



**Economy and Enterprise  
Overview and Scrutiny Committee**

**Date** Thursday 23 February 2017  
**Time** 9.30 am  
**Venue** Committee Room 2, County Hall, Durham

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**Business**

**Part A**

**Items during which the Press and Public are welcome to attend. Members of the Public can ask questions with the Chairman's agreement.**

1. Apologies for Absence
2. Substitute Members
3. Minutes of the Special meeting held 20 December 2016 and the meeting held 13 January 2017 (Pages 3 - 22)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations
7. Digital Durham - Update: (Pages 23 - 28)
  - (i) Joint Report of the Director of Transformation and Partnerships and the Corporate Director of Resources.
  - (ii) Presentation by the Head of ICT, Resources.
8. Private Sector Housing - Update: (Pages 29 - 34)
  - (i) Joint Report of the Director of Transformation and Partnerships and the Corporate Director of Regeneration and Local Services.
  - (ii) Presentation by the Strategic Manager Housing, Regeneration and Local Services.
9. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

**Colette Longbottom**  
Head of Legal and Democratic Services

County Hall  
Durham  
15 February 2017

To: **The Members of the Economy and Enterprise Overview and Scrutiny Committee:**

Councillor R Crute (Chairman)  
Councillor A Batey (Vice-Chairman)

Councillors E Adam, J Armstrong, J Bell, J Clare, J Cordon, M Davinson, D Hall, T Henderson, C Kay, B Kellett, J Maitland, H Nicholson, R Ormerod, A Patterson, M Simpson, P Stradling, O Temple and A Willis

**Co-opted Members:**

Mr T Batson and Mr I McLaren

**DURHAM COUNTY COUNCIL**

**ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE**

At a Special Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Tuesday 20 December 2016 at 9.30 am**

**Present:**

**Councillor R Crute (Chairman)**

**Members of the Committee:**

Councillors E Adam, J Armstrong, M Davinson, D Hall, T Henderson, H Nicholson, A Patterson, P Stradling and O Temple

**Also Present:**

Councillor E Tomlinson

**1 Apologies for Absence**

Apologies for absence were received from Councillors A Batey, J Clare, B Kellett, J Maitland, R Ormerod, A Willis, Mr T Batson and Mr I McLaren.

**2 Substitute Members**

No notification of Substitute Members had been received.

**3 Declarations of Interest**

There were no Declarations of Interest.

**4 Items from Co-opted Members or Interested Parties**

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

**5 Business Durham Activity**

The Chairman introduced the Manager Director, Business Durham (BD), Dr Simon Goon who was in attendance to give an update as regards BD activity (for copy see file of minutes).

The Managing Director reminded Members that BD had three teams: Business Space; Business Development; and Innovation and Growth.

Councillors noted Table 1 within the report which set out the performance information for BD and the Managing Director highlighted the good performance last year and that performance for the current year was on trend to meet and in some cases exceed, target.

Members were informed of activities in terms of enterprise, engagement and outreach, with such activities including working with partners, including the four enterprise agencies, to not only provide help in terms of retaining jobs, but also to provide advice to individuals who wished to start a business by delivery of the Welfare Reform Self-Employment Programme. Councillors noted that the Future Business Magnate (FBM) was in its twelfth year and engaged with over 200 young people each year, and connected County Durham businesses with schools. Members noted that last year the theme was the “The Home of Manufacturing” with Durham Johnson being the winning school, working with the Zumtobel Group to produce a “Lock and Dock”, a wheelie bin docking device. It was added that the 2016/17 FBM competition would feature two schools from outside of County Durham, the Longfield Academy, Darlington and Emmanuel College, Gateshead.

Members learned of FBMplus, which involved 30 students from Further Education (FE) colleges and continued support for Durham University’s Blueprint Competition and Dragons’ Den activities. It was noted that there had been a number of events promoting Science, Technology, Engineering and Manufacturing (STEM) including talks by the Author and Technology Journalist, Andrew Smith at Framwellgate School and the Gala Theatre. The Managing Director added that there was a “Physics Future” event held at NETPark in March 2016, in partnership with the White Rose Physics Academy from York University, the Institute of Physics and Durham University. Members were pleased to note the work done by BD on a NETPark outreach module for New College Durham (NCD), with the taster sessions held for students having generated positive feedback, the full module being launched in September 2016.

Councillors learned that in terms of supporting rural businesses, a number of activities had taken place, including a “pop up” kitchen event at the Durham Dales Centre, Stanhope and a number of workshops and mentoring sessions. Members also noted work ongoing with BD in partnership with Durham University to hold a “Durham International Festival of Enterprise” to be held over three days, 27 February to 1 March 2017, with the aim to get County Durham on the map as an enterprise destination. It was added the festival would be held in the Town Hall and Gala Theatre in Durham City.

The Managing Director explained that in terms of business engagement, there were a number of ongoing activities, as set out within the main report and Appendix 3, with examples from companies such as Altec Engineering and ResQ. Members were informed of the support of the “Let’s Grow” grant scheme, a Regional Growth Fund (RGF) operating across the North East and that in Phase Two of the scheme, County Durham Businesses had been awarded £3.88 million, with a match funding of £25.49 million helping to create 1,095 jobs.

The Committee noted that the BD initiated Business Park Communities were continuing to go from strength to strength and it was added that Newton Aycliffe had become self-sustaining.

Members noted there were around 30-40 Business attending the Durham 2sday business networks in Durham City and the quality is such that businesses from Newcastle are regularly attending.

Councillors were informed of the European Rural Development Fund (ERDF) funding for the Durham Business Opportunities Programme (DBOP) and the Managing Director added that there was a need to change business support from simply a list of services available to being able to identify opportunities. Members noted opportunities could be local or national and international, with an example given of healthcare opportunities in Dubai.

The Managing Director explained that manufacturing was a vital part of the County Durham economy and that BD was working with a newly formed network, the County Durham Engineering and Manufacturing Network (CDEM), supporting them in terms of taking forward issues and opportunities. Members were reminded of the Hitachi Rail Europe Rail Vehicle Manufacturing Facility at Newton Aycliffe and noted that Business Durham had worked with four local suppliers to reach European accreditations and there were other companies that were also looking to become suppliers. It was added that GlaxoSmithkline (GSK) had announced an investment of £92 million in Barnard Castle that would look to sustain over 1,000 jobs and that Thorn Lighting at Spennymoor had introduced new products that had been developed by a business at NETPark.

The Committee noted inward investment enquiries received, with the lower operating costs in the North East being highlighted as a helpful driver, and BD having learned from previous approaches to inward investment. Members noted that there were several sites at Hawthorn, Integra 61 and Forrest Park that were being brought forward, ahead of the proposed International Advanced Manufacturing Park at Sunderland. Councillors noted Table 7 within the report set out the successes in 2014-15 in terms of inward investment, with companies including: Atom Bank, Aykley Heads; Kans and Kandy, Seaham; Complement Genomics, Lanchester; Two Touch, Seaham; Encore Envelopes, Peterlee; and Great Annual Savings, Spectrum. The Managing Director explained that those companies were roughly at 75% of their predicted jobs forecast and he was comfortable that they were on track overall. Members noted that there were a number of potential investments in the pipeline as well as a number of reinvestments by multi-national businesses in County Durham, for example GSK. It was acknowledged that Brexit was an issue, with the current uncertainty making the UK less attractive for investment, and there was another issue in terms of the Government's Apprenticeship Levy and how this would apply to not only small businesses, but also larger "blue chip" companies as this could make their UK plants less competitive than their sister plants worldwide.

