Durham. The ECB has advised that it would have no problem with the Council having redeemable preference shareholding in the CIC, with a view to the Council having the possibility of recovering its full loan value through dividend payments over time. A CIC is able to distribute up to 35% of any distributable profits annually to shareholders.
- 24 The ECB have also committed to the Council receiving an equally proportionate amount of any special fee payments due to the DCCC over the coming years, which will be retained by the ECB to pay down the circa £1.8million of its loans that will remain due going forward. The ECB have proposed to write off £2million of its loans as part of a compensation arrangement for withdrawing the ability for DCCC to bid to hold test matches in the foreseeable future.
- 25 The replacement of the entire board and a new management structure to run the Club is a key requirement underpinning the ECB's proposals.
- 26 Following a request from DCCC, the Council has consented to put a stay on the loan repayments that were due in October while the proposals are fully considered. A similar request made to the ECB and to the NELEP has also been supported.

Financial and Legal Implications

- 27 Having been made aware of the potential insolvency of the Club, officers have been investigating the options available to the Council.
- 28 Notwithstanding the economic impacts of losing DCCC as a sporting and cultural events venue, finance and legal officers have concluded that the sale of the Club's assets would not realistically enable the Council to recover the amount due from the Club. This is also confirmed by the soft market testing of the Club by RSM (insolvency practitioner acting on behalf of the Club).
- 29 The Council owns the land on which the Club resides. This is leased to DCCC and the lease contains a restriction on assignment without the Council's consent and therefore the Council is fully protected from any possible sale of the asset under an administration event.
- 30 If the ECB's negotiation with creditors is successful and the Club transferred to a CIC, the lease will transfer to the CIC and the Council will not lose its interest as landlord.
- 31 The ECB cannot justify extending a significant rescue package to the Club without consequences, as such a step would set a precedent in relation to other county cricket clubs. Durham has therefore been removed from the list of test match venues and will be prevented from staging tests for the foreseeable future. The Club has also been relegated into the second division

in the County Championship and will start the next season with penalty points. The ECB is however guaranteeing that international cricket will continue to be brought to the county each year - one day and limited overs T20 internationals only, including the Emirates Durham International Cricket Ground in Chester-le-Street being a Cricket World Cup venue in 2019.

- 32 The ECB has also advised that the new Chairman of the Club will have a significant national profile to extend DCCC's reputation and the Club will be required to develop its fan base and involvement with local schools and amateur cricket clubs by a much more robust outreach programme into local communities.

Options for the Council

- 33 On 13 March 2013, Cabinet considered a report advising of a request for further financial support for the Club. That report highlighted the importance of DCCC to the North East economy, albeit in the context of first class cricket with the prospect of an Ashes test.
- 34 In 2014, Global Tourism Solutions (UK) (leading industry analysts) was commissioned by DCCC to study the economic impact of visitors attending the Riverside ground. This estimated that by 2016, around 213,000 people would visit the Chester-le-Street stadium each year.
- 35 The report also suggests that by 2016, total expenditure by visitors to the stadium would have risen to £16.34million a year, including more than £5million spent in County Durham's pubs and restaurants, as well as £500,000 in local shops and on hotel accommodation.
- 36 That level of spending would be enough to support the equivalent of 240 full-time jobs in the wider economy.
- 37 In addition, in 2013 the Ashes attracted 70,000 visitors, bringing £20million into the region's economy.
- 38 In the wake of the current difficulties and the continuing climate of austerity, officers had during the summer recess advised the Club that they could not recommend the advancing of any further public money to the Club. The ECB has accepted that but has urged the Council to consider agreeing to its proposal for conversion of the loan into redeemable preference shares, details as set out in its letter dated 6 October 2016 (Appendix 2).
- 39 If the Council was to reject this proposal, there is a significant risk that the Club will need to enter into administration and the Council would be unlikely to see any sums recovered. The Council would retain ownership of the land, but county cricket in Durham could be lost for the foreseeable future as the Club went through a compulsory administration / winding down.
- 40 The current proposal secures continuation of the cricket club although in the second division initially. It is a proposal however which the ECB commends to Cabinet as one which will provide the Club with more assurance for the future in that it will be under new management without any debts to service and with a high profile, influential Chairman. If the Club does dissolve, because of the size of debt and the position of the Council in the priority list of creditors, the Council is likely to lose most if not all of the money advanced to DCCC.

