



## **Economy and Enterprise Overview and Scrutiny Committee**

**Date**            **Tuesday 26 September 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 meeting held 29 June 2017 (Pages 3 - 18)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations
7. DurhamWorks Programme: (Pages 19 - 24)
  - (i) Joint Report of the Director of Transformation and Partnerships and the Corporate Director of Children and Young People's Services.
  - (ii) Presentation by the Strategic Manager, Progression and Learning, Children and Young People's Services.
8. Skills Development Scrutiny Review Report - Update on Progress of Recommendations: (Pages 25 - 40)

Joint Report of the Director of Transformation and Partnerships and the Corporate Director of Regeneration and Local Services – Presented by the Employability Manager, Regeneration and Local Services.
9. EU Funding: (Pages 41 - 58)

Report of the Corporate Director of Regeneration and Local Services – Presented by the Funding and Programmes Manager, Regeneration and Local Services.

10. Local Growth Fund: (Pages 59 - 62)  
Report of the Corporate Director of Regeneration and Local Services – Presented by the Strategy, Policy and Partnership Team Leader, Regeneration and Local Services.
11. Quarter 4, Revenue and Capital Outturn 2016/17 and Quarter 1, Forecast of Revenue and Capital Outturn 2017/18: (Pages 63 - 80)  
Joint Report of the Corporate Director of Regeneration and Local Services and the Corporate Director of Resources – Presented by the Finance Manager, Resources.
12. Quarter 1, 2017/18 Performance Management Report: (Pages 81 - 92)  
Report of the Director of Transformation and Partnerships – Presented by the Performance and Improvement Team Leader, Transformation and Partnerships.
13. Minutes of the County Durham Economic Partnership held on 4 July 2017 (Pages 93 - 98)
14. Such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration

**Helen Lynch**

Head of Legal and Democratic Services

County Hall  
Durham  
18 September 2017

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

Councillor A Batey (Chairman)  
Councillor M Clarke (Vice-Chairman)

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

**Co-opted Members:**

Mr T Batson

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**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 **Thursday 29 June 2017** at **9.30 am**

**Present:**

**Councillor A Batey (Chairman)**

**Members of the Committee:**

Councillors E Adam, J Atkinson, J Clare, M Clarke, M Davinson, D Hall, T Henderson, A Hopgood (substitute for E Scott), P Howell, P Jopling, L Maddison, J Maitland, C Martin (substitute for R Ormerod), A Patterson, A Reed, L Taylor and M Wilson

**1 Apologies for Absence**

Apologies for absence were received from Councillors R Crute, P Sexton, Mr T Batson and Mr I McLaren.

**2 Substitute Members**

Councillor A Hopgood substituted for Councillor E Scott and Councillor C Martin substituted for Councillor R Ormerod.

**3 Minutes**

The Minutes of the meeting held 23 February 2017 were agreed as a correct record and were signed by the Chairman.

Councillor L Maddison asked whether there was an update in relation to Item 6 of the minutes in respect of Tourism Marketing and data from the Port of Tyne. The Overview and Scrutiny Officer, Diane Close explained that officers from Visit County Durham (VCD) were looking to get this information and bring this back to Committee at a future date however she would contact VCD to see if any further data was currently available.

The Principal Overview and Scrutiny Officer, Stephen Gwilym added that in relation to Item 8 of the minutes, Mr T Batson had been in contact to explain that he had now taken on a further apprentice at his business.

**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 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: Dalton Park set for a £2m refurbishment, following Phase 2 development further investment in the centre to improve the shopping experience; a student from East Durham College (EDC) being one of six entrepreneurs competing for National Entrepreneur of the Year; businesses being attracted to Salvus House at Aykley Heads, with Durham County Council (DCC), Durham University and New College Durham (NCD) working to attract firms in the engineering, communications and digital design industries; and figures showing that the North East was the UK leader in science and technology, with 21% of people in the North East workforce being employed in those sectors.

Councillor J Maitland noted that she, together with her fellow Local Member, A Napier welcomed the work planned at Dalton Park, including refurbishment of existing facilities as well as improvements to lighting and car parking.

### **Resolved:**

That the presentation be noted.

## **7 County Durham Economic Partnership**

The Chairman introduced the Chairman of the County Durham Economic Partnership (CDEP), Professor Brian Tanner, and the Principal Policy and Partnership Officer, DCC, Tarryn Lloyd Payne who were in attendance to provide the committee with detail of the CDEP's vision and priorities, measures of success, partnership activity to make a difference and economic challenges (for copy see file of minutes).

The Chairman, CDEP explained he was one of several Chairman of thematic groups, under the umbrella of the County Durham Partnership (CDP). Members noted that the CDEP had a vision: "We wish to see County Durham as a highly valued centre for business growth and innovation; with a vibrant local economy, high value employment opportunities, a quality housing offer and a highly skilled local workforce". It was added that while not there yet, the place to start was in trying to improve the employment rate for County Durham. The Committee were reminded that the CDEP had no funding of its own, rather it acted to help coordinate and foster cooperation between partners, not operate programmes of its own.

Councillors noted that in order to help judge levels of success, five measures were looked at: employment rate; gross value added (GVA); number of businesses; household disposable income; and employment deprived index deprivation.

The Chairman, CDEP noted it was important to note that the targets set out were for 2030, and that while there was progress in four out of five of the measures, the GVA had lost ground, though the number of Lower Super Output Areas (LSOAs), those areas in the top 20% of employment deprived areas, was reducing.

Members were referred to a graph showing the relative changes in employment rate over the period 2004 to 2016 and it was highlighted that while there was a degree of uncertainty, a factor of the sample size, the general trend was positive. However, it was explained that the gap between County Durham and both the regional and England and Wales rates was refusing to narrow.

Councillors noted that GVA was a measure of the value added by the processes, products and services provided in County Durham, a measure of our productivity. Members noted a graph showing that there was a widening gap between the County Durham GVA and that of the North East and the rest of the United Kingdom. It was explained that GVA helped inform as regards the quality of jobs, however it also rolled in the number of people not in a job. The Chairman, CDEP noted that therefore it had been requested to provide the figures in terms of the GVA per filled job, and Members were referred to a further graph showing this trend over time from 2002 to 2016, with the target for 2020 also shown. It was highlighted that this showed that there were better jobs being created, and that this was something being pushed by the North East Local Enterprise Partnership (NELEP). Members also noted that the GVA per filled job in County Durham was the same as the region although the gap to the United Kingdom figure remained.

The Chairman, CDEP referred to a map of County Durham highlighting the areas of deprivation, and explained that it was not simply a matter of geography, with some of the most deprived areas sitting alongside the largest areas of development, for example Aycliffe, a deprived area sitting next to the largest industrial park in England. Members noted that place investment was not simple and that there were many factors mixed up within this including skills, infrastructure and transport.

The Committee noted that a partnership approach was undertaken in terms of “more and better jobs”, with this being the NELEP’s strategic economic plan. It was noted that this followed an investment approach, with place based regeneration, human capital and business growth. It was added that the Vice-Chair of the CDEP, Sue Parkinson was liaising with the NELEP as regards joint working, and regional working arrangements through ESF and fighting County Durham’s corner when coordinating investment. It was added that another element would be to look for opportunities post-brexite, and ensure there was a pipeline of opportunities and that funding was spent wisely.

Members were given several examples of placed based regeneration and growth such as: Aykley Heads; Salvus House; Durham University Masterplan; Durham BID; Hitachi; NETPark; Hawthorn Enterprise Zone; Horden Rail Station; Bishop Auckland Town; Kynren; County Durham Housing Group; and major junction improvements on the A19 and A1 arterial routes. It was highlighted that NETPark had started relatively small, however, had the potential to be a large economic driver for the County.

The Chairman, CDEP explained that in terms of Human Capital, there were several examples such as the Youth Employment Initiative scheme, DurhamWorks and the Council's County Durham Apprenticeship Programme.

It was noted that in respect of business attraction and growth there had been the Durham Business Opportunities Programme, Finance Durham and the JEREMIE 2 programme. It was explained that it was important to maximise funding opportunities, including the Local Growth Fund (LGF) and the EU Programme.

The Committee noted that there were challenges ahead, in promoting the County as an area to do business and in playing to our strengths, as well as continuing to understand and tackle barriers to investment through a multi-faceted and partnership approach. The Chairman, CDEP concluded by reiterating that through understanding these barriers it was hoped to close the gaps previously mentioned, with the CDEP looking to: work together to add value; coordinating what we are doing; and informing partners of opportunities.

The Chairman thanked the Chairman, CDEP for his update and asked Members for their comments and questions.

Councillor P Jopling noted the maps as shown and asked whether there was a need to link skills to those business hubs, "skilling up" local people in those areas rather than simply bringing in people from other areas. The Chairman, CDEP noted this was the case, a good example being the University Technical College (UTC) at South Durham, linking to the skilled development at Hitachi. He added that skills were important, however, there was also a need in terms of transport as this was very important in terms of both economic and social impact.

Councillor L Maddison noted the references to NETPark and asked if there were links in place in terms of the Science Park being developed at Sunderland, to work in cooperation with them. The Chairman, CDEP noted that Sunderland flagships were based upon the digital economy, on software and the slightly less tangible, whereas NETPark was more "hard science" such as Polyphotonix and their work on a mask to treat diabetes and Kromek and their work in relation to radiation detector technology. The Chairman, CDEP explained he saw their development as complimentary rather than competitive, with plenty of space in the sector for both the development at Sunderland and NETPark.

Councillor J Maitland noted she felt that it was important to get the message through to 14-15 year olds at school as regards what jobs were available, or would be available, and therefore what skills they would need to be able to access these good jobs. The Chairman, CDEP noted that this was indeed the point, with national careers guidance gone it fell to individual schools and this led to a variation in the quality of provision. The Chairman, CDEP went further to suggest that it would be important to try and reach young people at an even earlier age, perhaps in Years 7 or 8 in terms of explaining the types of opportunity there were for skilled work. Members were reminded of the success of the Future Business Magnates (FBM) competition and that this was a good example of being able to raise awareness of career options and in raising aspirations in terms of being able to access opportunities and work in these sectors.

Councillor P Howell noted the GVA measure and asked how the service industry was picked up, representing a large number of the jobs in our County.

The Chairman, CDEP noted that there was not as good a proxy in terms of measuring the service industry impact, however, the GVA was a good indicator of where we are going and of “what are better jobs”.

Councillor P Howell asked if there were statistics that could be compared excluding for example London, to give a more balanced view of the County in comparison to similar areas within the country. The Chairman, CDEP noted that the Principal Policy and Partnership Officer should be able to get such regional information for Members.

Councillor D Hall noted the measures of success had a target of 2030, however asked if there was anything that could be learned from the sharp increase in 2006 as shown on the graph that had been presented to the Committee. The Chairman, CDEP explained that pre-recession there had been a heavy reliance on the public sector and there had been subsequent cuts to the public sector. It was noted that also there had been a number of companies fail during the recession and there was not a single answer in terms of why there was an increase, however, it was noted the pre-recession there had been a lot of long term investments. The Chairman, CDEP added that it would now be very important to use funds wisely, those from the Council, EU, Investment Banks and the Government, but also to be bold.

Councillor E Adam asked if there were any interim targets, in working towards the 2030 targets. The Chairman, CDEP noted that the Partnership was keeping a track of the measures and the Principal Policy and Partnership Officer added that while they were tracked many were not controlled directly. The Chairman, CDEP cited NETPark as an example whereby a long term investment could take a while to develop and progress into a success. Councillor E Adam noted 2030 was a long way away and that frameworks available now may need to change for the future. The Chairman, CDEP explained that the Regeneration Statement was something that was refreshed to take changes into account and the Principal Policy and Partnership Officer added that the annual “State of County Durham” report was available via the CDEP website. The Chairman, CDEP explained that the CDEP had a number of working groups, looking at issues such as: Business, Enterprise and Skills; Housing; and Rural issues and therefore there was a lot of depth in the number of people brought in from different backgrounds to help feed into the work of the CDEP.

Councillor J Atkinson noted the comments as regards the trading estate at Newton Aycliffe and the talk in terms of wanting to create more “better” jobs, however he noted not to underestimate the value of “a job” and that young people should be encouraged to help see that not all “factory jobs” were low skilled or mundane, that in fact there was a lot of real, good jobs out there. He added that he felt it was important to help ensure a “good fit” for people and asked what information was fed into the CDEP as regards this, noting that recent STEM events were good, however, could be aimed at young students to help generate more interest. The Chairman, CDEP agreed, and with the earlier comments from Councillor J Maitland, in terms of raising aspirations at a younger age and to give young people a truer image of manufacturing, highlighting there are some very exciting job opportunities and that the current mind-set as regarding these types of job needed to be changed.

The Chairman noted that the Committee had representatives from education providers, Schools and Businesses attend a meeting and it had been noted there was an overlap in terms of such provision and suggested this was an area to be looked at and addressed. Councillor M Davinson noted that as young people chose their GCSE pathways at Year 8 then it would be logical to approach young people with the information as regards potential careers within Year 7.

He added that there were barriers in terms of being able to raise aspirations, bring home the value of having a job, and to break the cycle of worklessness. Councillor M Davinson noted his Division's Wards were all within the bottom 10% in terms of deprivation and also noted that the "brain drain" from County Durham was also an issue and asked how we encourage people to stay in the area. The Chairman, CDEP noted that a focus on aspiration was key, however there was not a simple or single answer. It was explained that role models were important, however the distribution of high achievers, at A-Level, were mostly at a very small number of schools, and therefore the number of such role models across the County was relatively low. The Chairman, CDEP added that he noted from a recent FBM event that it was clear from speaking to one of the teachers involved that enthusiastic staff were important in terms of encouraging the pupils to be interested and inspired.

Councillor A Hopgood asked if it was made clear to high achieving students that the academic route was not the only option available to them, with University noted as being the only measure of success. The Chairman, CDEP noted that a feature of one of the FBM teams was the involvement of alumni from that particular school helping to inspire and act as a role model, as previously described.

Councillor A Hopgood asked in terms of the data for GVA if there was more recent information rather than January 2015. The Chairman, CDEP explained that this was the most up-to-date data, however, the CDEP spoke to partners as regards any emerging trends or events that may be relevant while awaiting statistical evidence. Councillor A Hopgood noted a downward trend at January 2015 and asked if we were in a better position now or worse. The Chairman, CDEP explained that it depended upon which aspect, however, business was confident, with decisions made 5 years ago for example regarding Nissan and Hitachi, now coming to the fore.

Councillor P Howell noted that given the success of Hitachi then it would follow that in the period from January 2015 to now that the GVA would have improved, and he added that benchmarking of interim progress against the measures would be useful, and when did the figures and targets "start" from. The Chairman, CDEP noted that the refresh of Regeneration Statement around 2 years ago gave the latest targets and that there was a 15 year "window" in terms of looking at such activity. Councillor P Howell noted that in terms of motivating people, people only see "little boxes" at Newton Aycliffe and not understand what goes on inside the buildings and what job opportunities existed. He added that he felt businesses could be best placed to show what opportunities were available for young people. The Chairman, CDEP agreed, however, it was being able to convince businesses that such an investment of their time would pay off. He added that FBM had shown how industrial partners can help to inspire young people and it was how to get this engagement as part of the norm.