The Managing Director explained that in respect of innovation there was a lot of work that had been undertaken at NETPark and that BD continued to work with Harwell, the Space Applications Catapult Headquarters in terms of the space sector. Members noted BD had led a successful bid to the UK Space Agency to deliver the North East Space Incubator programme at NETPark and the North East Space and Satellite Applications Hub (NESSA) was working to secure further funding. Councillors noted the work of BD and the North East Local Enterprise Partnership (NELEP) in looking at this market.

The Committee were reminded that Cabinet had agreed the creation of a £20million evergreen venture capital fund, with the procurement process currently underway.

Members noted that modelling had suggested that the fund would help to create and safeguard about 2,000 jobs and support between 70-80 businesses over a 10 year period.

Councillors noted that in respect of business properties, NETPark was in its eleventh year and was home to 31 science and technology businesses. Members were reminded that the road and utility infrastructure to be provided by a NELEP award of £6.8m would create a further serviced land that would ultimately create a further 750,000 sq. ft. of space and a further 2,400 jobs over the next fifteen years. The Managing Director explained that DCC had acquired Salvus House at Aykley Heads, adding high quality office space to that managed by BD and added it would be the preferred location for the Durham City Incubator a partnership between the Council, Durham University and New College Durham. Councillors noted the overall occupancy for the whole BD portfolio, at 87.5% and it was explained that there would be work undertaken in terms of retaining tenants, with targeted property marketing to include the new Explorer Buildings at NETPark, together with Tanfield Lea Business Centre and the Durham Dales Centre.

The Managing Director explained the BD approach to communications, based on several loose categories (five stories): innovation; inward investment; business engagement; enterprise; and property, together with a series of campaigns in terms of spotlighting aspects of doing business in County Durham, such as manufacturing. The Managing Director concluded by noting the use of social media and highlighted the improvements in terms of the number of social media impressions over the period April to September 2016, with an increase from 4 million to 15 million.

The Chairman thanked the Managing Director and noted the good news in terms of developments. The Chairman noted the Apprenticeship Levy, in the context of Brexit and foreign investment, and added that skills development and retention would be important, as highlighted by the work of the Committee. The Chairman asked in terms of post-Brexit, what gaps and threats may appear.

The Managing Director explained developing skills had come through as a common theme, however, what skills exactly would be dependent upon the nature of technology and business practices moving forward. Members were reminded of a disconnect in terms of qualification providers and the development of skills and attitudes, such that people were ready to start work, and it was added that for high level studies there was a very limited pool of people, for example at the Centre for Process Innovation, there was a person who was one of three people in the world leading on organic light emitting diode (OLED) technology. The Managing Director reiterated that there was a need to try and connect businesses to skill development organisations, such as colleges. The Managing Director added that another aspect was incentivising staff to then be able to retain them, not only in terms of money, but also in moving to more flexible working. It was added that since the EU Referendum there had been less certainty and “as things firm up” there would be greater clarity, with no negative impact having been felt yet. The Chairman noted that the issue would be in terms of the impact in the medium to long term.

The Portfolio Holder for Assets, Strategic Housing and Rural Issues, Councillor E Tomlinson noted that training was a two-edged sword and as regards the Apprenticeship Levy there could be scope in the longer term for those apprentices to cascade down to the businesses that could not take apprentices on themselves.

The Chairman noted that the Working Group which looked at skills development had noted that an issue was in letting businesses know what support was available to them.

Councillor M Davinson noted the FBM competition was in its twelve year and, as those people who had been involved in the first few years would be in their mid-20s, asked whether there was an opportunity to follow up with those former pupils and hear some of their stories, to see if there has been a “brain drain” or whether people had become self-employed and if their skills were retained within the County.

The Managing Director noted that the FBM competition began prior to Local Government Reorganisation (LGR) in County Durham and looked to develop skills that would help entrepreneurship. It was added that there was a particular mind-set in terms of entrepreneurs, with many successful entrepreneurs having noted that one of the main reasons for their success was having surrounded themselves with good people/employees and therefore it was important to be able to have not only the entrepreneurs themselves, but also “good people/employees” too. It was added that tracking some of the participants 10 or so years after the competition has proven to be difficult and there are data protection issues. The Managing Director noted anecdotally a former FBM participant had secured employment at Atom Bank, and while there was no “cause and effect” as such there was no harm in helping to promote the competition and help bring educators and businesses together. Members noted that retention of skills was an issue; however this was improving in County Durham. The Managing Director added that when focusing specifically on County Durham, there were activities to create opportunities and to help our resident access those opportunities, and that employment in the County had increased.

Councillor E Adam noted that the Overview and Scrutiny Management Board Members had received performance information as regards the employment rate and County Durham was still behind the North East and National rates. Councillor E Adam accepted that progress was being made in County Durham, however it was not a step change in terms of substantially increasing the performance. Councillor E Adam asked as regards the “data gathering exercise” in terms of the CDEM, as mentioned within the report, what issues had come to light, and whether the work of South West Durham Training (SWDT) or indeed the Committee and its Working Group had been looked at in conjunction.

The Managing Director explained that while there had not been a focus on skills per se, there had been an exercise looking at skills and competencies that would be needed to deliver aspirations, including: the make-up of their management team; equipment/machinery; turnover; suppliers and looking locally; spend on research and development; and growth ambitions. It was added that a lot of the issues reflected the scale of the businesses, with many being micro or small businesses. It was explained that around 74% of those businesses spoken to had noted a target of 20% growth based upon their current product line and customer base, with this being more of a hopeful estimate and that the average number of suppliers each business has was around 200, with around 10 of those being critical to the business. Councillors noted that there was an aim to help businesses buy better and sell better, and that this was biggest opportunity available to many businesses and therefore how, through the CDEM, businesses could be helped to take those opportunities was important. Members noted that access to finance and new innovative approaches were also issues for businesses to consider, with the issue of skills always an undercurrent, though there was a need to ensure that any work was not replicating what colleges may already be offering.

The Managing Director noted that the employment rate in County Durham was lagging behind the North East and national rates; however it was not deteriorating and was moving forward slowly but steadily. Members were reminded that the large numbers of new jobs, for example akin to the Hitachi (900) or ResQ (1,200), were not the norm, however if there were three or four of these types of investment there would then be an issue of supply in terms of workforce.

Councillor A Patterson asked in terms of the FBM competition and tracking the destination of previous participants, was the data not already collected and held by our One-Point service. The Managing Director noted data at age 16 was known, however not beyond 6 months after that for example. Councillor A Patterson noted that DCC had an obligation to track young people up to age 19. The Managing Director noted that at 19 it was likely those young people were in some form of training, and that in their mid-20s it would be difficult to track those at University or who had then moved into work.

Councillor A Patterson noted a lot of the business developments seemed to be in the East of the County, especially at Seaham and asked why this was. The Managing Director noted this was an issue of the availability of suitable property and space at Spectrum and Seaham Grange. Councillor A Patterson noted 50% occupancy at the Durham Dales Centre and noted some people had found cheaper accommodation at Stanhope and therefore was there merit in looking at the charges and to look for incentives to aim for 100% occupancy. The Managing Director explained that the current rates were competitive and those cheaper offers elsewhere were incentivised, with reduced first year rents for example, to attempt to attract new business. It was added that the issue was not in terms of retail space, rather office accommodation and therefore an artisan/craft area was being considered for conversion to office space. The Managing Director added that a lot of microbusinesses would look at whether they actually needed to have such an office space, weighing up the cost base required. The Managing Director noted that in terms of Member's suggestion to undertake a focused piece of work looking at the support provided to the retail business sector in County Durham useful contacts would include the Economic Development Manager, Graham Wood and the Community Economic Development Manager, Wendy Benson, with a number of town centre capital improvements being carried out. It was added that the Durham Business Improvement District (BID) Manager, Adam Deathe could also be useful contact, though noting the Durham BID was subject to the process of funding renewal in 2017.