Conclusion

- 41 The financial situation DCCC faces is untenable and the Club is effectively insolvent and not viable in its current state. It has been taking advice from an Insolvency Practitioner and without a restructuring and rescue package being put in place the Club will enter into administration. There is a real threat that first class cricket could be lost and a significant risk that the Council would be unable to recover the outstanding debt.
- 42 The ECB have intervened and the Club will face sporting sanctions as a consequence of their financial position. The rescue package proposed by the ECB would see the ECB write off £2million of outstanding debts. It is recognised that the sanctions will lower the profile of the Club in the short term, however, the ECB have committed to limited overs international cricket being brought to the County each year and the Emirates Durham International Cricket Ground in Chester-le-Street being a Cricket World Cup venue in 2019.
- 43 The proposed package is contingent on the Council's participation in an 'all creditor' agreement through transferring its debt to redeemable preference shares in the new CIC. This would allow a solvent Club under new management to continue and over time grow. The ECB have also committed to the Council receiving an equally proportionate amount of any special fee payments due to DCCC over the coming years.
- 44 The Council's role and participation in the new Board is still to be determined.
- 45 The proposals put forward by the ECB carry the prospect of the Council ultimately recovering its investment by way of dividend and / or special fee payments and does not involve the Council paying any further monies to the Club. The alternative of not agreeing to this proposal is the likely loss of most, if not all, of the Council's advanced capital outstanding and the potential loss of Durham as a first class county cricket club and international cricket being played in the County going forward.
- 46 On balance, the recommendation is therefore to accept the proposal made by the ECB.

Recommendations

- 47 Cabinet is asked to:
- (i) Agree to convert the outstanding balances on the loans advanced by the Council to DCCC in 2009, 2011 and 2013 – currently £3.740million - to equity in the form of redeemable preference shares in the newly formed CIC to run DCCC going forward;
 - (ii) Note that the new CIC will be overseen by a new Chair, a new Board of Directors and a new management team going forward;
 - (iii) Delegate to the Corporate Directors of Resources and Regeneration and Local Services, in consultation with the Cabinet Portfolio Holders

for Finance and Regeneration and Economic Development, authority to finalise the terms of the conversion and shareholding in the new CIC.

Background Papers:

Report to Cabinet 13 March 2013 - Durham County Cricket Club - Financial Support.

Contact: Ian Thompson

Tel: 03000 267331

Appendix 1: Implications

Finance – The county Council has previously provided two tranches of loan finance to the cricket Club totalling £4.3million. To date all repayments of debt have been made by the cricket Club. The loans advanced were on an annuity basis, therefore in the earlier years the majority of the repayments relate to interest. The current outstanding loan balance is £3.740million. Since 2009, the Club has paid circa £680,000 in interest payments to the county Council. Had the Council been able to invest the £4.3m advanced across this period we would have only earned around £140,000 in interest.

Over the last three years, the Council has worked with the cricket club to significantly reduce their costs with circa £1million in costs taken out of the business - mainly from a significant reduction on player costs. Similarly, the Council has worked with the Club to drive forward the commercial development of the site including a hotel and conference centre which would help derive additional income for the Club.

Although these matters were progressing, they were fundamental to the Club's strategy of bringing further additional income to the Club and had not progressed sufficiently to avert a cash crisis across the summer of 2016.

The Club has recognised that the developments will not be finalised quickly enough to avoid difficulties caused by inadequate revenue to service debts and was involved in lengthy negotiations with the ECB for further financial support.

Without additional financial support from the ECB: an all creditor agreement and restructuring of loans or a significant injection of capital from an alternative source, the Club cannot continue to run on a solvent basis and is currently working with insolvency practitioners. The Insolvency Practitioners have been unable to find suitable buyers for the Club.

The Council has been asked by the ECB to agree to its loan being converted to equity in the form of redeemable preference shares of the same value in the new CIC to enable the Club to continue as an international cricket venue and to provide county cricket going forward, overseen by a financially stable CIC.

This is a proposal put to the Council as part of an all creditor agreement rescue package to avoid the need to force its dissolution by pressing for immediate payment of some or all of the debt.

The rescue package proposed by the ECB would see them take on and write off the Clubs bank debt. This would take their financial commitment / support to £3.8million. The ECB have given a commitment to writing off £2.0million owed to it by the Club. This would be treated as compensation for DCCC being removed as a test venue. This will lower the profile of the Club in the immediate term, however, ECB have committed to limited overs international cricket being brought to the County each year and the Emirates Durham International Cricket Ground in Chester-le-Street being a Cricket World Cup venue in 2019.