Councillor P Jopling asked as regards funding for careers advice and the Chairman, CDEP noted that this was within schools' budgets, however, in a climate of increasing budget pressures, then how much resource was allocated to careers advice was for individual schools to determine. Councillor P Jopling asked whether there could be a promotion highlighting the benefits of business and education engagement.

The Chairman, CDEP explained that one method of trying to help businesses become involved was being led by the Business Development Director, Business Durham, Sarah Slaven, rolling out an FBM workshop for Year 7 pupils, and utilising video conferencing opportunities to make it more time and cost effective for businesses to speak to a number of young people within a school. It was added that this was an area being developed.

Councillor L Maddison asked what was being done to stop young people moving away from our area when starting university, was there something our local universities could be doing to help retain people locally. Councillor M Davinson added he believed it was around 50% of Durham students stay after completing their courses, with around 33% of those from the area travelling out of the area to go to university coming back to the County.

#### **Resolved:**

That the report and presentation by the CDEP be received and comments made by Members be noted and reflected in the consideration of the Committee's 2017/18 Work Programme.

## **8 Business Durham**

The Chairman introduced the Managing Director, Business Durham, Dr Simon Goon, who was in attendance to provide the committee with detail of the work and impact of Business Durham (BD) (for copy see file of minutes).

The Managing Director, BD introduced the Business Development Director, Sarah Slaven who was also in attendance to provide further information for Members.

It was explained that it would be a whistle-stop tour of the work undertaken by BD, and that as the economic development company for County Durham, BD would:

- Deliver the environment for economic and business growth and raise the profile of Durham as a place where business is done;
- Help businesses locate, stay, grow and diversify and create wealth in County Durham. At the same time deliver financial self-sustainability and operate in a commercial manner;
- Act with integrity with clients and partners;
- Take on new challenges;
- Flexibly balance the needs of the team;
- Drive innovation and creativity;
- Deliver in partnership.

Members noted there were three main functions within BD: Business Space, led by Peter McDowell; Business Development, led by Sarah Slaven; and Innovation and Business Growth, led by Catherine Johns.

It was explained that while BD supported businesses, there being approximately 9,000 in the County, however it was noted that Visit County Durham (BD) supported leisure and tourism, with the retail sector being under the remit of Economic Development. Councillors noted the importance of innovation and the impact of developing new areas of activity, such as the Space sector, and noted the North East Space and Satellite Applications Hub (NESSA) which gave strength at a national level.

The Managing Director, BD noted the performance of BD in engaging with around 1,000 businesses per year (10% of the businesses in County Durham), encouraging projects that looked at growth as well as helping smaller companies in addition. It was added that BD made good use of communication channels to promote good news stories and that through this and networking opportunities there was the ability for “iron to sharpen iron” in that respect.

It was added that there were a number of strategic programmes, including: the Durham Business Opportunities Programme; Durham Smart County; Finance Durham; North East Space Incubation Programme; EU Interreg Space and Photonics Programme; and also securing the North East Satellites Applications Centre of Excellence for another three years. Members noted work in terms of business properties with refurbishment of 1980s stock to help improve the facilities and in turn generate more rental income. It was added that in respect of small scale units no new properties had been identified in 20 years.

The Committee noted there were a number of unique selling points for County Durham, including: a world top 100 university; the best police force in the country; home to four national technology centres; home to the largest industrial estate in the North East; being a growth hotspot identified by the European Financial Times 1000; having the only science park in the UK with two science catapult centres; and had a manufacturing sector which accounts for 20% of its economy. The Managing Director, BD noted work with partners in terms of the Business Enterprise Framework, the approach agreed by the CDEP, looking to grow the number of businesses and the number of jobs.

Members were reminded of the BD property portfolio, with the stock falling into 3 main types, large industrial units, office space and NETPark. Councillors noted that Salvus House had been purchased by the Council in November 2016 to be converted into a range of office units and now had 48% occupancy. It will also house the Durham City Incubator. It was added that there were units at the Business Park at Consett, in addition to the offer at NETPark, together with the NETPark Incubator. It was noted that overall occupancy levels had been grown, from just over 70% 3 years ago to 85.8% now, with industrial spaces having an occupancy in March 2017 of 93.5%, and NETPark having occupancy levels of 99.3%.

The Managing Director, BD explained as regards investment in infrastructure for NETPark Phase 3, 13 hectares of additional serviced land for development, with the potential to create 350,000 square feet of new space, creating 1,400 jobs over the next 15 years. Members noted £2million of industrial investment by DCC in terms of industrial estates at Chilton, Tudhoe and Ferryhill.

The Committee noted that in terms of growth at Aykley Heads, it was an opportunity to augment County Durham, with an excellent example in Atom Bank working with the FBM programme and schools as well as providing 340 “more and better” jobs. It was added that growing the area into a business district for Durham City would in turn be for the benefit of all of County Durham.

The Business Development Director reiterated the comments made in relation to the previous item in respect of aspiration, highlighting the success of FBM, the programme having been running for 12 years, with all secondary schools invited to enter. It was added that participation had been good with 21 out of 32 County Durham schools involved this year, however, Members may be able to help encourage those schools not participating to join and realise the benefits of working with local businesses in this way. It was added that many businesses were keen to get involved, and to run workshops with schools and arrange visits for students to their businesses in addition as appropriate. The Committee noted that businesses, such as Thorn Lighting were keen to engage with young people and, as previously mentioned, it may be possible to utilise video conferencing in terms of working with Year 7 pupils, another opportunity to raise aspirations.

Councillors noted the Durham International Festival of Enterprise, which had held its first annual event in February at the GALA in Durham, with over 300 people having attended. Members learned other work to promote enterprise included with Durham University and the Enterprise Agencies in the County, promoting “Kick Start weekends”, the university’s Blueprint Enterprise Challenge and “Entrepreneurs Durham”, a student society.

It was noted that as a response to an earlier question in terms of “brain drain”, the Durham City Incubator was a partnership between Durham University, New College Durham and Durham County Council, based at Salvus House. It was explained that this would offer intensive support for start-up businesses, offering a package of support including accountancy and legal services. It was noted that EU funding had been applied for in this respect and that it was hoped that once the concept was proven that it would attract private sector investment.

In terms of enterprise, there would be a refresh of the Enterprise and Innovation Strategy, making it clear “who did what” and looking at gaps, such as helping self-employed people moving from year 1 to year 2 in their business.

*Councillor A Hopgood left at 10.50am*

Business Development Director explained that business engagement was the main area of BD’s work and this included helping with issues associated with land, premises, new staff, where BD could help make connections and coordinate. Members were reminded of our three business parks: Aycliffe; Peterlee; and Drum; and that mechanisms were given to help them engage with their local areas, looking to increase business opportunities so that businesses could help themselves within each business park. It was noted that Aycliffe was very active with a new website in development to help raise awareness and also representatives had visited two local schools to highlight what businesses did in their business park.

It was added that in terms of Peterlee Business Park there had been actions in terms raising the profiles, working with local schools and with a special edition of their business park newsletter entitled "Careerwise". Members noted that there were similar activities at Drum Business Park at Chester-le-Street.

The Committee noted that Durham Business Opportunities Program (DBOP) that has secured European Regional Development Fund (ERDF) funding to help engage businesses that tend not to take up support and to connect them with market opportunities and how BD can help them to grow.

It was explained that 97% of businesses in County Durham were small or medium sized enterprises (SMEs) and that often they did not have the time or capacity to chase such funding opportunities. An example given was of the childcare sector, with Government changes coming into effect in September 2017 meant that many parents would have the opportunity to access 30 hours of free childcare a week, an increase from 15 hours. The Council's Early Year Foundation Stage Team had identified that not all providers were geared up to provide those additional hours and therefore in helping those businesses prepare it would not only provide them with additional work, it would have an additional effect in helping parents to access work if good childcare provision was in place.

The Business Development Director added that in terms of SME Digital Adoption and the provision of superfast broadband to support businesses, there were some grants in terms of being able to help businesses understand and take the opportunities to allow digital services to support and improve their business. Members noted the significant contribution that the engineering and manufacturing sector made in terms of the County's GVA and therefore it was important to support original equipment manufacturers working with the automotive and rail sectors, especially in the uncertainty regarding Brexit to ensure more UK suppliers. It was highlighted that there would be a "Get into Rail North East" event, in conjunction with the County Durham Engineering and Manufacturing Network, with 69 businesses to be in attendance.

Members noted that in terms of inward investment, BD worked with the Department for Transport and other Local Authorities in the region, with 14 projects last year, an example being Res-Q at Spectrum, Seaham. It was explained that "Durham 2sday" was a relaxed and informal networking event in the heart of the City of Durham for North East entrepreneurs, executives and start-ups from a rich mix of sectors and had been running very successfully for around 2 years. Councillors learned that BD helped in terms of a group of SMEs that meet with the Bank of England as regards providing intelligence to the Monetary Policy Committee, making County Durham's voice heard in terms of policy.

It was added another activities included innovation breakfasts and "Food Truck Friday", the latter operated at Aykley Heads helping to create a business community.

The Business Development Director noted, in terms of securing venture capital for our County, the formation of Finance Durham LP, Financial Conduct Authority registered, and with Maven Capital Partners managing the investment fund. It was noted this was for investments of typically around £200,000 to £700,000, though up to £2 million, with 10% of funds being set aside for start-ups. Other aspects included that "soft side", helping businesses to be capable and able to access finance and encourage this across County Durham.

It was added that the fund has been designed to link with other investors, such as the JEREMIE 2 fund, and investments will be spread out across all sectors and sizes of business, designed to give a mixed risk portfolio. Member noted that to be eligible, businesses need to be based in County Durham or be relocating to the region when the investment is made. Members noted that for NEWCO, DCC had been shortlisted for a Management Journal (MJ) Award in 2017.

*Councillor D Hall left at 11.05am*

The Committee were reminded of further developments at NETPark and the Satellite Applications Catapult and the Managing Director, BD added that a visit to NETPark, and Salvus House, may be beneficial for Members.

The Managing Director, BD noted “Industry 4.0” or the fourth industrial revolution (mechanical, electrification, automation, digital) and explained that Durham Smart County was the approach of putting problems at the centre of sector strategies and using them to focus and build local capabilities. It was added that it was important to frame up questions in order to get the best answers, and an example was the issue of health inequalities. It was noted that one of the underlying causes was social isolation and that via the Small Business Research Initiative (SBRI) it was possible for the private sector to look at innovation in building materials and better engagement in our own health. Members noted that through more collective working and better commissioning there would be more economic activity. It was explained for Durham there were three companies looking at this specific issue, one utilising smart phone and smart watch technology to monitor and flag up issues with a person’s health, with others including myPALs, with St. Cuthbert’s Hospice and “Be Together”, technology.

The Committee noted that the space sector was very important and growing, a £40 Billion opportunity, with areas including satellite technology. Members were reminded of the Catapult and the work to help SMEs access those opportunities. An example given was the use of satellites to track jellyfish blooms near to power stations, as they can block the inlets for cooling water, and therefore measures can be taken as soon as possible to prevent the need for a shutdown. The Managing Director, BD added that another application of such technology was in “RealRider” a system that tracks motorcycle riders and alerts the ambulance service should the rider be involved in a crash. It was explained that this was primarily through the use of an app on a smartphone, however there was possibilities of integration into smart fitness technology and introducing the product to the US market. It was noted that space technology had great potential in helping tackling many issues from environmental protection to human trafficking.

The Managing Director, BD noted that promotion of County Durham was key and that BD worked to promote “Durham as a place where business is done” through: business engagement; innovation; enterprise; inward investment; and its business properties. He concluded by noting that the overarching “This is Durham, Place of Light” brand would be used to showcase County Durham as a place to live, visit, work and do business.

The Chairman thanked the Managing Director, BD and the Business Development Director and asked Members for their comments and questions.

Councillor T Henderson noted the success of large scale industrial and technology parks, such as NETPark, however, he noted that there was a need for smaller business units to be made available, especially in the Weardale and Teesdale areas with local centres nearly full. The Managing Director, BD noted that there was work ongoing to look at a number of potential schemes, with the private sector, where there was demand.

He added that there was an issue in terms of a development gap, with the cost of such units being £10-12 per square metres, with rent only being around £5-6 per square metre and work was being undertaken to look at different models, however, it was not a simple issue to tackle.

Councillor A Reed noted the new shopping area in Bishop Auckland was fantastic, however added that businesses were disappearing, as in other town centres also and therefore how could this be tackled. The Managing Director, BD noted that BD's focus was non-retail, and that teams working within the Economic Development service would be best placed to advise Members on the relevant schemes and projects. Councillor A Patterson noted that Councillor J Allen had done a lot of work in terms of the regeneration at Bishop Auckland working with the Castle and with other developers and that some of the empty retail premises had been sold and were in a period of transition.

Councillor P Jopling asked why around one-third of secondary schools were not engaging with the FBM scheme and whether it was an issue of finance. The Business Development Director noted an issue can be for a school to identify a member of staff keen and able to take on the role. While there was some funding available, the school had to fund transporting pupils to various workshops and participating in the FBM project is not seen as a priority by some schools.

Councillor M Davinson referred to the related performance indicator set out within the performance report which noted a decrease in the number of businesses engaged with and asked why this was the case. The Managing Director, BD noted that in terms of the performance indicators associated with BD he was happy in term of the reduction as more businesses are self-served, and therefore BD could help legitimate business projects get off the ground. He added that there was now a more refined approach, evolving as required, and while those numbers were reducing, there was more efficiency and productivity in terms of those engaged with. Councillor M Davinson asked if therefore it would be more useful to have a new indicator, for example similar to that for the number of unique visitors to the Visit County Durham website. The Managing Director, BD noted that there were a number of internal targets and measures. The Managing Director, BD noted that the volume of those engaged with was important, however, so was the quality and specificity of such engagement.

Councillor E Adam noted that the Managing Director, BD would be leaving his role and asked that he be thanked for all the hard work and excellent service he had given during his time at BD. He also asked as regards technology companies moving out of Durham and of the impact of artificial intelligence. The Managing Director, BD noted that there can be many reasons why a business would choose to move, including if a neighbouring area offers a deal on business space. In terms of artificial intelligence, he noted this was a very interesting field and that there were jobs in this area already within County Durham. He added that it linked into many of the issues discussed within the report and presentation and was an area that the Authority would need to be alert to.

The Chairman thanked the Managing Director, BD for all of his work, noting he would be a huge miss, and wished him all the success for the future.