**Resolved:**

- (i) That the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee include in the refresh of its Work Programme for 2017/18 a further update on the work of Business Durham.

## **6 NECA Transport Activity**

The Chairman introduced the Head of Transport and Contract Services, Regeneration and Local Services, Adrian White who was in attendance to give a brief overview of the transport activity undertaken by the North East Combined Authority (NECA) (for copy see file of minutes).

The Head of Transport and Contract Services reminded Members in 2014 seven Local Authorities (LAs): County Durham; Gateshead; Newcastle; North Tyneside; Northumberland; South Tyneside; and Sunderland established the NECA, to assist with the coordination of economic development, transport and skills with an aim to create better conditions for economic growth. It was added that a part of the Legal Order creating the NECA conferred upon the NECA the role of “Transport Authority” for the whole area and while this primarily related to public transport, it also included the duty to prepare a Local Transport Plan (LTP). Members recalled that there was a variation in spend per head of population on public transport across the LAs, in part due to the Metro system, and under the Operating Agreement for the NECA, the operational delivery of public transport was delegated back to County Durham and Northumberland Councils, with Nexus retaining responsibility for delivering public transport across Tyne and Wear.

The Committee noted that the aim of the NECA was to join up and align economic strategy, and for NECA to interact on a sub-national and Government level, being our voice in the context of a “Northern Powerhouse”. It was noted that while each LA had their own issues, the NECA was a powerful organisation, for example, helping persuade Government on issues such as: the East Coast Main Line, working with the Tees Valley Combined Authority; dual lanes for the A1(M) in Northumberland; upgrading the western bypass for Newcastle; and dual lanes for the A66. Members noted another issue was that of High Speed Rail (HSR), looking for links up along the east coast, and also for local rail services with the NECA working with Transport for the North and Rail North and providing representation in dealing with the Department for Transport (DfT).

Members were reminded of the NECA responsibilities in terms of a LTP and noted there would still be a Local Delivery Plan for County Durham, and these would replace the current LTP. It was added that LAs would help shape the new LTP, with Newcastle for example being able to help in terms of urban areas, and County Durham in terms of influence in respect of rural issues. It was noted that Councillors J Armstrong and R Crute were members of the NECA Overview and Scrutiny Committee and would therefore have oversight in respect of the work of the NECA. Councillors were informed that in terms of Bus Operators, the Head of Transport and Contract Services had volunteered to work with them looking at the impact of the Government’s Buses Bill in relation to enhanced partnership working or the possibility of bus franchising. It was explained that the NECA Transport Team work closely with the North East Local Enterprise Partnership (NELEP) in respect of a forward pipeline of major transport capital investments, funded through the Local Growth Fund. Members noted work included: “Local Motion”, a project to change hearts and minds in terms of sustainable transport, being rebranded to “Go Smarter”, with the NECA Transport Team leading on this; coordination of bids for car clubs, electric vehicle infrastructure and clean vehicle technology; and a public/private partnership in terms of freight movement and future needs, an example given being Forrest Park.

Members noted the arrangements in terms of NECA governance and overview, and the Officer support given to the Transport Team at NECA. Councillors learned that the funding arrangements comprised a combination of top-slicing of the LTP allocation and a contribution from NELEP resources. It was added that the DfT makes an annual allocation for local transport issues through the Integrated Transport Block and Maintenance Block and that since the formation of the NECA this allocation was pooled across the seven LAs and given direct to NECA.

The Head of Transport and Contract Services explained that in terms of highways maintenance allocation, this was passported back to LAs and the allocation was as per a formula relating to road length and condition, with Northumberland and County Durham having the larger networks. Members noted that for the future, there was some uncertainty in terms of any North of Tyne Mayoralty and how this would impact upon transport issues, including Nexus and the role of each LA in terms of being a Transport Authority.

The Chairman thanked the Head of Transport and Contract Services and reiterated that he and Councillor J Armstrong were DCC representatives on the NECA Overview and Scrutiny Committee, and there had been mention of issues such as dual carriageways for the A66 and A69 and reducing the travel time from Leeds to Newcastle to 60 minutes, though the Chairman noted whether the benefits of a 60 minute travel time would be worthwhile if the train did not stop at Durham station. The Chairman noted that a link to the NECA Transport Plan had been set out within the report and could be useful for Members. Councillor J Armstrong added that the NECA budget had been looked at for a year and agreed and there had been a lot of recommendations brought forward by the NECA Overview and Scrutiny Committee which were included in a recently completed Policy Review looking at 'transport related barriers to education, employment and training' in terms of: concessionary fares for teenagers aged 16-19; improvement to ticketing machines; improvements to the network; accessibility; and ensuring policies do not disadvantage development and employment at the planning stage. It was suggested that the link to the above Policy Review report was circulated to the members of the committee following the conclusion of the meeting.

Councillor A Patterson asked as regards the Buses Bill and the potential impact upon rural communities. The Head of Transport and Contract Services noted that it was hard to see there being much impact upon rural communities, with many services in rural areas being subsidised. It was added that if the option of franchising, as set out in the bill, was pursued then some areas could look to take on profitable routes and use any profits to be able to subsidise other routes. However, it was noted that there was not the opportunity in terms of large profits in County Durham and the opportunities set out in the Bill relating to partnership working were thought to be the best option for County Durham, to help look at issues such as congestion and operating services beyond 1 hour of the major centres.

Councillor J Armstrong noted the issues in terms of rural routes and subsidies, and asked whether there was any update in terms of subsidised hospital transport. The Head of Transport and Contract Services explained that DCC was working with the National Health Service and Public Health in terms of the volunteer car scheme to provide access to services.

**Resolved:**

- (i) That the report be noted.
- (ii) That the NECA Policy Review Report looking at 'transport related barriers to education, employment and training' is circulated to members of the committee following the conclusion of the meeting.

## **7 County Durham Plan Update - Government Housing White Paper**

The Chairman introduced the Spatial Policy Manager, Regeneration and Local Services, Mike Allum who was in attendance to give an update on the County Durham Plan (CDP) and the possible implications of the forthcoming Government Housing White Paper (for copy see file of minutes).

The Spatial Policy Manager explained to Members that in May 2016 Parliament had enacted the Housing and Planning Act which introduced a number of changes including the provision of starter homes, widening the right to buy provisions and tackling rogue landlords. It was added that regulations were being consulted upon, however, no final version had yet been forthcoming. Councillors noted that the Government had indicated that it would bring forward a White Paper in January 2017 in respect of further changes in terms of housing, including a more flexible view on starter homes and affordable housing.

It was added that Government had indicated that it would use the White Paper to outline its response in terms of the Local Plans Expert Group (LPEG), in relation to the Local Plan process and the streamlining of this process. Members noted that at this point there was some speculation of the content such as the calculation of Objectively Assessed Need (OAN) which was fundamental in terms of the development of any Local Plan. Members noted that the Government is likely to introduce a national standard methodology for calculating housing numbers unlike currently when all local authorities calculate their own.

Councillors noted that other significant changes in terms of the preparation of a Local Plan, could include: the future of the Community Infrastructure Levy (CIL), as this had not proven to be as successful as envisaged; actions to boost the build-out of houses, looking to prevent "land banking"; changed planning fees, with a possible premium "fast-track" service; and policy in terms of housing density.

Members noted that while the CDP had been about to be at the preferred options consultation stage, it was thought to be sensible to review the position following the publication of the White Paper before recommending a preferred option and proceeding to consultation.