Staffing – None specific in this report.

Risk – The rescue package put forward by the ECB is contingent on the Council transferring its debt to equity in the form of redeemable preference shares in the

newly established CIC. If the Council was to reject this proposal, there is a significant risk that the Club will be insolvent with the Council unlikely to see any sums recovered and county cricket in Durham could be lost for the foreseeable future as the Club went through a compulsory administration / wind down.

If the Council does not participate in the rescue package put forward by the ECB. Cabinet should note the real likelihood of the Council not recovering its loan under an administration event / winding up of the Club. Although there is not a 100% guarantee of recovering all outstanding sums via the option put forward by the ECB it is hoped the Council would be able at least to recover a high proportion of the sums outstanding.

In this regard the prospects of any future dividend payments being forthcoming is a risk, though the business plan would indicate that once the debt liability is removed and with the future forecasts of ECB funding that DCCC should be able to generate annual profits. In considering this Cabinet should note that there is no guarantee of the outstanding sums being recovered in the short-term and that the investment would be a long term investment in the Club.

Equality and Diversity / Public Sector Equality Duty – None specific in this report

Accommodation – None specific in this report

Crime and Disorder – None specific in this report

Human Rights – None specific in this report

Consultation – None specific in this report

Procurement – None specific in this report

Legal Implications – In anticipation of preserving Club cricket and with ECB support, the Club has resolved (via an Extraordinary General Meeting of the Club on 7 September, 2016)) to form a CIC, which will involve a New Chairman, a new Board of Directors and a new management structure in due course. The Club will need to formally incorporate the new CIC, though this is seen as a formality.

The Council has been asked by the ECB to agree to its loan being converted to equity in the form of redeemable preference shares in the new CIC to enable the Club to continue as an international cricket venue and to provide county cricket going forward, overseen by a financially stable CIC.

This is a proposal put to the Council as part of a rescue package to avoid the need to force its insolvency by pressing for immediate payment of some or all of the debt. The replacement of the entire board and a new management structure to run the Club is a key requirement underpinning the ECB's proposals.

Under s 1 of the Localism Act 2011 and other legislative provisions relating to Council functions, the Council has the power to agree to this arrangement.

It should however consider its duty to care for the public purse and ensure that its decision is rational and lawful. The report contains the details of the Council's position in the event of insolvency and also balances the pros and cons of not agreeing to the arrangement proposed. In terms of state aid factors the Council is

faced with the possibility of losing its investment. Agreeing to this proposal provides the Council with the opportunity of recovering moneys through dividends.



Mr Terry Collins
Chief Executive
Durham County Council
County Hall
Durham
County Durham
DH1 5UQ

STRICTLY PRIVATE AND CONFIDENTIAL By email and first class post

6 October 2016

Dear Mr Collins,

Durham Cricket Limited (“Durham”)

I write further to the latest developments regarding Durham.

Specifically I want to confirm the details of the latest financial rescue package which the ECB offered to Durham last Friday and to seek the further ongoing support of Durham County Council in putting in place an ‘all-creditors’ solution which enables Durham, under a new Chairman and new board management, to build a business which is financially viable in the medium to long-term.

Separately, the ECB is engaging in discussions with the LEP in order to seek their support for such a solution.

Whilst the ECB has welcomed Durham’s adoption of a new constitution to enable it to apply to become a ‘Community Interest Company’, as you are aware we have again been requested to offer further substantial financial support to Durham, including to cover its short-term operational costs and to pay for an assignment of the significant six-figure CRFS debt in order to avoid CRFS calling in its loan and forcing Durham into insolvency.

After careful consideration, the ECB Board decided to offer Durham this and further financial support, subject to a suitable all-creditor solution being agreed and a number of cricketing sanctions and other conditions being accepted by Durham, as detailed in our 30 September letter to DCCC.

I can confirm that the Durham Board formally accepted this offer on Monday 3 October. The further financial rescue package offered by the ECB takes Durham's total debt to the ECB up to £3.8 million, an entirely unprecedented level of debt for the ECB to bear.