**Resolved:**

- (i) That the report and presentation be noted
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further report detailing the progress and further development of business activity undertaken by Business Durham at a future meeting of the Committee as part of the 2018/19 Work Programme.
- (iii) That arrangements be made for a site visit to Salvus House as part of the Committee's Work Programme for 2017/18.

## **9 Quarter Four 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 Four, 2016/17 Performance Management Report (for copy see file of minutes).

The Performance and Improvement Team Leader reminded Members of the changes to services, and that work was ongoing in terms of the datasets for 2017/18. Members were asked to note the "dashboard" summary page included within the report to help present the performance information in a more concise and user-friendly way. It was added that a lot of information had already been covered within the CDEP and Business Durham items and would not be repeated.

Members noted that the majority of town centres had seen retail occupancy increase or stayed the same, with only one town centre showing a reduction. The Performance and Improvement Team Leader noted that information as regards demographics, getting "behind the data", would be available in the "State of the County" document as previously noted by the Principal Policy and Partnership Officer.

It was noted that the number of apprenticeship starts through County Durham schemes was 216, ahead of the 150 target. It was noted that the number of apprenticeship starts that had been sustained for 15 months or more (at December 2016) was 719, equating to 67.1% of those via the scheme. It was added that the DurhamWorks team did look to identify why some apprenticeships did not sustain, with issues including: personal issues; health; returning to education; and the apprenticeship not meeting expectations.

The Committee learned that in terms of housing performance: 640 private sector properties had been improved through Council intervention, ahead of target and 136 empty properties had been brought back into use, ahead of target however below the 2015/16 figure.

In relation to Homelessness, the Performance and Improvement Team Leader explained that number of clients accessing the Housing Solutions Service had increased, though the number of homelessness preventions had decreased. It was added that this could be seen as the numbers accessing the service had increased year-on-year and that the number of homelessness clients accepted had increased.

Officers involved had explained that there had been a number of complex cases with a number of agencies involved and this meant there was a longer process to work through.

The Performance and Improvement Team Leader noted that the Council's properties, those outside of the Business Durham portfolio, had an occupancy of 74%, less than the target 80%, however in line with previous years. She concluded by noting a correction to the appendix to the report, with page 32 a reference to NEETs (Not in Employment, Education or Training) stating "0.0" should have started "n/a" as the figures now reflected 16-17 year olds, with previous figures being for 16-18 year olds.

In relation to unemployment in the County, the Performance and Improvement Team Leader made reference to the recent meeting of the Corporate Overview and Scrutiny Management Board where a question had been raised by a member in relation to the age demographics of those unemployed, where the majority between 50-60 years and whether the figure included disabled people. The Committee was informed that the 'State of the County' report included this detail and that the link would be circulated to the appropriate Member.

The Chairman thanked the Performance and Improvement Team Leader and asked Members for any questions on the performance report.

Councillor J Atkinson noted the figures relating to those leaving apprenticeships and asked how hard the resolve of those people applying for apprenticeships was tested within the interview process to test their suitability. The Performance and Improvement Team Leader noted she would speak to the team as regards the process undertaken and provide a response. The Chairman noted that there would always be a number of people leave an apprenticeship for some of the reasons previously mentioned and therefore a breakdown of the numbers by reasons may be useful for Members.

Councillor C Martin noted the performance in relation to the town centre occupancy rates in Chester-le-Street and Stanley and asked whether additional help was allocated when occupancy rates had decreased. The Performance and Improvement Team Leader commented that the Regeneration Framework was being refreshed and this would take such issues into account and would result in updated Masterplans for County Durham. It was added that in some cases the reduced occupancy rates was the result of national retailers closing stores and this was outside of the control of the Local Authority. Councillor C Martin asked whether the refresh of the Regeneration Framework was simply a process of strategy documents being revised or updated or whether there was funding attached. The Performance and Improvement Team Leader noted that there was not funding directly attached, however, there would be a process to identify where funding could be accessed and drawn down. The Chairman added that in terms of the areas mentioned, the local AAPs would be a good place to raise such issues in order to feed into the Masterplans.

**Resolved:**

That the report be noted.

## 10 Refresh of the Committee's Work Programme 2017-18

The Overview and Scrutiny Officer referred Members to the report in the agenda papers relating to the Review of the Committee's Work Programme for 2017-18 (for copy see file of minutes).

Members noted the report set out the work programme for the year ahead and suggested topics for review, though Councillors were reminded of the need to include some ability to look at any emerging issues within the year. The Committee noted that Appendix 2 set out the work programme and priorities and noted topics to be monitored included the County Durham Plan, Visit County Durham (VCD) and EU Funding. Members noted ongoing issues also included: the Housing White Paper and Industrial Strategy Green Paper; Durham Key Options; Digital Support for the Business Sector; DurhamWorks; and homelessness.

*Councillor C Martin left at 11.52am*

The Overview and Scrutiny Officer added that reviews of the progress against the recommendations from previous work on VCD Marketing Campaigns and Skills Development would be built into the Work Programme, along with potential site visits in terms of Chapter Homes, Traveller sites and, as previously mentioned, Salvus House. It was added that special meetings may be called as required, with a meeting in terms of housing to be arranged in October. It was noted a suggested topic for focused review of supporting the retail sector, had previously been identified by Members of the Committee, at the March 2017.

The Chairman noted that with a great deal of work to be undertaken by the Committee, there may be a need for special meetings of the Committee and also suggested that a visit be arranged to Salvus House and to look next year as part of the Work Programme for 2018/19 into the viability of a visit to NETPark. The Chairman added that she had spoken to the Portfolio Holder in terms of support for the retail sector as a review topic and the Cabinet Portfolio Holder had been supportive of this.

Councillor J Clare noted that the suggested topic tied in with a lot of the issues raised by Councillors at the meeting, and with Business Durham not focussing on retail it was a good idea for the Committee to look at the issues and where it was not within the Council's power then at least to identify issues.

Councillor J Clare added that in reference to page 42 of the agenda pack and the Digital Durham Programme, he noted that Phase 3 would end in Autumn 2018 and therefore this would be something to look at, in what form it would take from 2018. He added for Members' information that Digital Durham lead to the lines being put in, however, BT would only supply equipment, cards, inside the cabinets if there was sufficient demand demonstrated for broadband services. Councillor J Clare also noted that beyond a certain number of properties taking up such services then BT was required to pay back against any Digital Durham investment and noted that was an issue to look into.

In terms of future broadband provision, Councillor J Clare noted that the Digital Durham Programme referred to existing housing stock, not new housing and that it was for developers to register with BT in order to try and secure superfast broadband provision.

Councillor J Clare noted this was the case with several new properties within his area, and included properties developed by Chapter Homes. Councillor J Clare noted that while it may not be possible to look at the topic within this year's Work Programme he felt it was important and should also be a topic for review, possibly next year.

The Overview and Scrutiny Officer noted that the focus on the Digital Durham Programme within the context and remit of the Economy and Enterprise Overview and Scrutiny Committee was to look at broadband provision in terms of helping businesses and the economy. In terms of private individuals and housing this would possibly fall under the remit of the Corporate Overview and Scrutiny Management Board and she would therefore share the concerns raised with the Head of Strategy, Transformation and Partnerships, Jenny Haworth in terms of that Committee. Councillor J Clare added with the shift towards many more people working from home it was vital that properties had access to superfast broadband.

**Resolved:**

- (i) That the Work Programme at Appendix 2 to the report be agreed.
- (ii) That the review topic of support provided by DCC for the retail sector be agreed.
- (iii) That an additional site visit to Salvus House is included in the Work Programme for 2017/18.

**11 Minutes of the County Durham Economic Partnership**

The Minutes of the meeting of the County Durham Economic Partnership held 2 May 2017 were received by the Committee for information.

**Economy and Enterprise  
Overview and Scrutiny  
Committee**



**26 September 2017**

**DurhamWorks Programme –  
Youth Employment Initiative**

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**Joint Report of Lorraine O'Donnell, Director of  
Transformation and Partnerships and Margaret Whellans,  
Corporate Director, Children and Young People's Services**

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**Purpose of the Report**

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee with detail of the progress of the DurhamWorks Programme - Youth Employment Initiative (YEI), prior to a presentation by Linda Bailey; Strategic Lead: Progression and Learning; Children and Young People's Services.

**Background**

- 2 DurhamWorks is a European funded, Durham County Council led partnership programme that supports young people aged 16-24 who are NEET / unemployed.
- 3 The total funding available to support unemployed young people who are resident in County Durham is £17.04m. This consists of £6.39m YEI funding, £6.39m ESF, and £4.26m of required match funding.
- 4 Members of the Economy and Enterprise Overview and Scrutiny Committee receive regular reports and presentations detailing the progress of the DurhamWorks Programme, the most recent progress update took place on 13 January 2017.
- 5 Linda Bailey; Strategic Lead: Progression and Learning will attend the meeting on 26 September 2017 to deliver a presentation that will focus on the progress made to date in relation to: programme outputs, financial performance, marketing and communications, employer engagement, participant voice, and programme evaluation.

**Programme Outputs**

- 6 The overall target is to engage 5,830 young people into the DurhamWorks Programme. The latest performance data (July 2017) shows there are 2,721 participants registered on the Programme who have been verified as eligible. In terms of age and gender, 48% of participants are 16-18 years of age and 52% of participants are 19-24 years of age; 59.9% of participants are male, 39.9% of participants are female and 0.2% of participants are transgender.

- 7 The Programme is currently performing on or above target in relation to the following outputs:
- Total number of participants whose eligibility has been verified;
  - Participants who are male;
  - Participants with disabilities;
  - Participants who are members of an ethnic minority;
  - Participants who are unemployed / long-term unemployed.
- 8 The Programme is currently performing below target in relation to the following outputs:
- Participants who are female;
  - Participants who live in a single adult household with dependent children;
  - Participants who are inactive.
- 9 A number of measures have been put in place to increase the number of participants in those priority groups where performance is currently below target. These include commissioning targeted learning provision and reviewing data recording.
- 10 In terms of progressions, 1497 participants have progressed into an opportunity, with the most popular destinations being full-time employment and apprenticeships.
- 11 In recognition of the fact that a higher proportion of young people in certain vulnerable groups are NEET (Not in Education, Employment or Training) compared to the rest of the 16 – 24 year old cohort, specialist DurhamWorks Transition Advisors have been deployed to work with Looked After young people and Care Leavers, young people who have SEND, as well as young people who are supervised by County Durham Youth Offending Service. Performance data shows that there has been increase in the proportion of young people in these vulnerable groups who are participating in learning and a reduction in the proportion who are NEET.

## **Financial Performance**

- 12 The total expenditure claimed in the most recent quarterly claim (April 17 to June 17) was £1,463,147.09 - made up of £1,096,624.77 salary costs plus £202,028.44 other direct costs and £164,493.88 indirect overhead expenditure. The project is currently £2,305,913.46 behind profile. Reasons for this underspend include the late defrayment and late claims by Delivery Partners. The DurhamWorks central team is working closely with Delivery Partners who are posing a risk to the Programme and action will be taken if their performance does not improve. In addition, the DurhamWorks central team and Delivery Partners have had difficulties in filling staff vacancies in a timely fashion due to the short duration of the contracts and the future uncertainty of ESIF (European Structural and Investment Funds) funded provision. In order to address this issue, the DurhamWorks central team is working with colleagues in Durham County Council's Procurement Service to fill vacancies with agency staff / secondees (in line with ESIF procurement rules).

- 13 In order to maximise spend and delivery, negotiations have taken place with a number of existing Delivery Partners to increase activity, including the extension of the Learning Working Earning Grant through new 6 month awards. There are two new Delivery Partners (Derwentside College and East Durham College) and additional sub-contracted provision has been procured.

### **Marketing and Communications**

- 14 Regular marketing campaigns are being undertaken, the latest of which commenced in August 2017. These utilise multiple channels (including radio and bus advertising) and are targeted at specific geographical locations and groups (e.g. employers). An on-going marketing campaign undertaken with the Northern Echo newspaper is resulting in an increased number of enquiries about the DurhamWorks Programme.
- 15 The DurhamWorks website and Facebook page are very effective in terms of raising awareness of and engaging young people onto the Programme. For example, there were over 19,000 page views on the website during the period April to July 2017 and 772 Facebook followers at the end of July 2017.
- 16 A successful DurhamWorks Achievement Awards event took place in May 2017, with prizes awarded in the following categories:
- Achieving through work;
  - Employer award;
  - Inspirational individual;
  - Inspirational mentor;
  - Making an impact – group award.

### **Employer Engagement**

- 17 A comprehensive employer engagement strategy is being implemented with activity taking place across County Durham. Business Advisors are engaging with local employers and examples of activity include:
- Attendance at network meetings such as the North East Learning Provider Network and liaison with organisations such as Business Durham, the North East Chamber of Commerce, and Northumberland Business Services, in order to source potential work experience and job opportunities for young people.
  - Support for employers to understand the impact of Government measures such as the introduction of the Apprenticeship Levy;
  - Publicity and promotion through publications such as the Peterlee Business Park and Aycliffe Business Park newsletters.
- 18 The DurhamWorks Learning, Working, Earning Grant is proving to be very popular with employers and at the end of July 2017, it was supporting 252 participants to the value of £1,090,640.
- 19 A number of employment sector-based routeways have been developed in partnership with Job Centre Plus (a DurhamWorks Strategic Partner) to provide opportunities for participants. These include:

- Teleperformance – developed in partnership with Gateshead College, this routeway focuses on the Call Centre sector, leading to a guaranteed interview with a global telecommunications outsourcing company.
  - Durham County Council Sports and Leisure – developed in partnership with Bishop Auckland College, this routeway provides opportunities for participants to obtain qualifications, whilst undertaking a placement at Durham County Council Sports and Leisure Centres.
  - ResQ Call Centre – developed in partnership with Durham Employment and Skills (Durham County Council), this routeway provides opportunities for participants aged 18 and above in the Call Centre sector, leading to a guaranteed interview with ResQ, a leading UK Call Centre that promotes Responsible Telemarketing.
- 20 A further three additional sector based routeways have recently commenced, providing direct pathways into employment. These are:
- Optimum Skills – engaging 860 young people across various employment sectors;
  - First Point – providing specialist routeways to 40 young offenders and young people in or leaving Care;
  - RAW Digital – providing a bespoke package of digital marketing, online design and social media marketing training to 210 young people.

### **Participant Voice**

- 21 A number of measures are in place to ensure the views and opinions of DurhamWorks participants are captured and utilised in order to inform delivery of the Programme. These include the launch of an online questionnaire that participants are encouraged to complete, as well as regular focus group meetings with groups of participants following their completion of a DurhamWorks activity.

### **Programme Evaluation**

- 22 Evaluation of the DurhamWorks Programme commenced in April 2017, following the procurement of York Consulting LLP. To date, a number of activities have been undertaken including the development of analytical and evaluative frameworks; consultations with Delivery Partners, DurhamWorks advisors and young people; as well as a forensic analysis of DurhamWorks data. These activities will inform the first evaluative quarterly report, which will be published in the very near future.

