

DURHAM COUNTY COUNCIL

ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Tuesday 26 September 2017** at **9.30 am**

Present:

Councillor A Batey (Chairman)

Members of the Committee:

Councillors E Adam, J Atkinson, J Clare, M Clarke, R Crute, M Davinson, D Hall, T Henderson, P Howell, P Jopling, L Maddison, R Manchester, R Ormerod, A Patterson, E Scott, P Sexton, L Taylor and M Wilson

Co-opted Members:

Mr T Batson

1 Apologies for Absence

Apologies for absence were received from Councillors A Reed, J Considine, Craig (Faith Rep), C Hampson, 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 29 June 2017 were agreed as a correct record and were signed by the Chairman, subject to Councillor R Manchester's apologies being added.

Councillor L Maddison noted, following her question at the last meeting, the work of Officers in respect to the issue relating to Visit County Durham (VCD) working with the Port of Tyne and that the response she had received was very much appreciated. She added she would look forward to an update report on progress in due course.

Councillor J Clare asked Members to note that in relation to Chapter Homes and broadband provision, they had made spectacular progress and had arranged for fibre to their existing properties (FTTP) and to new properties they would develop. He added this would be at speeds of up to 300 Mbit/s and wished to say well done to those involved at Chapter Homes.

4 Declarations of Interest

Councillors A Patterson and E Scott both declared an interest in relation to Item 7, DurhamWorks Programme, being employers/providers to the programme.

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 referred Members to the recent prominent articles and news stories relating to the remit of the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes).

The articles included: the next phase of Forrest Park could see the creation of 3,200 jobs and deliver a Gross Value Added (GVA) boost of £495 million over the next twenty years; an investment of nearly £1 million in new machinery at PLG Glass based at Peterlee; the North East returning to the top of UK's unemployment, having the largest unemployment rate although the unemployment rate has decreased in County Durham as stated in the Quarter 1 performance report ; and a report by manufacturers highlighting the North East manufacturing sector is growing faster than any other region.

Resolved:

That the presentation be noted.

7 DurhamWorks Programme

The Chairman introduced the Strategic Manager - Progression and Learning, Linda Bailey who was in attendance to give an update as regards the DurhamWorks Programme (for copy see file of minutes).

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

Members noted the figures in terms of the funding for DurhamWorks, Youth Employment Initiative (YEI) funding, European Social Fund (ESF) and Durham County Council (DCC) match funding and the targeting of those aged 18-24, were not in education, employment or training (NEET) and that the programme would operate from April 2016 through to July 2018. It was explained there were a number of delivery partners and sub-contractors and that an element was to try to stimulate demand within businesses to create opportunities for those young people.

The Strategic Manager - Progression and Learning explained the outputs relating to DurhamWorks, and noted areas that were progressing well and areas for further work.

It was highlighted that there were less female participants, though a new delivery partner in terms of looking to help teen parents may help to encourage more uptake by females. She highlighted that the figure did not include those that would have started courses that would have enrolled in September 2017. Members noted it would be a challenge to be able to have 5,800 young people in the programme before July 2018, and also it would be difficult to be able to separate out between DurhamWorks and other interventions.

The Strategic Manager - Progression and Learning referred Members to statistics relating to: NEETs and “not knowns”; those participating in learning from vulnerable groups aged 16 and over; unemployment in 20-24 year olds; and the claimant count for those aged 18-24. Members noted performance in terms of finance and also learned as regards marketing and communications, with the Strategic Manager - Progression and Learning thanking Members who had helped in promoting DurhamWorks within their areas.

The Strategic Manager - Progression and Learning explained as regards the initial findings so far in terms of the evaluation of the DurhamWorks programme, with areas highlighted as being successful including: wraparound support; vulnerable groups were well represented and making positive progressions; and delivery partners doing good work with young people. It was also highlighted that focus should be on improving communication and partnership working, especially with the “older” young people who were not as keen to engage in activities.

The Chairman thanked the Strategic Manager - Progression and Learning and asked Members for their questions.

Councillor P Jopling noted DurhamWorks was a very good programme and asked how we attempted to engage with the “not knowns”. The Strategic Manager - Progression and Learning noted that the positive aspect was that the percentage of “not knowns” was around 2% and this was the lowest it had ever been. It was added that there were plans to visit North Tyneside Council to speak to them as regards successes they had in this area and the employment of more engagement officers should also help. Members noted that youth workers and other professionals can often engage with those young people better and partners were encouraged to innovate and try new ideas, linking with others such as the Area Action Partnerships (AAPs).