The ECB is not seeking Durham's cash repayment of this debt, but has instead offered to write down £2 million of the debt in consideration of Durham's waiver of its right to stage 'Test Match' cricket (although Durham will remain eligible to host other forms of International cricket), with the balance being set off against 'special' fee payments which the ECB hopes to make to all First Class County Cricket Clubs in the future.

The ECB Board's decision to make its latest financial offer took into account, among other things, the fact that the insolvency specialists appointed by Durham this summer to advise it on insolvency options and to test the market for potential purchasers of Durham's business and assets have found no viable third party interest. Indeed the only third party which has expressed any provisional interest is backed by an individual who would not pass the ECB's fit and proper person test.

It is also clear that Durham's acceptance of the ECB's offer is only a short-term and part solution to Durham's financial predicament. We have calculated that Durham will still also need considerable assistance from Durham County Council (as well as the LEP) to enable it to get properly back onto its own financial feet and thereby protect and secure the future of first class and international cricket in County Durham and the North East of England as a whole.

As you know, there are many benefits of retaining a First Class County Cricket Club at Durham, especially given its focus on recreational cricket and wider community integration as a CIC. The ECB will be working with Durham to ensure that those running the professional and recreational game in Durham work together in a fully aligned and integrated manner, so as to best deliver benefits for the local communities at all levels. Durham's long term survival will also enable it to play its part as a venue which stages not only international and top-level domestic cricket, but also matches during the ICC Cricket World Cup 2019 which will be the biggest cricket event ever staged in this country.

In terms of the specific Durham County Council assistance which we see as being vital to achieving the medium and long-term survival of Durham as a solvent and financially stable entity, we believe that it is necessary for Durham County Council to agree:

- (i) to convert its debt into redeemable preference shares in the new Durham CIC entity on terms that those preference shares would be redeemed on a preferential basis out of Durham's distributable profits to repay the converted debt; and
- (ii) to enter into an immediate standstill agreement with Durham on terms that no interest or capital repayments would fall due on Durham County Council's loan to Durham pending the above debt to equity conversion.

The ECB in return is prepared to agree with Durham County Council that it will not receive any greater repayment of its outstanding Durham debt than Durham County Council receives via its redeemed preference shares when the ECB decides the extent to which it will withhold payment to Durham of any part or all of the 'special' fee payments which it makes to First Class County Cricket Clubs in the future. Further details of those ECB 'special' fee payments are detailed in our 30 September 2016 letter to the cricket club. Whilst the ECB recognises the pressure on all Local Authorities in the current climate, without such support and a robust all-creditor solution, the future looks bleak for Durham and it is our view that Durham will be left servicing an unsustainable amount of debt and become insolvent, with the result that Durham County Council and other creditors would be left very significantly out of pocket.

I am confident however that, if we work closely with Durham County Council, the LEP and the new Durham leadership, to build a sustainable restructuring plan for Durham along the above lines, that ongoing co-operation will materially increase the likelihood of Durham County Council, the LEP and the ECB ultimately recovering their debts in full.

On a more positive note, I am pleased to advise you that the ECB is currently discussing Durham's position with Sir Ian Botham, who played for Durham shortly after they achieved First Class status in 1992. Sir Ian is interested in playing a leadership role at Durham, but in order for him to do so, he will need assurances in relation to the financial status of the business. I will keep you informed of developments on this.

The ECB Chairman, myself and other senior ECB management colleagues would also be more than happy to come to Durham to present to you and your fellow Cabinet members on how, with the above all-creditors solution, we see the new Durham benefitting all the local communities, building a sustainable business and in time repaying its debts.

I look forward to hearing from you at the earliest opportunity.

Yours sincerely



Scott Smith

Enc

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Cabinet

19 October 2016



Schools PFI Refinancing

Report of Corporate Management Team

John Hewitt, Corporate Director Resources

Councillor Alan Napier, Portfolio Holder Finance

Purpose of report

- 1 To seek approval for delegated powers to be utilised to enter into a debt refinancing arrangement for the Council's Public Finance Initiative (PFI) covering Schools.