### **Conclusion**

- 23 Significant progress continues to be made in delivering a successful DurhamWorks Programme, as reflected in the increasing number of unemployed / NEET young people who are being supported into education, employment and training.

## Recommendations

- 24 Members are asked to note and comment upon the information provided within the report and during the presentation.
- 25 That the Economy and Enterprise Overview and Scrutiny Committee continues to receive further progress reports on the delivery of the DurhamWorks Programme at future meetings of the Committee.

## Background Papers:

Economy and Enterprise Overview and Scrutiny Report – YEI – update – 13 January 2017.

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## **Appendix 1: Implications**

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**Finance** – To continue monitoring expenditure and financial performance monthly, taking action to maximise spend. The position will be reviewed at the end of the calendar year in order to determine whether re-profiling to the end of the programme (July 2018) is necessary.

**Staffing** – N/A

**Risk** – A risk register is regularly reviewed.

**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

**Economy and Enterprise  
Overview and Scrutiny Committee**

**26 September 2017**



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

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

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**Purpose of the Report**

- 1 The report provides members with an update on the progress made in relation to the recommendations contained within the Economy and Enterprise OSC review group report of support provided for skills development within County Durham.

**Background**

- 2 At a special meeting of the Economy and Enterprise Overview and Scrutiny Committee held on 29 October 2015 members agreed the terms of reference for the review with the aim of investigating and understanding the role and performance of DCC and key partners in supporting skills development, examine current partnership working and the future skill priorities for the county and identify any barriers to employment. It was agreed that the review would:
  - (a) Consider and understand the current approach to skills development at a national, regional and local level.
  - (b) Examine the existing occupational profile of County Durham including the skill base of residents within County Durham and compare to the regional and national skill base.
  - (c) Consider and understand the role and performance of DCC and key partners in supporting skills development within the county including detail of various projects/initiatives.
  - (d) Examine how DCC engages with key partners including the National Careers Service, Business and Education Board, FE colleges, specialist learning providers, employers and the County Durham Economic Partnership (CDEP) to support skills development within the county.

- (e) Identify any barriers to employment for a variety of specific sectors including: employers; adults; young people including young people who are not in education, employment or training (NEETs).
  - (f) Examine any actions identified to address barriers.
  - (g) Identify and consider future skill priorities for the county.
- 3 A review group of 13 members was established from the membership of the Economy and Enterprise Overview and Scrutiny Committee. Evidence was gathered over eight meetings and three visits providing members with the opportunity to see 'first hand' the type of skills support provided by partners in the county.
- 4 The report was considered by Cabinet at the meeting on the 19 October, 2016. At that meeting Cabinet agreed the recommendations contained within the review report which included a recommendation for a six monthly update on the progress against the recommendations contained in the report. In addition the report was shared with the Business, Enterprise and Skills Working Group of the County Durham Economic Partnership at the meeting on the 24 November, 2016.

### **Recommendations of Review**

- 5 The review made the following recommendations:
- (a) That the Council robustly analyses the impact of the introduction of the Apprenticeship Levy and the statutory apprenticeship target on Durham County Council and further apprenticeship opportunities in the county.
  - (b) That Durham County Council monitors the progress of the North East Area Based Review and the full devolution of the Adult Education Budget within the context of future FE provision within County Durham.
  - (c) That Durham County Council (DCC) via the Regeneration and Economic Development (RED) Service Grouping is pro-active in promoting with SMEs and training providers in the county the various top up grants available from the County Durham Apprenticeship Programme (CDAP) together with the availability of support to employers to assist in applying for the various available top ups.
  - (d) As part of the monitoring arrangements for the DurhamWorks Programme the Council ensures that the Economy and Enterprise

Overview and Scrutiny Committee receive updates on the progress, performance and delivery of the programme.

- (e) That Durham County Council is pro-active in promoting with schools the importance of providing young people with good quality Careers Education, Information, Advice and Guidance (CEIAG) together with an opportunity for meaningful work experience placement with local employers, and continues to monitor take up of provision by schools.
- (f) That the Area Action Partnerships (AAPs) continue to develop local skill projects and initiatives and where appropriate share across the AAP network and work with the Children and Young People's Services Service Grouping to determine whether any elements of individual AAP projects can be used to complement the DurhamWorks Programme.
- (g) That key partners within the county be encouraged through the County Durham Economic Partnership (CDEP) to use the same labour market tools and share data so that there is a consistent approach to predicting employer's future skill requirements.
- (h) That the Business and Education Board build upon the success of 'Get the Buzz' week by continuing to work with partners to identify and develop future opportunities for business and education engagement across County Durham.
- (i) That a review of this report and progress made against the recommendations will be undertaken six months after the report is considered by Cabinet including as part of this process the following:
  - (j) A summary of AAP activity currently undertaken across the county focusing on skills development.
  - (ii) A summary of activity undertaken to develop further opportunities for business and education engagement.
  - (iii) An update on the progress of the three local apprenticeship programmes (Teenage Parent Apprenticeship Programme, ICT Apprenticeship Hub Programme and the CDAP).

### **Current position**

- 6 The attached Action Plan (Appendix 2) provides information on the progress made in relation to the recommendations contained in the scrutiny review report.

## **Next steps**

- 7 The Economy and Enterprise Overview and Scrutiny Committee as part of the systematic review process will receive a further update of progress made in relation to the recommendations contained in the scrutiny review report at a future meeting of the committee.

## **Recommendations**

- 8 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to consider and comment upon the progress made in relation to the recommendations contained in the Scrutiny review report.
- 9 That the Economy and Enterprise Overview and Scrutiny Committee receive a further report detailing progress made against the recommendations contained in the scrutiny review report at a future meeting.

## **Background papers:**

Support provided for skills development within County Durham - Review Report 2016.

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**Appendix 1: Implications**

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**Finance** – Not Applicable

**Staffing** – Not Applicable

**Risk** – Not Applicable

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

**Accommodation** – Not Applicable

**Crime and Disorder** – Not Applicable

**Human Rights** – Not Applicable

**Consultation** – Not Applicable

**Procurement** – Not Applicable

**Disability Issues** – Not Applicable

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Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>23. That Durham County Council monitors the progress of the North East Area Based Review and the full devolution of the Adult Education Budget within the context of future FE provision within County Durham.</p>	<p>The North East Area Based Review commenced in September 2016 and was completed by February 2017, with the final report published in August 2017.</p> <p>Fifteen recommendations were agreed by the North East Area Review Steering Group, including:</p> <ul style="list-style-type: none"> <li>• Bishop Auckland College, Derwentside College, East Durham College and New College Durham to continue to operate as stand-alone institutions, working with neighbouring colleges on a collaborative curriculum offer.</li> <li>• East Durham College and Northumberland College to develop a land based strategy that better meets the needs of the land based economy across the North East.</li> <li>• Formation of a shared services company across East Durham College, Derwentside College and Sunderland College.</li> <li>• Development by colleges, the LEP and local authorities of an enhanced offer for SEND students.</li> <li>• The formation of a strategic forum to monitor progress and provide oversight of the implementation of the review recommendations.</li> </ul> <p>Since 2016-17, funding for the non-apprenticeship element of Adult Skills, Community Learning and Discretionary Learning has been combined into a single Adult Education Budget, as part of the transition towards devolution of non-apprenticeship skills funding from 2018-19 for those areas that have devolution agreements in place. Following the decision of NECA not to proceed with the proposed devolution agreement for the North East, preparatory work in anticipation of devolved funding has been on hold.</p>		Ongoing

Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>3) That Durham County Council (DCC) via the Regeneration and Economic Development (RED) Service Grouping is pro-active in promoting with SMEs and training providers in the county the various top up grants available from the County Durham Apprenticeship Programme (CDAP) together with the availability of support to employers to assist in applying for the various available top ups.</p>	<p>The Economic Development Team have been active in promoting apprenticeship take up amongst SMEs since the development of the Apprenticeship action Plan and associated launch of the County Durham Apprenticeship Programme in November 2011.</p> <p>In that time over 1076 residents have accessed apprenticeship opportunities supported through the programme, with 711 Companies creating apprenticeship opportunities.</p> <p>Funding for the subsidy was sourced from Apprenticeship Grant for Employers (AGE) derived from the SFA with a £1,000 top up offered by DCC. The AGE funding concluded in July 2017 and all DCC funds supporting this programme have at present been committed.</p> <p>With the delivery of the Durham Works Programme a series of support grants to business for the creation of employment opportunities for young people are available and these are the main tool currently offered to local companies to assist in bringing forward apprenticeship roles</p> <p>Linked to Recommendation (1) The Economic Development Team will undertake a review of take up and seek to determine whether the new funding arrangements result in barriers to small business participation in the delivery of apprenticeship vacancies and develop recommendations accordingly.</p>	Graham Wood	Ongoing

Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>Page 4</p> <p>As part of the monitoring arrangements for the DurhamWorks Programme the Council ensures that the Economy and Enterprise Overview and Scrutiny Committee receive updates on the progress, performance and delivery of the programme.</p>	<p>An update on the progress, performance and delivery of the DurhamWorks Programme was provided to members of the Economy and Enterprise Overview and Scrutiny Committee on 26<sup>th</sup> September 2016 and 13<sup>th</sup> January 2017. Further updates are scheduled for 26<sup>th</sup> September 2017 and 5 April 2018.</p> <p>A DurhamWorks Strategic Partnership is also in place to oversee delivery of the DurhamWorks Programme. This is complemented by an Operational Group consisting of DurhamWorks Delivery Partners. Its role is to review performance, identify mechanisms to improve delivery and develop best practice.</p>	<p>Linda Bailey/Helen Radcliffe</p>	<p>Ongoing</p>

Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>5) That Durham County Council is pro-active in promoting with schools the importance of providing young people with good quality Careers Education, Information, Advice and Guidance (CEIAG) together with an opportunity for meaningful work experience placement with local employers, and continues to monitor take up of provision by schools.</p>	<p>Durham County Council continues to be pro-active in promoting with schools the importance of providing good quality Careers Education, Information, Advice and Guidance through its CEIAG Network for schools and colleges, a termly newsletter, and a range of professional development opportunities that are offered to teachers as well as support staff.</p> <p>During the 2016-17 academic year, over 1,000 young people at County Durham schools undertook a meaningful work experience placement that was arranged by the Durham Education Business Partnership. At the end of the academic year, the decision was taken to cease delivery of work experience and careers guidance interviews. However, County Durham schools were signposted to alternative providers.</p> <p>For the 2017-18 academic year, Durham Education Business Partnership will be delivering a range of exciting Work Related Learning and Enterprise activities in those schools that have a Service Level Agreement in place with Durham County Council. This will include meaningful contacts with local employers.</p>	Linda Bailey	Ongoing

Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>Page 6</p> <p>6) That the Area Action Partnerships (AAPs) continue to develop local skill projects and initiatives and where appropriate share across the AAP network and work with the Children and Young People's Services Service Grouping to determine whether any elements of individual AAP projects can be used to complement the DurhamWorks Programme.</p>	<p>AAPs have continued to support a range of employability and Apprenticeship projects.</p> <p>In terms of activity by AAPs we saw this peak in 2014/2015 with over 51 apprentices supported through the Area Budget Grant and an additional 36 apprentices from the targeted welfare reform grant monies that AAPs also received.</p> <p>In year 2015 / 2016 this dropped down to 33 from Area Budget grants and 3 from the Welfare Reform grant. This change was due to a change in AAP priorities.</p> <p>We are seeing a number of schemes being developed this year and Employability, Enterprise and Skills is a priority for 8 of the 14 AAPs. All 14 AAPs have Children and Young People as a priority so there's scope in this priority to also look at skills development amongst young people.</p> <p>AAPs have engaged well with Durham Works Staff and AAP Boards have received a presentation about Durham Works and the opportunities available.</p> <p>There are also opportunities on the horizon for a greater link with Durham Works through a EU funded project that is available within 5 AAP areas (Chester-le-Street, Stanley, Derwent Valley, Spennymoor and Bishop Auckland. The Community Led Local Development (CLLD) programme is a funding stream of circa £3.8m over 4 years to target employability and entrepreneurship. Due to the existence of Durham Works this is to be focused at people aged 25 yrs and older. Given it runs for 4 years this programme may</p>	<p>AAPs</p>	<p>Ongoing</p>

	<p>need to be reviewed in line with the predicted end of Durham Works. The CLLD money can't target the same client group as Durham Works as they are both funded through the EU.</p> <p>We have also seen innovative use of AAP money piloting work with after school clubs around the creation of 'Coding Clubs' to teach basic computer coding. These are proving very popular as a way of teaching new emerging skills to a young audience.</p>		
<b>Review Recommendation</b>	<b>Progress Report of Action taken to implement recommendation</b>	<b>Resib'ty</b>	<b>Timescale</b>
<p>7). That key partners within the county be encouraged through the County Durham Economic Partnership (CDEP) to use the same labour market tools and share data so that there is a consistent approach to predicting employer's future skill requirements.</p>	<p>The development of accurate, timely and predictive Labour Market Information remains a significant challenge for the skills system in general.</p> <p>DCC and colleges have access to various LMI tools which can profile recent skills requirements and cross reference information when working on joint initiatives. However predicted skills requirements - particularly where new investments or emerging technologies are concerned remains problematic.</p>	CDEP	Ongoing

Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>Page 8</p> <p>8) That the Business and Education Board build upon the success of 'Get the Buzz' week by continuing to work with partners to identify and develop future opportunities for business and education engagement across County Durham.</p>	<p>A lack of available funding has prevented delivery of further 'Get the Buzz' type events. However, Durham Education Business Partnership continues to offer delivery of Work Related Learning events to schools (on a traded basis), which brings together businesses and education providers.</p> <p>During 2016-17, over 800 volunteers (Ambassadors) from County Durham businesses were engaged to support business education links by County Durham Education Business Partnership.</p>	<p>Tarryn Lloyd-Payne</p>	<p>Ongoing</p>

Review Recommendation	Progress Report of Action taken to implement recommendation	Resib'ty	Timescale
<p>9) That a review of this report and progress made against the recommendations will be undertaken six months after the report is considered by Cabinet including as part of this process the following:</p> <ul style="list-style-type: none"> <li>• A summary of AAP activity currently undertaken across the county focusing on skills development.</li> <li>• A summary of activity undertaken to develop further opportunities for business and education engagement.</li> <li>• An update on the progress of the three local apprenticeship programmes (Teenage Parent Apprenticeship Programme, ICT Apprenticeship Hub Programme and the CDAP).</li> </ul>	<p>See Recommendation 6</p> <p>See Recommendation 8</p> <p>Teen Parents Apprenticeship Programme utilising funding from public health team and linking with the existing One Point Teen Parent Programme a focused intensive support programme resulted in 19 teen parents (male and female) progressing into apprenticeship opportunities.</p> <p>County Durham Apprenticeship Programme The Apprenticeship Programme was launched in November 2011, with the aim of assisting in the creation of apprenticeship opportunities for unemployed residents who live in Co Durham and who are aged between 16-24 years.</p> <p>The programme has provided an incentive to employers (SMEs or Social Enterprises) who may be considering recruitment and offers financial support as well as advice and guidance from the Council, Education Skills Funding Agency (ESFA) and associated training providers.</p> <p>At the end of March 2017 there have been 1,076 starts across a variety of sectors, with the most popular apprenticeship frameworks being;</p>	<p>AAPs</p> <p>CDEP</p> <p>Graham Wood</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