The Chairman thanked the Spatial Policy Manager and noted he felt it would be wrong if developers could pay for a fast-track service that bypassed any planning scrutiny and asked whether land availability assessments would change. The Spatial Policy Manager noted that the Strategic Housing Land Availability Assessment (SHLAA) methodology was likely to remain the same.

Councillor O Temple asked as regards the potential increase in housing density and how this would affect developments of "executive homes", would there be a change of emphasis or would it remain as per the "old" CDP. The Spatial Policy Manager noted that densities are likely to be higher close to businesses; public services and transport; and lower in rural locations. It was noted that if there was a special case demonstrated it could apply. Councillor J Armstrong asked how changes in density would relate to car parking provision and would there be capacity to be able to provide adequate parking as members receive regular complaints from residents concerning 2 car families and parking problems.

The Spatial Policy Manager added that there had been a relaxing of the rules in terms of minimum provision and that ownership did not equate to usage in terms of parking.

Councillor H Nicholson noted that the A1 and A19 corridors attracted new businesses and that housing developments seemed to follow those businesses, to the detriment of the established villages in a sense that they appear to be becoming “left behind”.

Councillor H Nicholson noted that while housing papers suggested a “led by the market” approach, he felt that there should be an element of the Authority, and Members, leading in terms of where we wanted to develop, especially in terms of the Authority’s arms’ length company. Councillor H Nicholson added that in some areas old, no longer fit for purpose stock needed to be demolished and new modern properties built and Councillor H Nicholson reiterated his concern that some villages could be left behind.

The Chairman noted that the Council’s Masterplans looked at the 12 main settlements, however, there were other villages too and it was an issue in terms of getting developers interested in those other areas and providing the right housing type for those areas.

Councillor M Davinson noted that when some terraced house prices were falling below £20,000 then this was an indication that something was very wrong with an area and added that he felt that in some cases developers would be willing to provide a density of housing without providing the roads and other requisite infrastructure, as they felt we were so desperate for housing that it would be accepted. Councillor J Armstrong noted he agreed with Councillor H Nicholson in that some areas needed to be regenerated, with older properties being demolished.

The Chairman noted that while there was a delay to be able to understand the impact of the White Paper, he wondered whether, following this period of delay, the CDP process could then speed up.

The Portfolio Holder for Assets, Strategic Housing and Rural Issues noted that in relation to estate regeneration there were currently 2 bids in terms of pilots for West Auckland and Newton Aycliffe. The Portfolio Holder added that issues in terms of demolitions and regeneration of villages were discussed at the Housing Forum and there was constant lobbying in terms of securing regeneration schemes.

**Resolved:**

That the Economy and Enterprise Overview and Scrutiny Committee note the forthcoming publication of the Housing White Paper and that Members receive a further update once the Housing White Paper is published.

## **DURHAM COUNTY COUNCIL**

### **ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE**

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Friday 13 January 2017** at **9.30 am**

#### **Present:**

**Councillor A Batey (Vice-Chairman in the Chair)**

#### **Members of the Committee:**

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

#### **Co-opted Members:**

Mr T Batson

#### **Also Present:**

Councillor C Hampson

#### **1 Apologies for Absence**

Apologies for absence were received from Councillors R Crute, T Henderson, J Maitland, O Temple, A Willis, Mr I McLaren, H Smith and Mrs A Swift (Faith Rep).

#### **2 Substitute Members**

No notification of Substitute Members had been received.

#### **3 Minutes**

The Minutes of the meeting held 3 November 2016 were agreed as a correct record and were signed by the Chairman.

#### **4 Declarations of Interest**

There were no Declarations of Interest.

#### **5 Items from Co-opted Members or Interested Parties**

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

## **6 Media Relations**

The Overview and Scrutiny Officer, Diane Close referred Members to the recent prominent articles and news stories relating to the remit of the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes). The articles included: rough sleeping on the increase, with the latest Government figures showing 3,569 rough sleepers on any one night in England, linking to Item 8; Durham County Council (DCC) celebrating its 1,000<sup>th</sup> apprenticeship supported following the launch of the County Durham Apprentice Programme in November 2011; a plea from the Federation of Small Business (FSB) to shop locally in the run up to Christmas, with Small Business Saturday; and the County Durham Plan (CDP) consultation being paused in light of a Government White Paper on Housing.

### **Resolved:**

That the presentation be noted.

## **7 DurhamWorks Programme - Youth Employment Initiative**

The Chairman introduced the External Programme Manager, Helen Radcliffe who was in attendance to give an update as regards the DurhamWorks Programme – Youth Employment Initiative (for copy see file of minutes).

The External Programme Manager reminded the Committee of the previous updates given by the Strategic Manager - Progression and Learning, Linda Bailey in relation to the DurhamWorks Programme and noted that there had been good progress made, though still with some challenges to overcome.

Members noted positive aspects included: employer engagement; the Learning, Working, Earning Grant; support for vulnerable groups; marketing and communications; and programme evaluation. It was explained that challenges included: eligibility evidence; the Management Information System; and programme delays.

The Committee noted marketing and communications, utilising traditional methods such as advertising on the side of buses and radio as well as more modern social media channels adding that the marketing was targeted to areas specifically. Councillors noted a graph highlighting the impact of marketing campaigns and that the next steps included targeted campaigns focussing on young people and employers, plus the use of social media including Facebook, Twitter and LinkedIn.

Members noted that there would be a comprehensive programme evaluation built into the programme, and that this would include feedback from the young people themselves as well as cost-benefit analysis.

The External Programme Manager referred Members to a slide setting out the current performance of the DurhamWorks Programme, split between all clients, and “verified” clients. It was explained that “verified” referred to the specific eligibility criteria as set out in the EU funding, with DCC waiting for evidence for around 400 clients from JobCentre Plus.

It was added that of those clients there was an approximate 50/50 split between 16-18 year olds and 19-25 year olds, though it was thought the number of those 18 and older would increase.

Members were referred to a slide highlighting outputs, with most measures heading comfortably in the right direction, though the issue of lone parents being highlighted as one that would have a specific programme and it was expected that another aspect to be looked at would be “inactive” young people. It was added that if there was a specific need identified, which couldn't be delivered by the existing Delivery Partners, then provision would be procured through the Sub-contractor Framework. Members noted information as regards the geographical distribution of DurhamWorks participants and an updated position in terms of the financial performance of the Programme.

Councillors were referred to examples of “DurhamWorks, Young People and Employers”, with case studies of young people working with: a staircase manufacturer in Newton Aycliffe; the Citizens' Advice Service; Weardale Adventure Centre; and a bearing and transmission manufacturer based at Consett.

The External Programme Manager commented that if Councillors knew of any young people that could benefit from the DurhamWorks programme to get in touch and let the young person know how to get in touch also. Members were asked to encourage employers to engage with DurhamWorks to discuss what financial incentives maybe available as well as sharing information about DurhamWorks through their local networks as widely as possible.

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

Councillor J Armstrong noted an output figure of 1,205 up to July, giving approximately 250 per month, and asked was it a stretch target and how confident were Officers in terms of achieving the output targets. The External Programme Manager noted Officers were very confident and that the opportunities were huge in between May and November 2017 to be able to help those young people that have not been as successful at school, or to assist those completing A-Levels or a degree should they be struggling. It was noted that there was a small downward trend, however, it was felt that from May onwards that this would be remedied, having learned lessons from the previous year, with processes now in place to work with schools, colleges and JobCentre Plus.

Councillor J Clare noted that he had been speaking to a DurhamWorks Mentor who had a wealth of experience and had noted that the wraparound care being provided was the best they had ever seen. Councillor J Clare asked as regards the figures for Newton Aycliffe, specifically as regards those that were NEET (Not in Employment, Education or Training) and what percentage of those had signed up to DurhamWorks.