Background

- 2 As part of the Building Schools for the Future programme, three new schools were procured through a PFI contract with Inspiredspaces Durham (ProjectCo1) Ltd. The schools are:
 - (i) Shotton Hall Academy
 - (ii) Shotton Hall Primary
 - (iii) Sedgefield Community College
- 3 The schools were completed between September 2010 and January 2011 and the associated PFI contract runs until January 2036. During this time, the Council pays a monthly amount to the contractor, currently £608,000 per month, which is currently funded by a PFI grant, contributions from the schools, and a contribution from the Dedicated Schools Grant.
- 4 The monthly payment is known as a Unitary Charge (UC), and covers the financing costs of the construction of the buildings, plus their maintenance until January 2036, including the cost of future capital maintenance and 'soft' maintenance including caretaking and cleaning. The construction of the buildings was financed by borrowing from banks, and in practice much of the cost covered by the UC consists of the repayment and servicing of the debt.
- 5 The Council has been approached by Amber Fund Management Limited (AFM), our partner in the PFI Project Company to consider the refinancing of the senior debt within the PFI deal. Senior debt is the most secure form of lending within a PFI contract, and carries the lowest risk and hence the lowest cost; it is common for this debt to be refinanced sometime after the completion of construction, because the risks involved in the project generally reduce at this point, which means that the initial loans can be replaced by loans at a lower rate of interest. This approach has been made at this time because of the historically low level of interest rates available at present.

Current Position

- 6 In total the original senior debt was circa £49million with circa £43million still outstanding. The senior debt lenders were Barclays and Nationwide, with the debt being split equally between them. AFM have approached the Council along with five other local authorities to bring together a larger portfolio to take to the market to seek a refinancing deal. In total the outstanding debt for all of the authorities is £390million. It is expected that a more competitive deal can be secured by going to the market for £390million rather than just the Councils £43million. Notwithstanding this expectation, terms will be sought for individual authorities as well as for the full £390million. This will enable each local authority to be able to compare and assess options individually and collectively.
- 7 Each of the PFI contracts includes a requirement for early redemption penalties to be paid as part of any refinancing deal. It is estimated that the cost of these early redemption payments for the six local authorities could be circa £110million. This would require a total refinance package of circa £500million. Although this would result in an increase in the outstanding debt, it is still expected that the total repayments over the remaining term of the arrangement (circa 20 – 22 years) will be lower due to the expected reduction in interest rate charged on the new loan debt.
- 8 At this stage AFM have approached the market to seek terms. AFM have advised the Council that ten funders have indicated a firm interest in the refinancing deal. Over the coming weeks the ten potential funders will be narrowed down to three or four. Additional due diligence will then be carried out with this short list before a preferred funder is agreed.
- 9 In terms of timing, it is expected that the short list will be agreed by the end of October and a final deal being finalised by the end of March 2017. Based upon initial indications AFM have advised the Council that the terms being offered by prospective funders will result in a net gain for the six local authorities. Any benefit from the refinancing will be split between the Council and AFM as follows:

Up to £1million benefit	50% DCC – 50% AFM
Between £1million and £3million benefit	60% DCC – 40% AFM
Over £3m benefit	70% DCC – 30% AFM

- 10 The financial and legal arrangements in PFI deals are extremely complex. With this in mind Ernst and Young (Finance) and Bond Dickinson (Legal) have been appointed to provide the Council with advice over the coming months to ensure the Council achieves optimum value for money from any refinancing but to also protect the Council's interests throughout the negotiations.

- 11 It is not clear at this point when the Council will be required to enter into contractual arrangements to finalise any refinancing arrangement, however, there may be a need to move at pace in this regard. With this in mind this report seeks approval for delegated approval to be given to enable any such arrangement to be entered into on the basis that any arrangement generates a financial benefit, balances risk and protects the interests of the Council.

Recommendations and Reasons

- 12 It is recommended that Cabinet :
- (i) Note the option to refinance the debt outstanding in the Council's Schools PFI;
 - (ii) Note the total sums outstanding and the option to aggregate the Council's outstanding debt with that of five other local authorities to maximize financial benefit;
 - (iii) Note the expectation of a financial benefit being generated from the refinancing;
 - (iv) Agree to authorise the Corporate Director Resources in consultation with the Portfolio Holder for Finance to agree a refinancing deal beneficial to the Council.

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Appendix 1: Implications

Finance – The Council has the option of refinancing the outstanding senior debt on the Schools PFI of circa £43million on the expectation of the realisation of a financial benefit.

Staffing – none

Risk – The Council will need to ensure that any arrangement entered into will protect the interests of the Council.

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 – The Council will be required to enter into a new contractual arrangement with new funders. Legal Services will advise in this regard as well as receiving additional support from Bond Dickinson.

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