	<ul style="list-style-type: none"> <li>• Business Administration – 181 (L2 = 130, L3 = 50, L4 = 1)</li> <li>• Engineering – 143 (L2 – 61, L3 = 82)</li> <li>• Joinery – 78 (L2 = 68, L3 = 10)</li> <li>• Electrical – 62 (L2 = 42, L3 = 20)</li> <li>• Construction – 52 (L2 = 35, L3 = 17)</li> </ul> <p>Of the 1,076 starts to date, 674 (63%) are aged 16-18 years, with 398 (37%) between 19-24 years. The range of statistics indicates that we are making good progress in terms of focussing on the younger age range which continues to be a priority of the Skills Funding Agency.</p> <p>In relation to the ICT Apprenticeship Hub Programme the 6 young people have now completed their the two year ICT Apprenticeship Pilot with Durham County Council. As apt of the apprenticeship the apprentices were rotated around the different areas of ICT to gain experience and confidence including working with school engineers and external businesses. Five of the apprentices have gone onto full employment with 1 apprentice employed by Durham County ICT Operations Schools Team, 1 apprentice with DCC's Health &amp; Safety Team, 1 employed by Sedgefield Community College, 1 employed by the Passport Office, 1 employed at St. Cuthbert's Hospice and 1 awaiting news of a permanent position.</p> <p>Work is currently taking place looking at ways to Progress this initiative further with future apprentices.</p>	Alan Patrickson	Ongoing
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## Economy and Enterprise Overview and Scrutiny Committee

26 September 2017



### EU Funding

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## Report of Ian Thompson, Corporate Director, Regeneration and Local Services

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### Purpose of Report

1. The purpose of the report is to provide detail of the current status of the EU Structural Funds Programme, since the last report in November 2016 to Overview and Scrutiny.

### Background

2. The European Structural and Investment Fund (ESIF) programme for 2014-2020 programme period, allocated circa €537 million of funding for the North East LEP area, this includes €157 million for County Durham as a Transition Region. Of this, based on the exchange rate in February 2016, County Durham was allocated £74m ERDF and £56m ESF, and a share of £10.5m EAFRD to strengthen economic and social cohesion; improve employment and education opportunities and support rural development. It also includes an additional €9 million to fund a Youth Employment Initiative, aimed at tackling youth unemployment and NEETs.
3. At the time of the last report to Scrutiny in November 2016, following the referendum result to leave the EU in June 2016, there had been a series of announcements from the Treasury confirming that the government will guarantee and approve EU funding for Structural and Investment fund projects, including agri-environment schemes, to the point at which the UK departs the EU. This provided further clarity to those projects that had been awarded funding and to those thinking of applying for EU support.
4. Since these announcements there has been further work to support the development of project applications, at both outline and full application stage, and continued work with partners to develop a pipeline of activity. There is currently a number of open calls out, inviting project applications for both ERDF and ESF support.

### Current Spend Position

5. As detailed in the paper to November 2016 there have been a series of open calls for projects and Opt-In contracts being issued. A number of projects have received or are in the process of receiving Funding Agreements, a number of projects have submitted full applications which are being appraised and a number of outline applications have also been submitted in the last round of open calls which are currently in the process of being

assessed. This gives an overall picture of the current level of funding commitments.

6. As of mid-September 2017, a total of £20.9m ERDF had been contracted in County Durham, £83.9m is in contracting stages in the More Developed Area (Northumberland and Tyne and Wear), this is a total of £104.8m ERDF being contracted across the NELEP area. There is a further £20.21m ERDF in projects applications in County Durham and £73m in project applications in the More Developed Area. Overall, £41.11m ERDF, representing 55% of Durham's allocation is either contracted or in projects that are in assessment or appraisal, for the NELEP area as a whole £177.9m is potentially committed, representing 78%.
7. In County Durham, £25.7m of ESF is contracted and in Northumberland and Tyne and Wear, £47.6m of ESF is contracted. This is a total of £73m for the NELEP area and represents 43% of the allocation, leaving 57% remaining to be committed.
8. The tables below show the level of commitments and outstanding allocations for ERDF and ESF for County Durham's Transition area. Appendix 1 shows the level of commitment for the NELEP area as a whole, broken down by More Developed and Transition areas.

ERDF	Innovation £million	SME Comp £million	Low Carbon £million	Climate Change £million	CLLD £million	Total £million
<b>Allocation</b>	<b>15.76</b>	<b>35.92</b>	<b>18.3</b>	<b>2.8</b>	<b>1.7</b>	<b>73.1</b>
Contracted	4.67	15.69	0.53	-	0.014	20.9
Pipeline	6.0	6.43	3.28	2.8	1.7	20.21
<b>Commitments</b>	<b>10.67</b>	<b>22.12</b>	<b>3.81</b>	<b>-</b>	<b>1.7</b>	<b>41.11</b>
<b>Balance</b>	<b>5.08</b>	<b>13.8</b>	<b>14.5</b>	<b>0</b>	<b>0</b>	<b>31.99</b>
<b>% remaining</b>	<b>32%</b>	<b>38%</b>	<b>79%</b>	<b>0%</b>	<b>0%</b>	<b>43%</b>

ESF	1.1	1.2	1.3	1.4	1.5	2.1	2.2	Total
<b>Allocation</b>	6.29	5.7	14	7.7	1.98	16.9	30.7	55.78
Committed	3.49	0.6	12.8	2.0	0.013	5.56	12.5	25.7
Difference	2.8	5.1	12.6	5.7	1.96	11.38	18.2	30.1
<b>% remaining</b>	44.6%	89.3%	9%	74%	99%*	67%	59%	54%

9. Note that the contracted figures include projects that have received grant offer letters (e.g. YEI) and Opt Ins that have been agreed at Sub Committee. A list of all ERDF and ESF projects that have been or are in the process of being approved in County Durham is attached as Appendix 2.

### Durham County Council Projects

10. The County Council has submitted a number of funding applications, as follows:

## **Approved projects**

- *Youth Employment Initiative (YEI)*  
The DurhamWorks is a programme led by Durham County Council in partnership with eighteen external Delivery Partners. It will support 5,830 15-24 year old unemployed County Durham residents into employment, education or training through intensive and long-term support; innovative and engaging activities to develop motivation, work-related skills and work experience and increased employment opportunities.  
ESF Grant - £12,780,000
- *Community Led Local Development (CLLD)*  
Preparatory funding to develop Local Development Strategies and establish Local Actions Groups for two CLLD areas within County Durham – North Durham (Consett, Stanley and North Chester le Street) and South Durham (Bishop Auckland and Spennymoor). The completed strategies were approved in Summer 2016, consequently allowing full applications to be submitted for the two CLLD areas (see below).  
ERDF Grant £7,130 per CLLD, ESF Grant £6,900 per CLLD
- *Business Energy Efficiency Project (BEEP)*  
The project will provide an intensive package of support for SMEs on energy efficiency, renewable energy and business resilience to reduce greenhouse gas emissions and bottom line costs, enhancing competitiveness and supporting business growth. In association with the Durham Business Opportunities Programme, one to one best practice support, training and expert technical advice will be provided, backed by an interactive website and a programme of peer to peer business events and social media. A package of energy audits and financial grant support will encourage and enable businesses to take up no/low cost measures and to install appropriate technologies.  
ERDF Grant - £533,887
- *Durham Business Opportunity Project (DBOP)*  
The project will provide a 3 year programme of business support to encourage and enable SMEs in County Durham to grow, through engaging the businesses and connecting them to opportunities. The project will focus on identifying potential market opportunities for businesses and helping them to realise these opportunities. The project will help to increase the demand for and take-up of regional/national business support products (where available) by County Durham businesses, and will fill gaps in the business support offer, where identified needs of County Durham businesses are not being met. This will result in better-connected, more competitive SMEs.  
ERDF Grant - £624,056
- *Technical Assistance (TA)*  
Durham County Council, is part of a North East Combined Authority project that has secured Technical Assistance funding, it is funding three members of staff that support the development of projects and provide advice and guidance.

- *Development of a North East Water Hub*  
DCC is a delivery partner in a Durham University led project to develop a North East Water Science Hub. The Council will help develop an Innovation test bed at Horden examining the opportunities to use waste mine water for heat and commercial mine recovery and in South Moor it will support sustainable urban drainage, examining opportunities to develop new products and processes.  
ERDF from Durham's Allocation £182,520
- *Community Enterprise*  
The project aims to increase sustainable community enterprises and increase the number of people in the County who are enterprise ready. It will target both new and existing community enterprises with the potential to grow and employ more people.  
ERDF grant £525k
- *SME Digital Engagement Programme*  
This is a three year programme of support to SMEs to improve their competitiveness through take up of digital technology. The aims of the project are to: engage and energise businesses to consider how they can improve their business by adopting digital technologies, remove the practical and financial barriers to businesses in doing so and embed a culture where the desire and ability to exploit digital technologies becomes a core business skill.  
ERDF grant £2.4m
- *Durham Internships and Collaborative Enterprise*  
The County Council is also a delivery partner in a Durham University led project. There are three strands of support. Durham University is leading on developing a start-up academy providing a structured programme of support for students/graduates and a part funded internship scheme placing student/graduates into employment. Durham County Council is leading on developing an enterprise incubator, based at Salvus House with an associated accelerator programme of intensive and bespoke support.  
ERDF grant £613k

### **Full Applications**

11. We shortly expect funding agreements to be issued for the following two projects:

- *Community Led Local Development Implementation (CLLD)*  
CLLD aims to increase employment and skills, social enterprise, and social inclusion in order to support the social regeneration of deprived areas. It is a specific tool for managing ERDF and ESF in a complementary fashion at a local level to provide for smaller community led interventions in a similar way to LEADER. The activity needs to focus on the top 20% deprived wards according to the Index of Multiple Deprivation (2010) and needs to be outside of existing LEADER areas. It will operate in two areas within the county, North and South Durham (see above).

North Durham - ERDF £744,202, £ESF 780,101, Programme Total £2.36m  
South Durham – ERDF £986,501, ESF £1,019,899, Programme Total £3.1m

- *Solid Wall Insulation Innovation (SWii)*  
The project aims to demonstrate the latest Solid Wall Insulation (SWI) materials, systems and smart construction process in a domestic property innovation trial addressing the high cost of traditional domestic SWI and the market's failure to meet regulatory planning and building regulations and standards.  
ERDF 1.49m

### **Outline Applications**

- *Chester le Street Flood Alleviation Scheme*  
The Chester le Street Flood Alleviation scheme aims to reduce flood risk to the businesses and properties around the Cong Burn River. It will include daylighting 135m of twin bore culvert, providing landscaping, footpaths and seating areas in the new 'blue green' space for public use.  
ERDF £2,795,501

### **Open Calls**

12. There are currently eight calls out for projects, three ERDF and five ESF calls, as follows:
  - ERDF PA1 Promoting Research and Innovation - £4.1m
  - ERDF PA3 Enhancing the competitiveness of SMEs – £10.9m
  - ERDF PA4 Supporting the shift to a low carbon economy in the North East - £13.4M
  - ESF 1.1 Access to Employment for Jobseekers and Inactive People - £1.5m
  - ESF 1.4 Active Inclusion – specialist support for those furthest from the labour market - £2m
  - ESF 2.1 Enhancing equal access to lifelong learning – raising the skill levels of the North East Health and Social Care Workforce - £1.25m
  - ESF 2.1 Enhancing equal access to lifelong learning – Digital Skills North East - £5m
  - ESF 2.1 NE Ambition Pilot Tailored Delivery - £750,000
  - ESF 2.2 NE Ambition Pilot Strategic Framework - £750,000
13. In addition to the above ERDF and ESF calls it is also anticipated that there will be a further ESF call for 1.2 Sustainable Integration of Young People to be issued in September 2017. This would provide the opportunity for projects to come forward that tackle NEETS activity, including preventative work, and would provide a potential route to extend the DurhamWork's programme beyond its current end date of June 2018. Appendix 3 provides a full description of these.
14. The County Durham Economic Partnership continues to oversee the pipeline of projects within County Durham, with support provided locally to projects from staff employed by the County Council, funded through ERDF

& ESF Technical assistance. It is currently working with partners to raise awareness of the opportunity for funding through these open calls and is providing advice and support to develop project applications.

## **LEADER and EAFRD**

15. The LEADER Programme is a separate European Union initiative funded through RDPE, to support rural development projects initiated at the local level in order to revitalise rural areas and create jobs. There are two LEADER areas within County Durham; Durham Coast and Lowlands (£1.584m) and North Pennine Dales (£2.133 million), for which the County Council is the Accountable Body for. Local Action Groups have been established, bringing together individuals from local public, private and community sectors and will be responsible for the decision making and establishing direction, strategy and priorities.
16. The Durham Coast and Lowlands Local Action Group has approved 11 projects drawing down a grant of just over £300k, creating 12 jobs. There are a further 10 projects at either full application or outline application stage potentially committing up to nearly 60% of the programme allocation. Eight projects have been approved within the North Pennine Dales LEADER Programme, drawing down £147k grant and creating 15 jobs, a further six projects have submitted outline applications potentially committing a further £240k. These projects are in line with the LAG's priorities of developing rural tourism and supporting Micro and Small Enterprises and Farm Diversification within the LEADER areas. Further work is required to promote LEADER funding, particularly within the North Pennine Dales area. A marketing plan has been developed to help raise awareness and the Programme Coordinator is actively working in the area to develop project applications.
17. There are also currently three European Agricultural Fund for Rural Development (EAFRD) calls open, worth a total of £10.5m for the rural parts of the NELEP area. Applications are being sought for projects that will grow a business, create jobs or bring more money into the rural economy. Grants are available to support rural SMES, tourism infrastructure and food processing. A number of workshops have been held within the County to raise awareness of the funding with local businesses. The fund is administered directly by the Rural Payments Agency

## **Governance within the Council**

18. As previously reported the EU funds are only available for projects that fit the eligibility criteria contained within the English Operational Programme and support the objectives within the open calls.
19. The Programme continues to be well publicised within the Council and with partners, to ensure the maximum take up of opportunities for project funding. CDEP's EU Investment Group continues to meet on a regular basis to discuss and develop a pipeline of activity. Senior Officers from

the Council are represented on this group and remain actively involved in the workstream sub groups.