The External Programme Manager noted 108 NEETs in Newton Aycliffe and a response as regards the sign up would be provided to the member. Councillor J Clare asked as regards the eligibility criteria, noting he had believed it was for 18-24 years olds only. The External Programme Manager explained that it was for those aged 16-24 (on the day that they registered on DurhamWorks or the day after they had left compulsory education) and that proof of age, residency, and unemployed or NEET status was required, as well as meeting the EU Programme eligibility.

Councillor E Adam noted the scheme was in the early stages, however added that he felt it was going in the right direction. He asked questions in terms of marketing and recruitment of young people to the programme, noting many organisations would be targeting young people at this time. The External Programme Manager noted that, in an ideal world, it would be preferable to prevent those at risk of becoming NEET actually becoming NEET. However conditions of the Youth Employment Initiative (YEI) funding meant young people could not be targeted while at school and they had to be NEET/unemployed before joining DurhamWorks. It was noted that other ESF funding is enabling this NEET preventative work to be undertaken and the Newcastle College Group were leading on this.

Councillor E Adam also asked questions in terms of structures in place to help identify those young people needing help to become work ready, and how employers would get knowledge of the programme and the support available. The External Programme Manager noted there were 6 Business Advisors and they would look to find opportunities and help “handhold” employers as some microbusinesses may not have had employed people before and would need assistance in terms of preparing a job specification, help with sourcing candidates and preparation of interview questions. It was added that there would be follow up with the young person post-start, with the young people having their own support workers too, helping at all stages to make placements sustainable. The External Programme Manager explained that in terms of identifying the needs of young people, the first stage would be to talk to the young person and ask what they wanted, where they were in terms of skills and knowledge, with issues of communication and confidence being assessed. It was added that not all young people understand the issues in terms of presentation and communication and therefore this is explained and each young person has an Action Plan specific to their needs. In some cases participants needs support to overcome basic barriers such as arranging travel or setting up a bank account. Members noted that young people would then move to either specialist DurhamWorks Delivery Partners or mainstream employment, training or education provision, depending upon the needs identified.

Councillor M Davinson noted the programme seemed excellent, noting the participation of lone parents and added that he felt this should be prioritised. Councillor A Patterson added that there were groups to look at, such as lone parents and care leavers where they could be financially disadvantaged if they were to take up a training opportunity, leaving those young people in a Catch-22 situation. The External Programme Manager noted that in terms of lone parents there was work with One-Point and Public Health with the Teenage Parenting Pathway and that with those aged 19-24 work was being undertaken with young people living in rural areas and care leavers. It was added that in terms of care leavers, the work of DurhamWorks was only one element, and the financial aspect was noted as an issue.

Councillor H Nicholson asked as regards figures for NEETs for his Electoral Division, with the External Programme Manager noting those could be supplied.

**Resolved:**

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee continue to receive further progress reports on the delivery of the DurhamWorks Programme at future meetings of the Committee.

- (iii) That Members of the Children and Young People's Overview and Scrutiny Overview and Committee be invited to future meetings of the Committee when an update on the DurhamWorks Programme is included on the agenda.

## **8 Homelessness - Update**

The Chairman introduced the Housing Manager, Housing Solutions, Marie Smith who was in attendance to give an update on Homelessness (for copy see file of minutes).

The Housing Manager explained that the Housing Solutions service operated a Housing Advice Line (HAL), a first point of contact offering advice and access to specialist teams covering: Private Sector Housing; Homeless Advice; Home Improvement Agency; Gypsy Roma Travellers; Durham Key Options (DKO); Regeneration and Warmer Homes; and Family Intervention support.

It was explained that headline figures showed, from 2013/14 through to 2015/16, a steady increase in the overall contacts received by the Housing Solutions Team; a steady decrease in the number of homeless application and a decrease in the number of homeless acceptances. The Housing Manager reminded Members of the statutory duty in terms of homeless presentations and the work undertaken to provide early interventions to help people before they become homeless. The Committee noted that the main reasons for a tenancy breakdown were: a tenancy simply coming to an end and relationship breakdowns. It was added that the number of rough sleepers in Durham was low, however there would be a number of "sofa-surfers" and these people were harder to quantify and did not often present as "homeless". The Housing Manager added that the ages tended to be younger people; with acceptances often from lone parents and that geographically there was greater numbers in the North and East of the County. Members learned of the "Remain Safe" project and advice available in terms of finance and Welfare Reform. As would be mentioned in the next agenda item, there were well established links between housing and wellbeing, with the formation of the Housing Support Group. It was noted there was a need to understand the impact of upcoming legislation and the changes in terms of housing need. It was added that there would be a Supported Accommodation review and that direct access made available in terms of emergency accommodation.

The Housing Manager concluded by noting that challenges in the near future would include: the impact of the Homeless Reduction Bill, with initial estimates in the region of around a 60% increase in the duty for the DCC service; the Benefit Cap; a reduction in Housing Benefit payments; bids for funding pots, noting that successful bids were very specific rather than broad in scope; and monitoring and understanding housing need.

The Chairman thanked the Officer for her presentation and asked Members for their questions.

Councillor J Clare noted that the work in terms of the benefit cap was very joined up and very good and cited an example of a local resident who had contacted him and had a response from the DCC Team immediately. Councillor J Clare added that the response provided had been excellent.

In relation to rough sleepers, Councillor J Clare had tried to find a contact number in terms of reporting this and had been directed to speak to a number of charities rather than a DCC service, was this correct and if not who should he contact. The Housing Manager noted that while DCC worked with Streetlink, Members, or the public, could still contact the service via the Housing Action Line, and speak to someone 24 hours a day.

Councillor A Patterson noted the estimate in terms of potential additional work for the Housing Solutions Services, 60% and asked if this would be something that would be raised in terms of costs when the Bill was being considered by Parliament. The Housing Manager noted that the implication of a 60% increase in workload was being looked at by Officers.

**Resolved:**

- (i) That the report be noted.
- (ii) That the Committee, as part of the refresh of the Work Programme for 2017/18, receives further updates on homelessness in County Durham.

## **9 Housing and Health - Collaborative Working - Overview**

The Chairman introduced the Public Health Portfolio Lead, Tim Wright and the Senior Public Health Specialist, Graeme Greig who were in attendance to speak to Members in relation to Housing and Health - Collaborative Working (for copy see file of minutes).

The Public Health Portfolio Lead explained that the links between housing and health had been established for decades and the work of Public Health was precipitated by the peer review carried out by the Local Government Association (LGA) at the invitation of the Health and Wellbeing Board (HWB) around a year ago. One of the recommendations of the review was the Board to have more effective engagement with the housing sector. As a result the Board's Officer Development Group supported the need for the establishment of a Health and Housing Task Group. This is chaired by Paul Fiddaman, Group Chief Executive of ISOS Housing and Graeme Greig from Public Health. It was noted there was good representation on this group from the NHS, Clinical Commissioning Groups, Housing Providers; and DCC services, including Housing.

Councillors noted that from the initial meeting of the group there had been agreement to focus on 2 areas, a survey to determine what community based health projects Registered Providers were engaged in, and the piloting of a brief intervention training package, Making Every Contact Count (MECC). It was noted that colleagues from Spatial Planning had helped in terms of the survey work and that the training in terms of MECC was in recognition of the fact that any public facing staff in any organisation often had multiple contacts with the public. Members noted that MECC training involved what brief interventions were, the evidence for their use, raising an issue and using the 3 'A' approach (ask, advise and assist). To date 10 training sessions were held between September and December 2016, with 126 participants from 4 organisations. It was explained that there would be evaluation of the pilot and WFL had agreed to use two measures to assess individuals when they are first referred then at 2, 6 and 12 months.