Councillor L Maddison noted the large sums invested in DurhamWorks and asked how outcomes would be measured. The Strategic Manager - Progression and Learning noted that any participant would have wraparound provision and that they would be kept in touch with, though few had finished the DurhamWorks programme. It was added that even at the point the young person had finished their programme, the Department for Work and Pensions (DWP) continued to measure for a period of six months looking at Pay as you Earn (PAYE) information or Further Education (FE) records.

Councillor J Atkinson asked similarly whether successes and failures that had been identified were fed back through to ensure what did not work was stopped and what did work was encouraged. The Strategic Manager - Progression and Learning noted that when clearly not working those elements would be looked at, for example the “older” young people were not keen on repeated employability training, and in terms of building on successes, the excellent work helping vulnerable groups was encouraging. It was added that this information was captured within the evaluation process.

Members noted that there were difficulties in modelling when looking at issues such as half of the places generated via the Business Advisors were not taken up by DurhamWorks clients, however it was important to have those places filled. It was added that the quarterly evaluations could be shared for Members' information.

Councillor E Scott welcomed the work with vulnerable groups and asked as regards New Employment Zones. The Strategic Manager - Progression and Learning noted that Business Advisors within the Regeneration and Local Services directorate, and Business Durham, worked with businesses to create opportunities for young people and to also explain to employers the benefit they would receive from taking on an apprentice. It was added that while it was good that 50% of the opportunities generated went to DurhamWorks clients it was hoped for more.

The Employability Manager, John Tindale explained that while the aim was to fill an opportunity with a DurhamWorks client, however, if this was not possible it was preferable to fill the place with someone that could help benefit that business.

Councillor E Adam noted a lot of positive information relating to DurhamWorks, though was disappointed in terms of the inactive participants, adding that he would be interested to have a breakdown of the 1,592 in work, training or education in August 2017, to make it more meaningful for Members. The Strategic Manager - Progression and Learning noted the reporting was as per DWP categories, with the majority of those being apprenticeships and employment.

Councillor P Howell noted an excellent report and added that in terms of the "not knowns", it would be useful to have numbers as well as percentages to be able to understand the scale of the issue. The Strategic Manager - Progression and Learning noted this and would look to circulate that information.

Councillor D Hall noted the tracking of the DurhamWorks clients, including the period of 6 months after via the DWP but asked what happened after in terms of learning from the DurhamWorks programme. The Strategic Manager - Progression and Learning explained that the programme would end 18 July 2017 and the DWP would track progression 6 months after that. It was noted that there was an opportunity to bid for some EU funding that may allow for some successful activities to continue, from July 2018 up to 2021. Members noted that such a bid may not be successful, and would comprise £4.8 million and £3 million match funding and therefore would not be of the scale of the DurhamWorks programme. She added that if a bid was successful it may need to focus on what groups had the most need and indeed not all DurhamWorks programme may come to an end, with some elements of sustainability having been built in. It was added there may be other EU funding opportunities for those over 18 years of age, and also for those aged 15-18. It was noted that as the Authority had a statutory duty in terms of that agenda it linked in well.

Councillor J Clare noted he welcomed the positive impact for vulnerable young people, the one-to-one support and agreed that repeated employability courses were of very limited use. He also welcomed any work that would look to engage with Year 11 pupils, at age 15 and felt this would be of great benefit. He added that his worry in terms of the successes of the programme was the danger that they would stop as soon as funding disappeared. He concluded by noting that the target of 5,800 may not be met and asked if there was any potential for clawback in terms of funding provided.

The Strategic Manager - Progression and Learning explained that a 15% tolerance had been factored into the programme, and the modelling and managing of the programme had been very tight.

Councillor R Ormerod echoed the comments of several Members in noting that percentages and the actual numbers involved were both useful for Members to understand the issues.

Councillor P Jopling added that in the cases where companies or partners were underperforming, how long were they allowed to continue operating. The Strategic Manager - Progression and Learning noted it was broadly speaking, 3 months with terms set out within the relevant Service Level Agreements.