20. Members will continue to receive regular updates through the Economy and Enterprise Scrutiny Committee. The County Council and the County Durham Economic Partnership continue to be represented on the ESIF Sub Committee and the Durham's EU Investment Group, which continues to meet regularly.
21. A report was approved by CMT in October 2014, which set out a governance process for consideration of all ESIF funding applications. In early 2017, Internal Audit carried out a review of this process, the main recommendation of this was to ensure that the process was up to date. In May 2017 CMT approved a report that updated this process, the main changes proposed included: having clear timescales for reporting; having a Procurement Gateway added into the process to ensure the Funding and Programmes Team have sight of and sign-off of the procurement plans and documentation, prior to implementation, to help to ensure ESIF compliance and also; the process now clearly covers where DCC are not the applicant for ESIF, but where we are a Delivery Partner contributing match funding to another ESIF applicant. This updated process still requires every project to seek approval from CMT prior to submitting an outline and full funding application, ensuring that there is sufficient oversight and governance of projects being submitted by the County Council and the match funding requirements. See Appendix 4.

### **Future Funding**

22. Following the result of the referendum last year, work has begun to think about and plan for replacement funding for European Structural Funds. The Conservative Party in its election manifesto proposed the creation of a UK Shared Prosperity Fund, it stated it would be aimed at reducing inequalities between communities across the UK, using structural fund money that comes back to the UK following Brexit.
23. In July, DCLG held a stakeholder meeting on the future policy of European Structural Funds, that colleagues from the County Council attended, which discussed a number of policy areas aimed at developing thinking about the proposed fund. At the moment there is very little detail emerging on the fund, although it is anticipated that the Government will issue formal consultation on the fund in the Autumn.
24. A paper has been agreed by NECA Chief Executive's which agreed a common set of high level principles to guide the North East's response to future funding, this includes the need for any future funding to be less complex and bureaucratic, for greater flexibility and scope, the need for longer term funding and at least at a scale equivalent to current levels; recognising both need and opportunity.

## Recommendations

25. Economy and Enterprise Overview and Scrutiny are recommended to:
- Note the content of the report.
  - Receive further reports as the programme progresses

## Background papers

- Economy and Enterprise Overview and Scrutiny Committee, EU Funding Update, 3 November 2016
- Economy and Enterprise Overview and Scrutiny Committee, EU Funding Update, 10 March 2016
- Economy and Enterprise Overview and Scrutiny Committee, EU Funding Update, 20 February 2015
- Report of Economy and Enterprise OSC – Update on EU Funding programme 30 October 2014.
- Report of the Corporate Management Team – EU Funding programme 1 October, 2014
- Youth Employment Initiative – Cabinet Report, 10<sup>th</sup> June 2015

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## **Appendix 1: Implications**

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### **Finance –**

Financial implications are considered for individual ESIF applications.

### **Staffing –**

None

### **Risk –**

The revision and implementation of the EU Governance process will mitigate against risks associated with applying for European funding

### **Equality and Diversity –**

None

### **Accommodation –**

None

### **Crime and Disorder –**

None

### **Human Rights –**

None

### **Consultation –**

None

### **Procurement –**

Discussion with Corporate Procurement has resulted in the inclusion of the Procurement Gateway within the EU Governance process. Procurement is considered for each individual ESIF application.

### **Disability Issues –**

None

### **Legal Implications –**

Legal advice is sought from Legal and Democratic Services where necessary, for example, for any State Aid implications for individual applications

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Appendix 1

ERDF Spend Position

ERDF - Transition	PA1	PA3	PA4	PA5	PA8	Total
<b>Allocation</b>	<b>15,757,867</b>	<b>35,921,853*</b>	<b>18,310,691</b>	<b>2,795,501</b>	<b>1,730,704</b>	<b>74,516,616</b>
Contracted	4,672,990	15,685,061	533,887	-	14,300	20,906,238
Pipeline	6,009,545	6,429,986	3,279,642	2,795,501	1,716,404	20,231,078
<b>Commitments</b>	<b>10,682,535</b>	<b>22,115,047</b>	<b>3,813,529</b>	<b>2,795,501</b>	<b>1,790,704</b>	<b>41,137,316</b>
% committed	68%	62%	21%	100%	100%	55%
Balance remaining	5,075,332	13,806,806	14,497,162	0	0	33,379,300
<b>% remaining</b>	<b>32%</b>	<b>38%</b>	<b>79%</b>	<b>0%</b>	<b>0%</b>	<b>45%</b>

ERDF - More Developed	PA1	PA3	PA4	PA5	PA8	Total
<b>Allocation</b>	<b>29,632,631</b>	<b>66,642,825*</b>	<b>47,618,026**</b>	<b>6,392,050</b>	3,302,533	153,588,065
Contracted	14,466,004	55,957,817	13,417,632	-	51,990	83,893,443
Pipeline	8,613,750	1,875,000	32,736,490	6,392,050	3250543	52,867,833
<b>Commitments</b>	<b>23,079,754</b>	<b>57,832,817</b>	<b>4,6154,122</b>	<b>6,392,050</b>	<b>3,302,533</b>	<b>136,761,276</b>
% committed	78%	86%	97%	100%	100%	89%
Balance remaining	6,552,877	8,600,008	1,463,904	0	0	16,826,789
<b>% remaining</b>	<b>22%</b>	<b>13%</b>	<b>3%</b>	<b>0%</b>	<b>0%</b>	<b>11%</b>

\*\* £16m from the PA4 allocation is allocated to a Sustainable Urban Development model, and a call for this is due to be issued at the end of September to invite project applicants

\*\*\*Pipeline includes projects totalling £9,809,344, an over-commitment of £1.5m

ERDF - NELEP Total	PA1	PA3	PA4	PA5	PA8	Total
<b>Allocation</b>	<b>45,390,498</b>	<b>102,564,678</b>	<b>65,928,717</b>	<b>9,187,551</b>	<b>5,033,237</b>	<b>227,254,681</b>
Contracted	19,138,994	71,642,878	13,951,519	-	66,290	104,799,681
Pipeline	14,623,295	8,304,986	36,016,132	9,187,551	4,966,947	73,098,911
<b>Commitments</b>	<b>33,762,289</b>	<b>79,974,864</b>	<b>49,967,651</b>	<b>9,187,551</b>	<b>5,033,237</b>	<b>177,898,592</b>
% committed	74%	78%	76%	100%	100%	78%
Balance remaining	11,628,209	22,616,814	15,961,066	9,187,551	0	49,356,089
<b>% remaining</b>	<b>26%</b>	<b>22%</b>	<b>24%</b>	<b>100%</b>	<b>0%</b>	<b>22%</b>

\*The financial allocations to PA3 have increased as part of the ERDF Programme modification, the changes relates to a virement of residual funds from PA8 and a mid-term budget review by the European Commission.

## ESF Spend Position

	Transition		More Developed		NELEP Total	
	£	%	£	%	£	%
Priority Axis 1	35,776,311	100%	60,700,410	100%	96,476,721	100%
Legal Commitment	18,897,731	53%	26,683,487	44%	45,581,218	47%
Pipeline Value	1,800,000	5%	8,089,000	13%	9,889,000	10%
Notional balance	15,078,580	42%	25,927,923	43%	41,006,503	43%
Priority Axis 2	19,999,053	100%	83,919,776	100%	103,918,829	100%
Legal Commitment	8,047,822	40%	20,914,949	25%	29,962,771	28%
Pipeline Value	0	-	0	-	-	-
Notional balance	11,951,231	60%	63,004,827	75%	74,956,058	72%

Appendix 2 -ERDF Projects (approved or being contracted) within County Durham

PA1 Research and Innovation

Project Applicant	Project Name	ERDF Requested from Durham's Allocation
North East Business and Innovation Centre	SME Innovation Programme	£197,640
RTC North	The Innovation Pathway	£192,795
North East Business and Innovation Centre	North East Innovation Supernetwork	£75,006
Newcastle University	Commercialisation of university research through provision of management skills to assist in successful spin-out company creation	£179,625
Centre for Process Innovation Ltd	Emerging Electronics Manufacturing Centre at Netpark	£2,513,984
RTC North	Innovate2Succeed (Enhancing Management Innovation Capacity in SMEs)	£95,000
Centre for Process Innovation Ltd	Centre for Innovative Formulation	£1,144,309
Newcastle University	Creativity Works	£92,110
Teesdale University	Innovation Durham	£701,282
CPI	COAST	£2,709,735
CPI	Spotlight	£847,293
Durham University	Water Hub	£182,520

PA3 SME Competitiveness

Project Applicant	Project Name	ERDF Requested from Durham's Allocation
Princes Trust	Better off in Business	£26,652
RTC North	Designing Better Business	£290,960
Northern Film & Media Ltd	Creative Industries SME Business Support & Development	£3,780
North East Worldwide Limited	Expanding North East presence in International Markets	£469,541
North East Automotive Alliance	Advancing the Competitiveness of NE Automotive SMEs (ACE SMEs)	£132,360
Durham County Council	Durham Business Opportunities Programme	£624,056
Generator North East	Digital Futures	£102,000
University of Sunderland	Internships and Enterprise	£264,514
NEPIC	SME Growth via Facilitated Market Access and Energy Management	£95,047
Sunderland Council	Sunderland Software City (Phase 3)	£120,173
North East Enterprise Agency Ltd	Enterprise Support in the North East	£341,940
Northumberland Business Service Ltd (NBSL)	North East Business Support Fund (NEBSF3)	£1,514,038
North Tyneside Council	NELEP Area of Funds	£11,700,000
NBSL (NEBSF 4)	North East Business Support Fund 4 - This project will strengthen/provide	£2,266,881

	additionality to the current SME support in the Transitional Area including that provided under currently contracted NBSL projects	
Durham University	Durham Internships and collaborative enterprise	£613,105
Durham County Council	SME Digital Engagement Programme	£2,400,000
Durham County Council	Community Enterprise Durham	£525,000

#### PA4 Low Carbon

Project Applicant	Project Name	ERDF Requested from Durham's Allocation
Durham County Council	Business Energy Efficiency Project (BEEP)	£533,887
Durham County Council	Solid Wall Insulation SWII	£1,506,823

#### Priority Axis 8 – Community Led Local Development

Project Applicant	Project Name	ERDF Requested from Durham's Allocation
Durham County Council	Preparatory work for North and South Durham CLLD areas	£14,300
Durham County Council	North Durham CLLD Implementation South Durham CLLD Implementation	£744,202 £986,501

#### ESF Schemes contracted in County Durham

<b>Priority Axis 1: Inclusive Labour Markets</b>	
YEI – DurhamWorks	£12.78m
NECA Mental Health Trailblazer	£0.32m
DWP Opt-in	£1.608m
SFA Opt-in (Total £2.67m incl. management fee) of which:	
<i>Contracts in procurement: Preventative NEET</i>	£0.5m
<i>Community Grants</i>	£0.5m
<i>Support for the Unemployment</i>	£1.5m
Big Lottery Fund Building Better Opportunities	£1.5m
CLLD Prep work	£0.0138m
<b>PA2 Skills for Growth</b>	
SAF Opt In - Employee Support for Skills	£5.6m
SFA Opt In - Support for placements, internships and education and business links	£1.2m

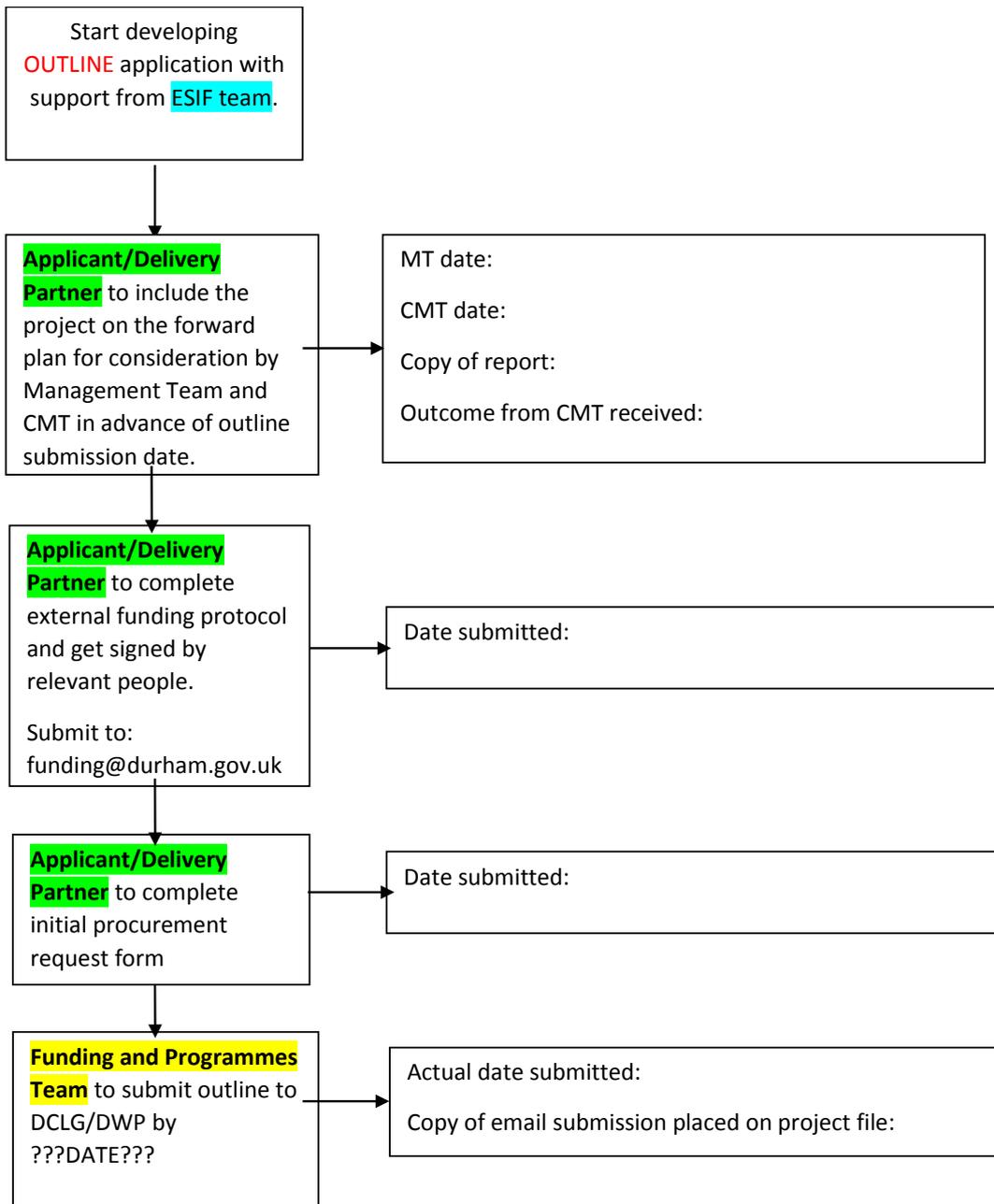
### Appendix 3 – Current ESF and ERDF Open Calls for Projects