The Public Health Portfolio Lead added that the next steps would include working with the Providers to determine any blocks on why Tenants were not being referred and how these could be overcome. The Registered Providers were keen to know whether, by being involved in this type of intervention, it could impact on their Tenants' life quality and more particularly whether any link with sustainable tenancies can be made.

The Committee also noted that there had been other Housing and Public Health projects that included: a workshop jointly facilitated by Public Health England and ISOS on the "Impact of Housing on Health"; "Routes out of Poverty" a series of training events for NHS, Children Services, Adult Services and Housing where each service outlined their role; the Home Environment Assessment Tool (HEAT), a tool used when Housing Solutions staff visit a home where there was a family with children under 18 years of age; and a primary care project to utilise DCC's fuel poverty programmes to target those patients with asthma and chronic obstructive pulmonary disease to see if the uptake of the interventions impacted upon individual health and wellbeing and healthcare costs.

The Public Health Portfolio Lead concluded by noting that when looking at the practical interventions one needed to be mindful of the strategic picture in terms of reductions in budgets and these challenges were being looked at by the Head of Housing and the Director of Public Health.

The Chairman thanked the Public Health Portfolio Lead and asked Members for any questions.

Councillor J Armstrong noted it was encouraging to see joined up working and links with the many Registered Housing Providers in the County.

**Resolved:**

That the report be noted.

**10 Quarter 2, Forecast of Revenue and Capital Outturn 2016/17**

The Chairman introduced the Principal Accountant, Resources, Paul Raine to speak to Members in relation to the Quarter 2, 2016/17 Revenue and Capital Outturn (for copy see file of minutes).

The Principal Accountant noted that for future Revenue and Capital Outturn reports, the areas covered by the former RED Service were now part of Regeneration and Local Services (REaL).

Members noted the service had reported an outturn position with a cash limit underspend of £0.392 million against a revised annual General Fund Revenue Budget of £26.781 million, in comparison to the Quarter 1 estimate of £0.299 million. Members noted the variances within the budget, with the detailed explanations as set out within the report. The Committee were informed that the service grouping delivered the Medium Term Financial Plan (MTFP) savings for 2016/17 of £1.118 million.

As regards the Capital Programme 2016/17, the Principal Accountant explained that the actual spend to date was £17.214 million with a breakdown of the major capital projects given at Appendix 2 to the report.

The Chairman thanked the Principal Accountant and asked Members for their questions on the report.

Councillor J Clare asked as regards an underachievement of rental income under asset management, set out on page 44 of the report, £366,000. The Principal Accountant noted that the service had started to look at the issues and work was ongoing as regards some of the properties, with it hoped that from 2017/18 there would be an improvement.

**Resolved:**

That the report be noted.

## **11 Quarter 2, 2016/17 Performance Management Report**

The Chairman thanked the Performance and Improvement Team Leader, G Wilkinson who was in attendance to speak to Members in relation to the Quarter 2, 2016/17 Performance Management Report (for copy see file of minutes).

The Performance and Improvement Team Leader reminded Members of the bringing together of Regeneration and Economic Development and Neighbourhood Services to form the Regeneration and Local Services and that work was ongoing to bring the information together, with the remit and focus of the items reported to Committee to remain the same. It was added that following feedback from Members a new “dashboard” summary page was being included within the report with a more visual style to help present the performance information in a more concise and user-friendly way. The usual narrative and appendices with performance data would remain as part of the report.

Members noted the Indicators set out within the report including: a fall in the employment rate, still below the regional and national levels; the number of people claiming Job Seekers Allowance (JSA), and those claimants aged 18-24 increased slightly, noting that this would change to reporting in terms of Universal Credit (UC) as people moved from JSA to UC. It was added that Business Durham activities had created or safeguarded 474 jobs and that the number of apprenticeship starts through County Durham schemes was 50. It was noted however that the number of apprenticeship starts sustained had fallen from last year, however this was linked to a lower number of apprenticeship starts overall this year as funding had reduced. Members noted that as funding was coming through it was thought this trend would be reversed. As mentioned in a previous report, there was a growing number of young people being helped through DurhamWorks, with 584 young people being registered.

The Performance and Improvement Team Leader explained that the number of affordable homes being delivered was in line with target, albeit less than the previous year though this was in the context of the Cluster Bids in 2015 which boost numbers that year.

Members noted the number of private sector homes brought back into use through Council intervention was slightly below target, noting interest-free loans available via the capital programme were accessible only by those landlords registered on the Accredited Landlord Registration Scheme. It was added that the number of net homes completed and affordable homes delivered were just below target, however there had been changes as regards affordable housing nationally.

The Committee were reminded of the work of Chapter Homes and noted 40 of 125 properties had already been reserved, with the first completions having taken place and some owners moved in. It was added that agreement had been made for Phase 2 and a planning application for the site at Chester-le-Street was being worked on.

The Performance and Improvement Team Leader added that in terms of tourism there had been a number of successes with an increase in the visitor numbers, an increase in visitor spend and an increase in the number of jobs supported by the visitor economy. It was added that activities had included: Lumiere; an Yves Saint Laurent exhibition at Bowes Museum; the Magna Carta event at Palace Green; and successful Visit County Durham (VCD) campaigns.

The Chairman thanked the Performance and Improvement Team Leader, noted the new dashboard summary sheet and asked Members for any feedback on this and questions on the performance report.

Members commented that they found the new dashboard summary very helpful.

Councillor P Stradling noted that the feedback from other Scrutiny Committees had been positive in terms of the new dashboard presentation.

Councillor H Nicholson commented that in terms of housing regeneration and the pausing of the County Durham Plan (CDP), there is a need to monitor the number of houses given planning permission versus those actually delivered. Councillor M Davinson asked as regards KPI 110, with a reduction from 67 to 21 core tourism businesses participating in the VCD Partnership Scheme. The Performance and Improvement Team Leader noted in terms of KPI 110 that previously there was a wide range of free advice being offered, however in the current funding environment this was now a fee-paying model. When the scheme was first introduced there was an influx to join however this initial momentum would not be maintained but the figure would continue to be monitored.

Councillor M Davinson added that in relation to KPI 94 in terms of clients accessing the Housing Solutions Service this had increased and was reported as "red", however there is a need for this indicator to be reviewed by the service as the number of clients accessing the Housing Solutions Service will continue to increase, as the number of homeless increase due to the impact of the Homelessness Reduction Bill, the Benefit Cap and the reduction in Housing Benefit.

Councillor J Clare asked as regards KPIs in terms of Housing Solutions and added that an increase in numbers was seen as a failure as reported, however he felt that this was not fair in that it showed the service was reaching more people and that this was a good thing.

He continued by asking whether those 3 indicators gave Members an accurate reflection of the performance. Mr T Batson agreed with Councillor J Clare that increased awareness of the service was helping to increase the numbers of people being helped.

The Performance and Improvement Team Leader noted that they were the correct indicators, however the “red, amber, green” reporting (RAG format) had limitations in being able to give a fuller picture and that possibly a new format with graphs showing overall trends not just per quarter or year-on-year would give a more accurate impression and that she would discuss this with the relevant Service Grouping.

Councillor A Patterson asked as regards REDPI 62 and what number of apprenticeship starts were as a result of the DurhamWorks programme, and also asked what reasons were behind the reduction in the number of affordable homes being delivered. The Performance and Improvement Team Leader noted that in terms of affordable housing there had been a change in the funding regime and while they were still being delivered, it was a changing picture. It was noted that Officers would look at the report in terms of how best to feedback to Members on apprenticeship numbers.