Mr T Batson congratulated the Officers in relation to the huge amount of work that had been undertaken in relation to DurhamWorks and asked whether there was any segregation seen in terms of urban and rural communities. The Strategic Manager - Progression and Learning noted that performance data was mapped geographically and there was commissioning in terms of rural activities though noted there was often a difficulty for potential partners to gather the critical mass for some activities. It was added that wraparound support was good for both urban and rural areas, good for those 16-18, more challenging for those aged 18-24. The Strategic Manager – Progression and Learning confirmed that a map is available which could be shared with members showing participation on a geographical basis.

Resolved:

- (i) That the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further progress report on the delivery of the Durhamworks Programme at a future meeting of the Committee.

8 Skills Development Scrutiny Review Report - Update on Progress of Recommendations

The Chairman asked the Overview and Scrutiny Officer to update Members in terms of the progress made with the recommendations of the Economy and Enterprise Overview and Scrutiny Working Group review of the support provided for skills development within County Durham (for copy see file of minutes).

The Overview and Scrutiny Officer noted Officers were also in attendance to help answer any queries from Members, namely: Strategic Manager – Progression and Learning; Employability Manager; Principal Area Action Partnership Coordinator, Andrew Megginson.

Members were reminded that a number of recommendations had been agreed by the working Group following its review in 2015/16, which had involved officers from DCC, partners from Colleges and training providers, employers and with several site visits to speak to them and ask what skill they needed for the future. Councillors were reminded that the report and recommendations had been agreed by Cabinet in October 2016 and reported to the County Durham Economic Partnership in November 2016.

Members were asked to note the progress with the nine recommendations as set out in the report at Appendix 2 and were asked for their questions.

Mr T Batson recalled that the review had been conducted well and when visiting industry they had very receptive and positive as regards the Council's involvement. He asked in relation to recommendation 5, proactive promotion of the importance of careers advice within schools, was there anything new being done and were all levels of education being looked at and how to track the real progress of our young people.

The Strategic Manager – Progression and Learning noted the destinations are measured when young people leave school, Key Stage 4 (KS4), and there is data available of destinations upon leaving college (KS5), and Higher Education establishments record information also. It was noted that careers advice and work experience were statutory duties for schools, after changes in legislation, with DCC supporting them.

Councillor R Crute noted the strong progress in terms of the recommendations, and noted the value of bringing schools and businesses together to help better inform as regards options that were available. He added that the impact of the new school funding formula may cause the careers advice and work experience work in schools to suffer as their budgets come under increasing pressure.

Councillor J Clare noted he found it difficult to assess progress being made against the recommendations without a set of actions. He noted there did not seem to be much in terms of the apprenticeship levy though did not know if this was a good or a bad thing and asked for any areas of success or concern to be highlighted with Members.

The Employability Manager noted it was still early and work was ongoing with the small and medium sized companies as regards this. He added that larger companies had already looked at the issue within their business plans and the smaller companies appeared to be "holding their breath" to see how things develop. He noted that national Apprenticeship Grants for Employers (AGE) had ended and DCC grants that had mirrored these had also ended. Members noted that DurhamWorks had helped, though this too would end, and that the next set of EU funding may be the last opportunity to help secure support and it was explained that while there was a lot of interest from employers, for small and micro businesses a little financial incentive went a long way.

The Principal Area Action Partnership Coordinator explained, in relation to recommendation 6, that employability and skills had been a priority for 8 of the 14 AAPs, and young people and families was an issue all 14 AAPs had set as a priority. He added that currently there were 92 live projects, supported by approximately £1 million of funds from AAPs and Councillors' Neighbourhood Budgets. It was added that the AAPs worked with the Employability Manager and DurhamWorks to see how the AAPs could help "fill the gaps". Councillors noted work from employability skills through to engineering apprenticeships and examples of help to funding "coding clubs" in primary schools to help young people develop an interest and skill in this area. The Principal Area Action Partnership Coordinator noted the potential EU funding mention relating to community led development programme.

Councillor J Atkinson noted at the last meeting he had asked as regards the reasons why young people did not complete their apprenticeships and asked whether there was a way of looking at the recruitment process and for DCC to be involved to try and ensure the process was as correct as it could be in order to have sustainable apprenticeships.