ESF	
1.4 Active Inclusion – specialist support for those furthest from the labour market	<p>Call for projects to deliver one or more of three strands of activities:</p> <ul style="list-style-type: none"> <li>- Employment for those with protected characteristics</li> <li>- Employment for workless housing tenants</li> <li>- Employment support for offenders and ex-offenders</li> </ul> <p>£2m allocated. Minimum grant £150k Closing date 4 December 2017</p>
1.1 Access to Employment for Jobseekers and Inactive People	<p>Activity 1 – Health and Employment Specialist Support – provide intensive support to unemployed and inactive residents with health conditions acting as barriers to labour market participation through provision of tailored and integrated health and work support</p> <p>Activity 2 – Specialist Employment Support for 50+ - provide additional intensive support to unemployed and inactive residents aged 50+ who have health conditions and/or other barriers preventing them from entering the labour market</p> <p>£1.5m allocated. Min grant £150k Deadline 23 October 2017</p>
2.1 Enhancing equal access to lifelong learning – raising the skill levels of the North East Health and Social Care Workforce	<p>Calls for projects to improve recruitment, retention and progression in employment in the health and social care sector through a programme of skills training specific to health and social care and support for employers in the sector</p> <p>£1,250,000 allocated. Min grant £300k Deadline 4 December 2017</p>
2.1 Enhancing equal access to lifelong learning – Digital Skills North East	<p>Call for projects to support digital skills development within the digital / tech sector and/or access the general workforce where this enhances opportunities for job progression and development. Proposals should focus on addressing the specific skills gaps experienced by employers</p> <p>£5m allocated. Min grant £500k (smaller proposals would be considered if their main focus of activity is Durham) Deadline 23 October 2017</p>
2.1 NE Ambition Pilot Tailored Delivery	<p>Calls to run a project providing leadership, management and technical skills development of employees in education establishments. Must align with the linked 2.2 NE Ambition Pilot Strategic Framework Call (see below)</p> <p>£0.75m allocation. Min 300k grant Deadline 23 October 2017</p>
2.2 NE Ambition Pilot Strategic Framework	<p>Call to run a project bringing together educators, businesses, local communities to transform the education system. Must align with above call. Focusing on tackling education challenges faced in NE by setting up and implementing a strategic framework which will bring together partners to transform education system to meet industry needs.</p>

	£0.75m Transition allocation from £3m for NELEP area. Seeking only one proposal. Deadline 23 October 2017
<b>ERDF</b>	
PA1 Promoting Research and Innovation	<p>ERDF will focus on revenue activity, particularly the provision of intensive support leading to an increase in innovative capacity for new and established businesses innovating in smart specialisation areas.</p> <p>£4.1m Transition allocation. Min £500k grant size Deadline 10 November 2017</p>
PA3 Enhancing the competitiveness of SMEs	<p>ERDF will focus on revenue activity that promotes entrepreneurship and enterprise and business growth and resilience. Proposals should demonstrate alignment with local development need and priorities, delivering impacts across all sectors and size including SMS, micro and social enterprises.</p> <p>£10.9 Transition allocation. £500k min grant size Deadline 10 November 2017</p>
PA4 Low Carbon	<p>This call is looking to support the shift towards a low carbon economy in all sectors, specifically:</p> <ul style="list-style-type: none"> <li>• Promoting the production and distribution of energy derived from renewable resources.</li> <li>• Promoting energy efficiency and renewable energy use in enterprises.</li> <li>• Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector.</li> <li>• Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures.</li> <li>• Promoting research and innovation in, and adoption of, low-carbon technologies.</li> </ul> <p>£13.4m Transition allocation. Min grant size £500k Deadline 10 November 2017</p>

## Appendix 4

### Revised EU Governance Process Flow Chart



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## Economy and Enterprise Overview and Scrutiny Committee

26 September 2017

### Local Growth Fund




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## Report of Ian Thompson, Corporate Director, Regeneration and Local Services

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### Purpose of the Report

- 1 The purpose of this report is to provide Economy and Enterprise Overview and Scrutiny Committee with detail of the current position in relation to Local Growth Funding (LGF).

### Local Growth Deals

- 2 Since 2014, the government have awarded Growth Deal funds to Local Enterprise Partnerships (LEPs) for projects that benefit a local area and the national economy. This was to provide a competitive based single pot investment approach that supported infrastructure, business and housing development through collaboration between local authorities and business. The first round of Growth Deals was announced in July 2014, promising at least £12bn nationally, with a second round announced in January 2015, seeing a further £1bn available. The North East Local Enterprise Partnership (NELEP) has worked with partners to develop a project pipeline and submitted projects to government that help deliver its economic ambitions set out within the North East Strategic Economic Plan (SEP).
- 3 The third round of Growth Deals was due to be announced within the Autumn Statement in November 2016, however this was not confirmed until January 2017. In round three, the Government confirmed a national budget allocation £1.8bn, of which £560m was confirmed for the 11 LEPs which covered by the geography of the Northern Powerhouse. The NELEP were awarded £49.7m, with the majority of this resource, £41.9m, supporting the development of the International Advanced Manufacturing Park (IAMP) in Sunderland/South Tyneside. IAMP and is set to create over 5,200 jobs. The remaining resource is to support a mini high growth business, skills and innovation programme. None of the standalone Durham bid submissions were successful as part of the LGF Round 3 funding round.

### LGF Rounds 1, 2 and 3 – NELEP Delivery

- 4 As previously reported, since July 2014, the North East Growth Deal 1 and 2 programmes have been central to the delivery of SEP to help drive private sector growth and productivity, and ultimately deliver the '*more and better jobs*' ambition for the north east. The NELEP released calls inviting project proposals from the private and public sector that could be presented to

government and all projects required full business cases. The capital programme has focussed over 50% on infrastructure with the other 50% allocated to projects related to key economic drivers including innovation and skills. The delivery of the LGF programme is monitored by the NELEP board on a quarterly basis.

- 5 As a result of underspend, reflecting upon the LGF Round 3 funding position and to strengthen the LGF Programme, the NELEP board agreed to undertake a three month review in January 2017. This was reported back to the NELEP board in May 2017 and as a result additional projects (that were already deemed priorities by the NELEP Board) were able to secure additional LGF resource. Within Durham, through the successful approval of a business case, Durham City Incubator and Integra 61 (partner led – Citrus Durham - £1.5m for infrastructure works) were awarded funding. Table 1 below lists the Durham County Council projects that have been awarded LGF funding.

<b>Table 1: Durham County Council Local Growth Fund 1 &amp; 2 Funded Projects</b>							
<b>Project</b>	<b>LGF Round</b>	<b>Total Award (£)</b>	<b>Total Spend to Q4 16/17 (£)</b>	<b>Forecast 17/18 spend (£)</b>	<b>Years</b>	<b>DCC Capital</b>	<b>Project Stage</b>
Infrastructure for Forrest Park	1&2	13.00m	9.614m	4.464m	15/16-17/18	No	In delivery
NETPark Infrastructure Phase 3	1	5.09m	1.546m	3.337m	15/16-17/18	No	In delivery
Horden Rail Station	Transport Majors	3.34m	431k	701k	16/17-18/19	Yes	Development and design
NETPark Explorer	2	3.20m	£1.536m	6.957m	16/17-18/19	Yes	In delivery
Auckland Castle Welcome Building Infrastructure Works	2	2.16m	1.277m	368k	16/17-18/19	No	In delivery
Durham City Incubator	2	1.25m	3.244m	675k	16/17-18/19	Yes	In delivery

- 6 All of the above projects are monitored within the Regeneration and Local Services Capital Programme to appropriately phase and match the forecasts for delivery in line with each individual project delivery timescales.

- 7 Other projects that have received funding within the county but that have been led by partners including: National Centre for Healthcare Photonics Stage one and two £8.4m; and Rural Skills Development (East Durham College) £10m.

**Post LGF: What is next?**

- 8 Government have not confirmed further rounds of Local Growth Funding. Durham County Council continues to work with NELEP to maximise delivery opportunities for the existing LGF Programme and our County Durham investment pipeline. Durham County Council is continuing to consider other national funding opportunities through competitive bidding to deliver our and the NELEP's priorities. Recent funding opportunities include the National Productivity Investment Fund and the Housing Infrastructure Fund.

**Recommendations**

- 9 The Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment on the contents of the report.

**Background Papers:**

- 10 None

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**Contact: Heather Orton**

**Tel:**

**03000 264 715**

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## **Appendix 1: Implications**

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**Finance** – There are no financial implications at this stage. Projects that have been awarded LGF are included within the Real Capital Programme and each project sets out individual match funding and cash flow requirements.

**Staffing** – None

**Risk** – None

**Equality and Diversity** – None

**Accommodation** – None

**Crime and Disorder** – None

**Human Rights** – None

**Consultation** – None

**Procurement** – None

**Disability Discrimination Act** –None

**Legal Implications** – None

## Economy and Enterprise Scrutiny Committee

26 September 2017



### Regeneration and Local Services (Regeneration and Economic Development) – Revenue and Capital Outturn 2016/17

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## Joint Report of Corporate Director – Regeneration and Local Services and Corporate Director - Resources

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### Purpose of the Report

1. In September 2016 the former Neighbourhoods, and Regeneration and Economic Development (RED) service areas combined to form Regeneration and Local Services. The former RED service areas report to this committee while the former Neighbourhoods service areas report to the Environment and Sustainable Communities Scrutiny Committee.
2. To provide details of the outturn budget position for the former Regeneration and Economic Development (RED) service grouping highlighting major variances in comparison with the budget.

### Background

3. County Council approved the Revenue and Capital budgets for 2016/17 at its meeting on 24 February 2016. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following major accounts maintained by this service grouping:
  - *Revenue Budget- £27.802 million (original £25.257million)*
  - *Capital Programme- £36,581 million (original £33.523 million)*
4. The original service budget has been revised to incorporate a number of budget adjustments as follows:
  - Cost of 2016-17 pay award +£230,000
  - Lone Working adjustment +£50,000
  - Transfer from Neighbourhoods Services +£38,000
  - Pension auto enrolment adjustment +£20,000
  - Use of Office Accommodation Support Reserve +£575,000
  - Use of strategic reserves for redundancies for MTFP savings +£249,000
  - Use of Equal Pay Reserve +£2,000
  - Use of Cash Limits – Strategy Partnerships Performance +£50,000

- Use of Cash Limits – Economic Development & Housing +£211,000
- Use of Cash Limits – Transport & Contracted Services +£395,000
- Use of Restructure Reserve +£69,000
- Use of Planning Reserve +£548,000
- Use of Housing Regen Reserve (Warm and Healthy Homes) +£100,000
- Use of Economic Employability Reserve +£315,000
- Use of Performance Reward Grant +£47,000
- Transfer to International Relations Reserve -£36,000
- Transfer to Welfare Assistance Reserve -£280,000
- Use of Business Durham Programme Reserve +£92,000
- Use of Business Growth Fund +£67,000
- Under budget for Concessionary Fares (corporate saving) - £384,000
- Strategic Employment Sites +£158,000
- Finance Durham Set-Up costs +£29,000

The revised service budget now stands at £27.802 million.

5. The summary financial statements contained in the report cover the financial year 2016/17 and show: -
  - The approved annual budget;
  - The actual income and expenditure as recorded in the Council's financial management system;
  - The variance between the annual budget and the forecast outturn;
  - For the revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

## Revenue

6. The service is reporting a cash limit underspend of **£1.644 million** against a revised budget of **£27.802 million**. This compares with an estimated underspend of **£1.010 million** at Quarter 3 – a difference of £0.634 million.
7. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

## Subjective Analysis £'000

	Annual Budget	Actual Outturn	Variance	Items Outside Cash Limit	Final Variance
Employees	28,713	28,439	(274)	89	(185)
Premises	4,830	6,658	1,827	(1188)	639
Transport	866	694	(172)	(8)	(193)
Supplies and Services	8,470	7,444	(1,026)	864	(162)
Agency and Contracted	19,273	19,404	131	(15)	116
Transfer Payments	95	0	(95)	123	28
Central Costs	10,747	20,192	9,445	(9,162)	283
<b>GROSS EXPENDITURE</b>	<b>72,995</b>	<b>82,831</b>	<b>9,836</b>	<b>(9,310)</b>	<b>526</b>
Income	(45,193)	(68,517)	(23,324)	21,154	(2,170)
<b>NET EXPENDITURE</b>	<b>27,802</b>	<b>14,314</b>	<b>(13,488)</b>	<b>11,844</b>	<b>(1,644)</b>

### Analysis by Head of Service £'000

Head of Service Grouping	Annual Budget	YTD Actual	Variance	Items Outside Cash Limit	Final Variance
Strategy Programmes Performance	1,876	1,648	(227)	12	(215)
Economic Development & Housing	7,471	7,013	(458)	(226)	(684)
Planning & Assets	6,119	4,173	(1,946)	1,332	(614)
Transport & Contracted	2,093	(1,149)	(3,243)	3,159	(84)
Central Managed Costs	10,243	2,629	(7,614)	6,797	(47)
<b>NET EXPENDITURE</b>	<b>27,802</b>	<b>14,314</b>	<b>(13,488)</b>	<b>(11,844)</b>	<b>(1,644)</b>

8. The underspend is a managed position, reflecting the proactive management of activity by Heads of Service across Regeneration and Local Services to bring spend within the cash limit and to prepare for 2017/18 MTFP savings requirements. The main reasons accounting for the outturn position are as follows:
- Strategy, Programmes and Performance was £0.215 million underspent, mainly on salary costs due to vacancies and reduced working hours.
  - Economic Development and Housing was £0.684 million underspent, primarily due to early achievement of MTFP savings in the housing solutions service, additional rental income in the Gypsy Roma Traveller Service and additional grant income received in year.
  - Planning and Assets was £0.614 million underspent, resulting from an overachievement of planning fee income, savings from vacant posts and other efficiency savings on running costs offset by a planned overspend on the County Durham Plan.
  - Transport was £84,000 underspent, comprising a planned underspend on employee costs linked to early achievement of MTFP savings and additional income in Care Connect.

9. **Appendix 2** provides a more detailed breakdown of variations across the service area contained within the revenue budget.
10. The final outturn position of £1.644 million underspend will be carried forward under the 'cash limit' regime and utilised to support service priorities. It should also be noted that the MTFP savings target for the former RED service in 2016/17 of £1.118 million was delivered.

### Capital Programme

11. The capital programme makes a significant contribution to the Regeneration ambitions of County Durham. The programme is relatively large and comprises over 138 schemes managed by around 23 project delivery officers.
12. The outturn position of the former RED service capital programme showed an actual spend of £39.914 million compared to a revised budget of £36.581 million.
13. Summary financial performance for 2016/17 is shown below.