Councillor A Batey commented that in relation to RED PI 105, number of apprenticeships from Durham County schemes sustained at least 15 months had fallen and asked if Members could be supplied with information identifying the reasons for this. The Performance and Improvement Team Leader confirmed that she would be able to supply members with a breakdown of the reasons.

**Resolved:**

That the report be noted.

## **12 Minutes of the County Durham Economic Partnership**

The Minutes of the meeting of the County Durham Economic Partnership held 11 October 2016 were received by the Committee for information.

The Principal Overview and Scrutiny Officer, Stephen Gwilym noted that the next meeting would have had scheduled items in terms of the County Durham Plan (CDP), Housing Strategy and Regeneration Statement, however the Government White Paper on Housing meant that the CDP had been paused and therefore those items would not be reported at the February meeting of the Committee. Members were asked to note this impact upon the Work Programme for the Committee.

## Economy and Enterprise Overview and Scrutiny Committee

23 February 2017



### Digital Durham Programme and related projects update.

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## Joint Report of Lorraine O'Donnell, Director of Transformation and Partnerships and John Hewitt, Corporate Director Resources

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### Purpose of the Report

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

### Background

- 2 The Economy and Enterprise Overview and Scrutiny Committee has received several updates on the progress of the Digital Durham Programme with the last update provided to committee on the 23 February, 2016 when it was agreed by members that a further update would be included in the 2016/17 committee's work programme. It has been requested by members that the update includes detail of work undertaken to improve broadband availability to the business sector, particularly the rural business sector in the county.
- 3 In addition, as part of the skills development scrutiny review project, members of the Economy and Enterprise skills development review group were informed of Durham County Council's ICT Apprenticeship Hub Programme and requested that they be updated on the progress of the programme.
- 4 Arrangements have been made for Phil Jackman, Head of ICT to attend the Economy and Enterprise Overview and Scrutiny Committee on the 23 February, 2017 to provide a presentation focusing on:
  - a. Digital Durham including mobile coverage
  - b. Skills agenda
  - c. Open data

### Digital Durham Programme

- 5 Durham County Council leads the fixed broadband programme on behalf of nine other North East local authorities:
  - a. Darlington Borough Council
  - b. Gateshead Council
  - c. Hartlepool Borough Council
  - d. Middlesbrough Council

- e. North Tyneside Council
  - f. Redcar and Cleveland Borough Council
  - g. South Tyneside Council
  - h. Stockton-On-Tees Borough Council
  - i. Sunderland City Council
- 6 Contract 1 was signed in April 2013 with BT and Contract 2 in February 2015. The two contracts are valued at approximately £35m. Each council has provisioned different levels of funding into the programme based on their individual Broadband Development UK (BDUK) grant allocations and ability to match the amount.
  - 7 Contract 1: The delivery of Contract 1 ran from April 2014 until June 2016.
  - 8 490 fibre structures were installed, providing fibre infrastructure to approximately 105k premises.
  - 9 At the end of the contract it was estimated that 94% of properties in the programme area have access to a superfast broadband service in excess of 24Mbps download speeds. In Durham this percentage is slightly higher at 96%.
  - 10 A minimum target of 20% was set for the first contractual take-up review point in December 2016, however, the programme aimed to achieve a 30% take-up level in line with BT's gain share review. Currently 31.4% of premises who can access a fibre-based broadband within the programme area have upgraded to the service.
  - 11 BDUK currently estimate that the current take-up trajectory will reach 40%, potentially recouping over £5M into the gain share (clawback) investment fund by the end of the contractual term in September 2023. Local authorities involved in the programme may draw on their proportion of the funds at the end of the term.
  - 12 The programme is working with BT and BDUK to close Contract 1. The process includes completion of a BDUK checklist to ensure the necessary assurance is undertaken prior to contract close down. It includes checks such as the volumes of white premises passed, speed target achievement, and State Aid compliancy.
  - 13 BDUK estimates a minimum budgetary underspend of £7M for Contract 1 which can be attributed to the effective management of the programme. Plans are being made to reinvest these funds into extending coverage further again.
  - 14 BT carried out a financial assessment of all 44 Phase 1 programmes with the agreement of BDUK. As a consequence an early gain share offer was made to high performing programmes, allowing a proportion of the clawback investment fund to be released to further extend the fibre network. £2.343M was offered to the programme, of which £1.668M relates to Durham. The preference is to leave this fund and utilise the remaining underspend budget.
  - 15 Better Broadband Subsidy Scheme: Following the Government's commitment to provide access to a minimum of 2 megabits per second (Mbps) download speeds, the Better Broadband Subsidy Scheme was launched on 16 December 2015. The scheme is administrated by Digital Durham for residents within the programme area.

- 16 The scheme allows residents to apply for up to £350 towards the hardware and installation costs to get connected to broadband. Eligible residents will still be required to pay any additional costs such as the monthly service charge.
- 17 Residents are eligible if they receive less than 2Mbps download speeds and will not be upgraded to fibre broadband in the next 12 months.
- 18 Contract 2: Contract 2 is currently in delivery and began in July 2016.
- 19 The delivery of Contract 2 has been brought forward to September 2018 from December 2018 thanks to accelerated deployment.
- 20 Contract 2 will extend the access to fibre infrastructure to almost 28k properties.
- 21 On completion of both contracts, approximately 97% of premises in the programme area will be able to access a superfast broadband service. In Durham this percentage is estimated to be 98%.
- 22 Future phases: Investigations are currently underway to fully confirm the remaining areas without commercial or public sector plans that can potentially be invested in under Phase 3 of the programme.
- 23 Consideration is also being given as to how to maximise coverage for the remaining residents without access to superfast broadband services using the available underspend funding. This may result in BT completing a 'modelling' exercise to define the potential additional fibre coverage; as well as a soft market test to understand other potential providers and solutions.
- 24 Mobile coverage: The council has recently awarded its mobile phone contract to Vodafone. A preliminary meeting has been made with them to explore the possibilities of improved coverage across the County. Vodafone already has extensive plans to increase 3G and 4G coverage yet there are issues of cold spots and consistency to address. ICT Services will work with Vodafone and other providers to improve coverage.
- 25 The North East Combined Authority Digital Leads Group, which is chaired by the Head of ICT Services in Durham, is working on developing a massive 5G test bed across the region using Nexus' fibre ring and Service Direct Newco's telco expertise. A bid has been made for £26 million funding from central government as part of its commitment to 5G.
- 26 NECA was one of three programmes referred to by the National Infrastructure Commission, in its 'Connected Future' report. 5G is a global issue and is a great opportunity to raise Durham's and the region's profile and to bring technical jobs.

### **Skills agenda**

- 27 ICT Apprenticeship Hub Programme: ICT Services has an apprentice loan scheme where apprentices are placed with SMEs to improve their skill set and enhance their CV.
- 28 Of the ten apprentices that ICT Services has, seven have been able to make use of such experience, including at schools, Waterstons, a local technology company and St Cuthbert's Hospice.
- 29 Our current cohort of apprentices is coming to an end and ICT Services is playing a part in the councils' approach to the Apprenticeship Levy. Once the approach to the levy is clear then additional apprentices will be engaged.

- 30 Again the North East Combined Authority Digital Leads Group is involved in this area. Work is underway to map all digital skills initiatives across the region. Nearly 150 have been identified so far with more than 40% taking place in Durham.
- 31 Once this work is complete then it will be used to identify what works well, what is missing and to share expertise across the region.