The Employability Manager noted that young people were referred, for example from the Job Centre, and they would have a one-to-one advisor looking at their skills and providing support such as interview techniques. On the employer side, Business Advisors would work with employers to create opportunities and then we would look to marry the two together. It was added that employers would look to have a choice and Business Advisors would look to match up with several young people and while the majority of young people and employers worked to succeed, this is not always the case, it was a two-way match. Councillor J Atkinson asked how we look at the instances where it had not worked to find out the reasons why. The Chairman noted that the committee had previously looked at apprenticeships in detail and that the information could be forward to Councillor Atkinson.

Councillor L Maddison noted that 800 volunteers ambassadors was very good, however, asked how they were selected and how were outcomes measured, and also asked as to the work DCC carried out with schools in supporting information, advice and guidance, were teachers picking up on the help on offer.

The Strategic Manager – Progression and Learning noted that the Business Ambassadors were volunteers and were trained by DCC, and then the Authority would look to offer Ambassadors to schools, looking for a good fit for the school and business, looking at several criteria including geography. It was added around 70-80 were trained each year. In respect of the professional development for teachers in relation to careers advice, DCC offered a two stage development opportunity, with a small number of schools, around 12 having taken up the opportunity.

Councillor E Adam noted in relation to Appendix 2, Item 2, the North East Area Report, how could Members access this and added that with devolution on hold, how would the County be able to access funding of this nature.

The Strategic Manager – Progression and Learning noted she could circulate the report, noting Tees Valley had overturned all the recommendations. She confirmed that the authority had access to the Adult Education Budget and the Adult Skills and Further Education Budgets, though in devolution areas this would have been flexible and with more control for providers, in non-devolution areas it would remain nationally controlled. Councillor E Adam noted he had thought that the proposed devolution would cost Local Authorities more in the long run and noted that the time and effort that had been wasted in terms of the North East Area Report was very disappointing.

Councillor P Sexton asked whether funding or resources had been factors in AAPs citing a drop in apprenticeships as priorities shifted. The Principal Area Action Partnership Coordinator noted that now 8 of the 14 AAPs had skills as a priority, compared to 11 of 14 previously in 2014/15. It was added that this may be an area that AAPs would focus on again and may come back to.

Resolved:

- (i) That the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further progress update on the review recommendations at a future meeting.

9 EU Funding

The Chairman introduced the Funding and Programmes Manager, Claire Williams to update Members in terms of EU Funding (for copy see file of minutes).

The Funding and Programmes Manager noted that the report followed on from those received in terms of DurhamWorks and skills development and she would give an update in terms of EU funding opportunities.

It was explained that it had been 10 months since the last update to Committee and that in the light of the Brexit result, the Treasury had noted would secure funding up to the point of Brexit, with a commitment up to March 2019.

In terms of European Rural Development Funding (ERDF), as of mid-September 2017, £20.9 million had been contracted in County Durham, with a further £20.21 million in project applications, the total being around 55% of Durham's allocation. Members noted 25.7 million in relation to European Social Fund (ESF) for County Durham, with a large proportion of this having been linked to the DurhamWorks programme.

The Funding and Programmes Manager noted a list of the projects was set out within the report, highlighting that a large proportion were Small and Medium Sized Enterprises (SMEs), with many being connected to research and innovation, including the low carbon economy. It was explained that there is a number of open calls out currently looking to allocate the remaining funding, and that it was suspected that a further one relating to Sustainable Integration of Young People could be a potential route to help extend elements of the DurhamWorks programme, with further details being set out at Appendix 3 to the report.

Members were reminded of the LEADER programme and the two areas within County Durham: Durham Coast and Lowlands; and North Pennine Dales. It was added that the impact of Brexit had clouded issues, though work now was progressing. Members were also reminded of the European Agricultural Fund for Rural Development (EAFRD), worth up to £10.5 million for the rural areas within the North East Local Enterprise Partnership (NELEP) area. It was added that this fund was seeking applications from projects that sought to grow a business or otherwise support the rural economy, with grants available to support SMEs, tourism infrastructure and food processing.

In terms of Governance, the Funding and Programmes Manager reminded Members that EU funding was only available for projects that fit eligibility criteria contained within the English Operational Programme and supported the objectives of the open calls. It was noted that the DCC processes had been review by Internal Audit in May 2017 and some recommendations had been made in terms of helping to make the processes more robust.

It was noted that Senior Officers from the Council were represented within County Durham Economic Partnership's (CDEP) EU Investment Group and workstream sub-groups.

It was reiterated that there was until March 2019 to commit to spending EU Funding, and the Conservative manifesto referred to the creation of a UK Shared Prosperity Fund. It was noted DCC attended a stakeholder event as regards this, and it had been noted that consultation would take place in the autumn as regards this, however, no further information had yet been received. It was added that a paper had been agreed by the North East Combined Authority's (NECA) Chief Executive that agreed a common set of high level principles to guide the North East's response to future funding, highlighting the need for flexibility and to look at both need and opportunities.

The Chairman asked Members for their questions and comments.

Councillor R Crute noted reference to €9 million YEI funding and asked for an update in terms of the current situation regarding the paper considered by the NECA Chief Executives at a future meeting of the Committee. He continued that there is a need to track the progress of this report/paper and that clarification needs to be sought in respect of the status of the report/paper and whether it would be subject to consideration by Overview and Scrutiny, as he was not aware of the involvement of Overview and Scrutiny, himself being a member of NECA Overview and Scrutiny Committee.

The Funding and Programmes Manager noted in terms of YEI, it had been €9 million cohesion fund, €9 million ESF, with the remainder being match funding from DCC. In relation to the Shared Prosperity Fund she could share the two page update that had been received, however there had been nothing further from Government. Councillor R Crute felt that the issues would be looked at via the NECA Overview and Scrutiny, however, it would be an area for the Committee to keep a track of. The Funding and Programmes Manager added that information as regards other funding had started to become available, however in terms of an "EU replacement" very little information was known. The Chairman noted a letter on behalf of the Committee could be sent to NECA asking for clarification as regards the progress in this matter and the roles for NECA Overview and Scrutiny and Local Authorities' Overview and Scrutiny in this regard.

Councillor E Adam asked in relation to LEADER whether funding was to manage projects or to help create jobs and make the communities sustainable. The Funding and Programmes Manager noted that the jobs created were within businesses, for example two jobs at an equestrian centre that would hopefully be sustainable through their business plan and another being the creation of "glamping pods", whilst small scale, they created a direct impact. Mr T Batson noted that the impact on SMEs would be important in terms of funding and asked if this was including for buildings and structures. The Funding and Programmes Manager noted it could do, in specific circumstances.

Resolved:

- (i) That the report be noted.
- (ii) That a letter be sent on behalf of the Economy and Enterprise Overview and Scrutiny Committee to the NECA asking for clarification in terms of the current status of report/paper and whether it will be subject to Overview and Scrutiny.

10 Local Growth Fund

The Chairman introduced the Strategy and Partnerships Team Leader, Heather Orton to update Members in terms of the Local Growth Fund (for copy see file of minutes).

The Strategy and Partnerships Team Leader noted that since 2014, Government had awarded Growth Funds to Local Enterprise Partnerships (LEPs) for projects that benefited a local area and the national economy. It was noted that there was a NELEP Development Pipeline to help deliver the economic ambitions set out in the North East Strategic Economic Plan. It was added that in round three, the NELEP was allocated £49.7 million, with the majority of which, £41.9 million was to support the International Advanced Manufacturing Park (IAMP) at Sunderland/South Tyneside. Members noted none of the Durham round three bids had been successful.

Councillors were referred to table 1 within the report that set out the DCC LGF 1 and 2 funded projects: Infrastructure for Forrest Park; NETPark Infrastructure Phase 3; Horden Rail Station; NETPark Explorer; Auckland Castle Welcome Building Infrastructure Works; and the Durham City Incubator.

The Strategy and Partnerships Team Leader noted that in terms of post-LGF, there had been no announcement of further rounds from Government and therefore Authorities, including DCC would work with the NELEP in terms of utilising any under spends and would look to other sources of funding. It was added that these included the National Productivity Investment Fund, which DCC had submitted two bids, and the Housing Infrastructure Fund.

The Chairman asked Members for their questions on the report.

Councillor J Atkinson asked for clarification as regards page 59 of the report, paragraph 3 which stated “mini high growth business, skills and innovation programme” and “none of the standalone Durham bid submissions were successful”.