### **Open Data**

- 32 Our open data project is well underway now with 35 data sets live on Data Mill North. This has taken to be one of the leading players in the region.
- 33 On the back of this we had our first hackathon with the Durham Students Entrepreneur Society, with over 100 students using our data to create ideas around the city. We are working with the students to develop some of the ideas and are planning further events including some regional ones.
- 34 Data is one of the key elements of the work being done by the NECA digital leads group. Work is underway to map all data and Internet of Things (IoT) initiatives across the region. This work is at an early stage.
- 35 We have started two projects to look at improved use of sensors to provide better information across the county are underway, one in Durham and another in Stanley. A Smart Stanley web site has been launched and we are looking to WiFi the front street. These projects are at an early stage.
- 36 Plans are also at an early stage to combine data sets across the north of England.

### **Recommendation**

- 37 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment on the contents of this report and presentation.

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## **Appendix 1: Implications**

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**Finance** – Digital Durham is a £35 million programme of which Durham County Council has committed up to £7.9 million in capital. The 5G project has bid for £26 million.

**Staffing** – N/A

**Equality and Diversity** – N/A

**Accommodation** - N/A

**Crime and Disorder** - N/A

**Human Rights** - N/A

**Consultation** – N/A

**Procurement** – N/A

**Disability Discrimination Act** - N/A

**Legal Implications** - N/A

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**Economy and Enterprise  
Overview and Scrutiny Committee**

**23 February 2017**



**Private Sector Housing - update**

**Joint Report of Lorraine O'Donnell, Director of Transformation and Partnerships and Ian Thompson, Corporate Director of Regeneration and Local Services**

**Purpose of the Report**

- 1 To provide Members of the Economy and Enterprise Overview and Scrutiny Committee with an update of the Private Rented Housing Sector in County Durham with a focus on the accreditation scheme, prior to a presentation at the meeting providing members with detail of: various initiatives in the county; achievements and challenges and future activity.

**Background**

- 2 Durham is a large and diverse area with different parts of the county having distinctive characteristics and needs and this is true of the housing sector as much as any part of the county's infrastructure.
- 3 According to the 2011 census, there are 223,803 occupied households in the county with 14% of them being in the private rented sector.
- 4 The census shows a significant growth in the private rented sector in the ten years between 2001 and 2011, with the number of private rented homes in the county rising by 78% from 15,825 to 28,142 households.
- 5 Apart from the concentration of private rented housing in Durham City serving its student population, private rented housing in County Durham tends to be concentrated in areas of relative deprivation, where the housing market is weak. Private rented property is often older types of housing, in poor condition and failing to meet the minimum condition standards.
- 6 Private rented accommodation is a valuable and growing part of the housing market, providing flexibility for people who choose not to buy and can provide affordable housing for those who are unable to afford to purchase their own home. Whilst it is the tenure of choice for some, an increasing number of residents have no other available option than to rent in the private sector.
- 7 The majority of private landlords who operate in the county provide good quality accommodation and are aware of their responsibilities, however a small number operate poor management practices and allow tenants to live in unsatisfactory conditions. This can have a negative impact on the health and wellbeing of tenants, neighbours and the community.

## Initiatives to improve the private rented sector

- 8 Housing Solutions Private Sector Housing team work proactively to encourage a more professional private rented sector in the county by improving the management practices of landlords and the quality of the accommodation they let.
- 9 In working to address the issues of poor standards in the private rented sector the Private Sector Housing Team deliver many initiatives and some of these include:
  - (a) Advice and information – is provided to landlords and tenants regarding their legal rights and responsibilities of renting property.
  - (b) Empty Homes – working with property owners through engagement, encouragement and the provision of financial assistance, over 400 long-term empty homes have been brought back into occupation since April 2014.
  - (c) Selective Licensing – since 2008/09 the council has managed three designated areas of selective licensing: Chilton West, Dean Bank in Ferryhill and Wembley in Easington Colliery. In these areas, a landlord has to obtain a licence from the council in order to rent out their property and all tenants must be referenced. 96% of licensable properties are currently licensed. Six landlords have been prosecuted; three for non-compliance; and three for breach of licence conditions showing that the Council takes its responsibility seriously.
  - (d) Financial Assistance – A suite of loan products is available to help landlords improve their properties. Interest free loans are available to bring empty properties back into use and ‘move in’ incentive grants are available to people who purchase a long-term empty property to live in themselves.
  - (e) Accreditation – In 2015 the private landlord accreditation scheme was launched countywide. The scheme is voluntary and for landlords to be a member they must operate to a code of practice, which includes property condition; management practices; and the good character of the landlord. 10% of each landlords property portfolio is inspected. 107 landlords are currently accredited covering 2300 properties.
  - (f) Targeted areas – resolving issues in specific areas through a targeted multi-agency approach. For example reducing the void rate in Eldon Lane by 13% by working with Durham Constabulary’s crime prevention scheme and the council’s neighbourhood wardens.

## Private Landlord Accreditation Scheme

- 10 The private landlord accreditation scheme was launched countywide in April 2015 and is a key priority for Housing Solutions. Landlords are encouraged to join the scheme and renew their membership on an annual basis. Encouraging landlords to be an active member of the Landlord Accreditation Scheme has benefits to landlords, tenants, the council and the local community.
- 11 Landlords are encouraged to advertise their vacant properties through Durham Key Options and Homeless and Prevention Offices use only accredited landlords to accommodate homeless people or those threatened with homelessness. The Rent Deposit Guarantee Scheme and empty homes loans are only available to accredited landlords, which are an incentive for landlords to join the scheme.
- 12 To date the scheme has achieved:
  - (a) A membership of over 100 landlords and 2300 properties.
  - (b) An annual renewal rate of memberships is 56%
  - (c) Over 150 properties have been let through Durham Key options.
  - (d) Over 430 properties have been inspected.
  - (e) 13 local businesses offer discounts to accredited landlords on production of their membership card.
  - (f) Discounts from the pest control service for domestic properties.
  - (g) Landlords receive bi-monthly newsletters with up to date information.
  - (h) Landlords forums are held every quarter.
  - (i) A free training session on new legislation was delivered to landlords by a housing law training company.
  - (j) The scheme has been promoted on the front page of the council's website three times and appears on the intranet regularly.
  - (k) Two press releases: one at the start of the scheme and one following the 100<sup>th</sup> member have been released to encourage further membership.

## Future Challenges

- 12 With limited powers to regulate the private rented sector, reliance is placed on the negotiation and persuasion skills of council officers to explain the legal responsibility of homeowners and encourage them to operate within these boundaries.
- 13 As the private rented sector is the tenure of necessity for many tenants, the implications of the Homeless Reduction Bill could see an increase in the demand for good quality, well-managed property. The details and implications of this will be further explained at the Scrutiny meeting.

- 14 The Housing Planning Act 2016 introduces provisions for private landlords and letting agents with the introduction of:
- (a) Banning orders – to ban a landlord or letting agent from engaging in letting or related activity where convicted of aggravated crimes.
  - (b) A rogues database - where property owners have been found guilty of certain housing related offences they will be placed on a register and enforcement agencies are expected to monitor for re-offending.
  - (c) A new abandonment process – landlords can serve notice on tenants to recover their property where they think it has been abandoned or high levels of rent are owed.

### **Recommendations**

- 15 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and following the presentation.

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## **Appendix 1: Implications**

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**Finance – N/A**

**Staffing – N/A**

**Risk – N/A**

**Equality and Diversity / Public Sector Equality Duty – N/A**

**Accommodation – N/A**

**Crime and Disorder – N/A**

**Human Rights – N/A**

**Consultation – N/A**

**Procurement – N/A**

**Disability Issues – N/A**

**Legal Implications – N/A**

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