The Strategy and Partnerships Team Leader explained that the NELEP had asked for Local Authorities to submit a combined bid, with a Durham bid being linked to Aykley Heads and sustainable transport, however this was not successful. It was added however, that Government had allocated £49.2 million to the NELEP, with the majority going to the IAMP, and the remainder to “mini programmes” supporting small projects across the North East.

Resolved:

That the report be noted.

11 Quarter 4, Revenue and Capital Outturn 2016/17 and Quarter 1, Forecast of Revenue and Capital Outturn 2017/18

The Chairman introduced the Principal Accountant, Resources, Paul Raine to speak to Members in relation to the Quarter 4, 2016/17 and Quarter 1, 2017/18 Revenue and Capital Outturn (for copy see file of minutes).

The Principal Accountant noted for the Quarter 4 2016/17 Revenue and Capital Outturn the areas that were reported upon were the General Fund Revenue Account and the Capital Programme for the RED Service.

Members noted the service had reporting a outturn position with a cash limit underspend of £1.644 million against a revised annual General Fund Revenue Budget of £27.802 million, in comparison to the Quarter 3 estimated this represented a variance of £0.634 million. Members noted the variances within the budget, with the detailed explanations as set out within Appendix 2 to 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 had been £39.914 million, against a revised budget of £36.581 million, and that some projects were implemented over a number of years and a breakdown of the major capital projects was given at Appendix 3 to the report.

The Chairman thanked the Principal Accountant and asked Members for their questions on the Outturn 2016/17 finance report.

Councillor P Howell asked for further details as regards the cash limit regime. The Principal Accountant noted that in terms of budgets there were elements that budget managers could control, for example staff, and elements beyond their controls such as routine maintenance on buildings or capital charges. The Principal Accountant added that by having a cash limit, this allowed for better spending in each year, preventing a rush to utilise budgets within each year, better for projects spanning over a few years. It was suggested that a budget seminar is arranged for Members.

Mr T Batson asked whether there were some elements that were dictated by Central Government, within legislation. The Chairman noted that it may be useful for a seminar in this regards and that this could be taken forward if sufficient interest is raised.

Councillor J Atkinson noted the position in terms of being under budget on employees and asked what pressures this presented upon those staff that remained. The Principal Accountant noted that a number of staff that leave under early retirement and/or voluntary redundancy would not be replaced, however not all go at 31 March, though the saving is effective from 1 April. He added that there would subsequently be fewer staff in post.

Councillor J Clare noted Appendix 2 had previously repeatedly had reference to an over spend on parking, however, it was not contained within this report. Accordingly, he asked what the reason was for this. The Principal Accountant noted that over the year there would be cautious estimates, and areas of concern would be identified, and that in some cases by the year end, those areas are in line with budgets.

The Chairman asked the Principal Accountant to speak in relation to Quarter 1, 2017/18.

The Principal Accountant noted for the Quarter 1 2017/18 Forecast of Revenue and Capital Outturn the areas that were reported upon were the General Fund Revenue Account and the Capital Programme for the RED Service.

Members noted the service was reporting a cash limit underspend of £0.235 million against a revised General Fund Revenue Budget of £26.849 million. Members noted the variances within the budget, with the detailed explanations as set out within Appendix 2 to the report. The Committee were informed that the service grouping was forecast to make overall savings for 2017/18 of £0.929 million, against MTFP savings required amounting to £0.889 million.

As regards the Capital Programme 2017/18, the Principal Accountant noted a revised budget of £40.569, with the spend for the first three months being £7.766 million. Members were reminded Members that the usual spend profile was such that there was greater spend at the year end, with a breakdown of the major capital projects being given at Appendix 3 to the report.

The Chairman thanked the Principal Accountant and asked Members for their questions on the Quarter 1 2017/18 finance report.

Councillor P Howell asked as regards the volatility of the capital programme, asking whether for £40 million for example, it would be £10 million per quarter. The Principal Accountant noted that usually the largest spend would be within Quarter 4 in terms of capital.

Councillor J Clare noted a significant underspend in terms of Visit County Durham (VCD) and noted that this would be an issue to remember for the next meeting. The Principal Accountant noted there had been a restructure within VCD and that while there was one restructure, it would be across 2 years, 2017/18 and 2018/19. Councillor J Clare noted this, however, was concerned as regards the impact this could have on business of VCD.

Resolved:

- (i) That the reports be noted.
- (ii) That Officers arrange for a seminar to be held for Members in relation to budgets.

12 Quarter 1, 2017/18 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 1, 2017/18 Performance Management Report (for copy see file of minutes).

The Performance and Improvement Team Leader reminded Members of the different types of indicators reported, Tracker indicators and Target indicators and the performance reporting arrangements for 2017/18 would be via a number of key performance questions (KPQs), aligned to the "Altogether" framework of six priority themes. It was noted that in terms of the "Altogether Wealthier" theme, these were:

- 1 Do residents have good job prospects?
- 2 Do residents have access to decent and affordable housing?
- 3 Is County Durham a good place to do business?
- 4 Is it easy to travel around the County?
- 5 How well does tourism and cultural events contribute to our local economy?

It was highlighted by the Performance and Improvement Team Leader that the use of key questions had resulted in highways maintenance performance indicators now being included in the quarterly performance reports considered by this Committee. These indicators had previously been considered by the Environment and Sustainable Communities Overview and Scrutiny Committee and it was intended that these indicators would also continue to feature in the quarterly performance reports for that Committee.

Councillors noted that some of the key achievements in Quarter 1, representing April to June 2017, included: the employment rate being at its highest level since 2007/08, better than the regional rate, though lower than the national rate. Members noted a stable position in terms of the number of young people in receipt of Universal Credit or Jobseeker's Allowance, fewer than the regional level, greater than the national level. The Performance and Improvement Team Leader explained that in terms of DCC apprenticeships, 68.4% were sustained for 15 months or more. In relation to housing, Members noted the figures with more empty properties being brought back into use, and more net new homes being completed in comparison to the previous year. Members noted the number of affordable homes delivered was in line with target, however was fewer than for the same period last year. It was added that the number of homelessness preventions was less than last year, however it was noted that new statutory duties were coming into effect and this would be an area being looked at. The Performance and Improvement Team Leader concluded by noting the performance in terms of the road network which the Local Authority was responsible, noting the last satisfaction survey highlighted performance above the national average.

The Chairman thanked the Performance and Improvement Team Leader and asked Members for their questions.

Councillor L Maddison noted that in terms of highways repairs, on occasion they do not appear to be of satisfactory quality and were often subject to further repair. She asked if when outside agencies, such as utility companies, carried out works were there conditions imposed to ensure the highway was reinstated correctly. The Performance and Improvement Team Leader noted she would make the relevant enquires. Councillor J Clare noted that in terms of the quality of DCC repairs to the highway, in some instances if there is an urgent need to prevent a danger or severe damage to vehicles then a temporary repair may be carried out, with a long term repair then listed within the maintenance schedule. Mr T Batson noted that utility companies were outside of DCC control, however, felt as they worked closely with the Local Authority there would be standards in terms of reinstatement.

Councillor J Atkinson asked as regards targets set in terms of employment rate. The Performance and Improvement Team Leader noted that some issues were outside of the direct control of the Local Authority, and therefore were tracker indicators, without targets. However, those issues that DCC could have a direct control over, or via partners, such as bringing empty properties back into use, these could have an associated target as appropriate.

Councillor J Clare noted that in relation to REDPI 36a, the number of clients who have accessed the Housing Solutions Service and for whom homelessness has been prevented, a percentage would be more useful in showing performance trends. The Performance and Improvement Team Leader noted she would include for future updates.

Councillor M Davinson noted that in relation to apprenticeships there is a need to show those apprenticeships where the duration of the apprenticeship is a year separately in the data set as they would not be included in the data for those apprenticeships sustained for 15 months although with changes in regulations it would be difficult to compare until a baseline is established.

Councillor P Jopling asked as regards from 735 DCC apprentices, 218 left the scheme, was this before 15 months. The Performance and Improvement Team Leader noted that this was approximately 15%, with Councillor M Davinson noting that there could be some that have one year apprenticeships, the Performance and Improvement Team Leader noted she would seek clarification as regards this.

Resolved:

That the report be noted.

13 Minutes of the County Durham Economic Partnership

The Minutes of the meeting of the County Durham Economic Partnership held 4 July 2017 were received by the Committee for information.