Service	Final Budget 2016/17 £m	Final Outturn 2016/17 £m	Final Outturn 2016/17 % Spend
Economic Dev & Housing	17.052	18.996	111
Planning & Assets	7.677	6.504	85
Transport & Contracted	11.748	14.444	123
Strategy & Programmes	0.104	0.000	n/a
<b>Total</b>	<b>36.581</b>	<b>39.914</b>	<b>109</b>

14. Capital budgets are unlike revenue budgets. A revenue budget is an annual budget which is repeated year on year subject to adjustments to service requirements. A capital budget on the other hand is generally a one-off budget which may run across several financial years. A capital "overspend" in one year can therefore simply occur where work which was expected to be carried out in a future year, being undertaken and paid for earlier than expected. Year by year positions are less important than the cost of the overall scheme as long as scheme managers can show the overall scheme is on target to be within budget by the completion of the scheme.
15. The key areas of spend during the year were on Major Transport Schemes (£11.350m), Industrial Estates (£5.971) and Capitalised Maintenance (£5.576m).

16. **Appendix 3** provides a more detailed breakdown of spend across the major projects contained within the capital programme. Most of the capital programme is covered by a small number of significant projects which have long lead times, where implementation is over more than one financial year, and 2016/17 has seen significant progress made for a number of major schemes.

**Recommendations:**

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

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**Contact: Philip Curran – Finance Manager**

**Tel: 03000 261 967**

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## **Appendix 1: Implications**

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### **Finance**

Financial implications are detailed throughout the report which provides an analysis of the revenue and capital outturn position for 2016/17.

### **Staffing**

None.

### **Risk**

None.

### **Equality and Diversity / Public Sector Equality Duty**

None.

### **Accommodation**

None.

### **Crime and disorder**

None.

### **Human rights**

None.

### **Consultation**

None.

### **Procurement**

None.

### **Disability Issues**

None.

### **Legal Implications**

None.

## Appendix 2: Revenue Budget 2016-17

Head of Service	Service Area	Description	(Under) / Overbudget £'000	(Under) / Overbudget £'000
Strategy Programmes Performance	Corporate Director	Minor Variance	(3)	<b>(215)</b>
	Strategy, Policy, Partnerships & Support and County Durham Economic Partnership	£82k under budget mainly due to staff vacancy savings £17k under budget - underspends in supplies and services	(99)	
	Funding & Programmes	£57k under budget mainly due to staff vacancy savings	(57)	
	Planning & Performance	£56k under budget mainly due to staff vacancy savings	(56)	
Economic Development & Housing	Head of Economic Development	£12 under budget on Employees	(12)	
	Physical Development	£193k additional grant income £110 Chapter Homes income £60k under budget on Project Development £20k under budget on employees	(383)	
	Visit County Durham	£7k under budget on Employee costs £29k under budget on Supplies & Services. Use of Cash Limit - PRG costs £6k under budget on Third Party Payments £3k Additional Income	(45)	
	Business Durham	£125k over budget on Employees - (£62 agreed funded from reserve. Remainder Dales Centre back pay) £31k under budget on Staff Travelling £62k over budget on Premises costs £338k additional income - Mainly Rent & Service Charges Business Space £382k transferred to Reserves Business Durham Corporate costs £200k under budget on Supplies & Services and other costs	0	
	Economic Development	£93 under budget on Employees due to vacancies £259k over budget on Supplies & Services - Apprenticeship Programme £22k Under Achieved Income	188	

Head of Service	Service Area	Description	(Under) / Overbudget £'000	(Under) / Overbudget £'000
	Housing Solutions	£228k under budget on Employees due to Vacancies £7k over budget on Transport £96k under budget on Supplies & Services - Early Achievement of MTFP Saving £27k under budget on Premises - GRT Sites £54k under budget on Supplies - GRT Sites £34k Additional income - GRT Sites	(432)	<b>(684)</b>
Spatial Policy, Planning Assets & Environment	Head of SPPAE	Agreed overspend re contribution towards AONB apprentice	11	
	Spatial Policy	Agreed overspend re County Durham Plan	223	
	Planning Development	£219k under budget on Employees £24k under budget on Transport £49k under budget on Supplies and Services £80k over budget t on legal fees £421k overachieved planning fee income £53k overachieved income Building control fees and Dangerous Structures	(686)	
	Environment & Design	£57k under budget on Employees £15k under budget on Transport £12k under budget on Supplies and Services £79k overachieved income FIT , REBUS and LoCarbo	(164)	
	Asset Management	£54k under budget on Employees £7k under budget on Transport £157k under budget on various properties including Freemans Reach £210k overachieved income from sales, one off Farm sales and Northumbria House £426k under achieved income and rates relating to Brackenhill Centre, Peterlee, Tommy Armstrong Centre, Beveridge Arcade, Newgate Street and Millennium Square and underachieved income re garages transferred to LSVT and sale of farms	2	<b>(614)</b>
Transport and Contracted Services	Head of Transport	£2k over budget - minor variance	2	
	Traffic	£75k under budget - employee costs - vacancy savings £48k over budget - repairs and maintenance of bus shelters £11k over budget on traffic signals	24	

Head of Service	Service Area	Description	(Under) / Overbudget £'000	(Under) / Overbudget £'000
		- sim cards for traffic lights £40k over budget- income target not being met (land searches (£10k), Peterlee bus station kiosk (12k), provision of accident data (18k))		
	Sustainable Transport	27k under budget (net) on Bus & Rail services - mainly concessionary fares income 29k under budget (net) on Information services - mainly communication underspends 23k under budget (net) on Sustainable transport schemes - LSTF Grant income	(79)	
	Supported Housing	£82k over budget on employee costs - 24/7 cover for holidays and sickness (£66k), vacancy savings not met (£16k) £13k under budget on transport - mainly due to unused vehicle insurance excess £84k over budget on Supplies & Services (net) - mainly due to purchase of additional Telecare equipment (£49k) and Care Connect units (£78k), additional postage costs related to the new subsidised client billing (£9k), and an underspend on Telecoms due to change from hardwired schemes and CCTV connectivity (42k) £20k over budget on Third Party Payments - increased Tunstall contract costs - maintenance agreement added to contract. £205k over budget on income (net) - increased number of clients £58k and additional SLA income £146k	(31)	(84)
Central	Central Costs	Central costs less than expected	(47)	(47)
<b>TOTAL</b>				<b>(1,644)</b>

### Appendix 3: Capital Programme 2016/17 Outturn Position

Scheme	Final Annual Budget 2016/17 £m	Final Outturn	
		Amount £m	% Spend
<b>ECONOMIC DEVELOPMENT &amp; HOUSING</b>			
Barnard Castle Vision	0.172	0.159	92%
Durhamgate	0.050	0.001	2%
Industrial Estates	5.147	5.971	116%
North Dock Seaham	0.817	0.931	114%
Office Accommodation	0.900	0.772	86%
Town Centres	1.810	1.767	98%
Minor Schemes	0.173	0.173	100%
Disabled Facilities Grant / FAP	3.144	4.220	134%
Gypsy Roma Travellers	0.057	0.103	180%
Housing Renewal	0.577	0.664	115%
Chapter Homes	4.205	4.205	100%
<b>TOTAL ECONOMIC DEVELOPMENT &amp; HOUSING</b>	<b>17.052</b>	<b>18.966</b>	<b>111%</b>
<b>PLANNING &amp; ASSETS</b>			
Renewable Energy Schemes	0.359	0.125	35%
Structural Capitalised Maintenance	6.461	5.576	86%
Minor Schemes	0.857	0.803	94%
<b>TOTAL PLANNING &amp; ASSETS</b>	<b>7.677</b>	<b>6.504</b>	<b>85%</b>
<b>TRANSPORT &amp; CONTRACTED SERVICES</b>			
Local Transport Plan	2.808	2.966	106%
Transport Corridors	0.065	0.064	98%
Transport Major Schemes	8.766	11.350	129%
Transit 15	0.015	0.009	60%
CCTV	0.060	0.044	73%
Minor Schemes	0.034	0.011	32%
<b>TOTAL TRANSPORT &amp; CONTRACTED SERVICES</b>	<b>11.748</b>	<b>14.444</b>	<b>123%</b>
<b>STRATEGY AND PROGRAMMES Minor Schemes (Contingency)</b>	<b>0.104</b>	<b>0.000</b>	<b>N/A</b>
<b>Total</b>	<b>36.581</b>	<b>39.914</b>	<b>109%</b>

**26 September 2017**



**Regeneration and Local Services  
(Regeneration and Economic  
Development) – Quarter 1: Forecast of  
Revenue and Capital Outturn 2017/18**

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**Joint Report of Corporate Director – Regeneration and Local  
Services and Corporate Director - Resources**

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**Purpose of the Report**

1. In September 2016 the former Neighbourhoods, and Regeneration and Economic Development (RED) service areas combined to form Regeneration and Local Services. The former RED service areas report to this committee while the former Neighbourhoods service areas report to the Environment and Sustainable Communities Scrutiny Committee.
2. To provide details of the forecast outturn budget position for the former RED service grouping highlighting major variances in comparison with the budget based on the position to the end of June 2017.

**Background**

3. County Council approved the Revenue and Capital budgets for 2017/18 at its meeting on 22 February 2017. These budgets have subsequently been revised to account for grant additions/reductions, budget transfers between service groupings and budget reprofiling between years. This report covers the financial position for the following major accounts maintained by this service grouping:
  - *Revenue Budget - £26.849 million (original £24.143 million)*
  - *Capital Programme – £40.569 million (original £38.869 million)*
4. The original service budget has been revised to incorporate a number of budget adjustments as follows:
  - Transfer from Direct Services (maintenance of structures) +£30,000
  - Transfer to Transformation and Partnerships – Policy, Planning and Performance Unitisation -£713,000
  - Use of Office Accommodation Support Reserve +£880,000
  - Use of strategic reserves for redundancies for MTFP savings +£367,000
  - Use of Cash Limits – Economic Development & Housing +£489,000
  - Use of Cash Limits – Transport & Contracted Services +£157,000
  - Use of Selective Licensing Reserve +£28,000

- Use of Planning Reserve +£213,000
- Use of Economic Employability Reserve +£114,000
- Use of International Relations Reserve +£10,000
- Transfer to Housing Solutions Reserve -£169,000
- Use of Family Intervention Project Reserve +£141,000
- Use of Welfare Assistance Reserve +£271,000
- Use of Business Durham Programme Reserve +£226,000
- Use of Business Growth Fund +£468,000
- Strategic Employment Sites + £148,000
- Over budget for Concessionary Fares (corporate cost) + £46,000

The revised service budget, adjusted for items outside the cash limit (£3.388 million), now stands at £26.849 million.

5. The summary financial statements contained in the report cover the financial year 2017/18 and show: -
- The approved annual budget;
  - The actual income and expenditure as recorded in the Council's financial management system;
  - The variance between the annual budget and the forecast outturn;
  - For the revenue budget, adjustments for items outside of the cash limit to take into account such items as redundancies met from the strategic reserve, capital charges not controlled by services and use of / or contributions to earmarked reserves.

## Revenue

6. The service is reporting a cash limit overspend of **£0.235 million** against a revised budget of **£26.849 million** adjusted for items outside the cash limit.
7. The tables below compare the actual expenditure with the budget. The first table is analysed by Subjective Analysis (i.e. type of expense), and the second by Head of Service.

## Subjective Analysis £'000

£'000	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
<b>Employees</b>	27,849	7,491	28,531	682	(645)	<b>36</b>
<b>Premises</b>	4,623	2,379	5,620	997	(538)	<b>459</b>
<b>Transport</b>	871	163	800	(71)	0	<b>(71)</b>
<b>Supplies and Services</b>	6,277	2,174	8,123	1,846	(2,085)	<b>(239)</b>
<b>Agency and Contracted</b>	19,175	4,444	19,292	117	(219)	<b>(102)</b>
<b>Transfer Payments</b>	95	0	95	0	0	<b>0</b>
<b>Central Costs</b>	10,853	357	10,921	68	0	<b>68</b>
<b>GROSS EXPENDITURE</b>	<b>69,743</b>	<b>17,008</b>	<b>73,381</b>	<b>3,638</b>	<b>(966)</b>	<b>151</b>
<b>INCOME</b>	(46,282)	(10,157)	(46,297)	(15)	99	<b>84</b>
<b>NET EXPENDITURE</b>	<b>23,461</b>	<b>6,851</b>	<b>27,084</b>	<b>3,623</b>	<b>(3,388)</b>	<b>235</b>

## Analysis by Head of Service £'000

Head of Service Grouping	Annual Budget	YTD Actual	Forecast Outturn	Variance	Items Outside Cash Limit	Cash Limit Variance
Corporate Director	215	61	215	0	0	0
Economic Development & Housing	5,019	2,890	7,592	2,573	(2,627)	(54)
Planning & Assets	5,934	2,260	6,186	252	(362)	(110)
Transport & Contracted	2,041	1,563	2,839	798	(399)	399
Central Managed Costs	10,252	77	10,252	0	0	0
<b>NET EXPENDITURE</b>	<b>23,461</b>	<b>6,851</b>	<b>27,084</b>	<b>3,623</b>	<b>(3,388)</b>	<b>235</b>

- 8 The main reasons accounting for the outturn position are as follows:
- Transport is forecast to be £0.399 million overspent, mainly due to increased employee costs within Care Connect, and also additional costs on bus and rail contracts.
  - Planning and Assets is £0.110 million underspent, resulting from savings from vacant posts in Assets and Environment & Design.
  - Economic Development and Housing is predicted to be underspent by £54,000. Employee savings of approximately £0.300 million in Housing Solutions, Physical Development and Visit County Durham are partially offset by overspends in Economic Development associated with the Apprentice Programme, and the Employability and Skills team (£0.230 million).
- 9 **Appendix 2** provides a more detailed breakdown of variations across the service area contained within the revenue budget.
- 10 In summary, although this service areas are forecast to spend outside their cash limit, service managers are working to improve the position by the year end. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2017/18 which amount to £0.889 million and Regeneration and Local Services as a whole are forecast to underspend by £0.929 million.

### Capital Programme

- 11 The capital programme makes a significant contribution to the Regeneration ambitions of County Durham. The programme is relatively large and comprises over 138 schemes managed by around 23 project delivery officers.
- 12 The capital programme was revised in May for budget rephased from 2016/17. This increased the 2017/18 original budget. Further reports to

the MOWG detailed further revisions, for grant additions/reductions, budget transfers and budget reprofiling into later years. The revised budget now stands at **£40.569 million**.

- 13 Summary financial performance to the end of June is shown below.

<b>Service</b>	<b>Original Annual Budget 2017/18 £000</b>	<b>Revised Annual Budget 2017/18 £000</b>	<b>Actual Spend to 30 June £000</b>	<b>Remaining Budget £000</b>
Economic Dev & Housing	21,271	22,981	3,582	19,399
Planning & Assets	8,722	8,732	1,617	7,115
Transport & Contracted	8,876	8,856	2,567	6,289
<b>Total</b>	<b>38,869</b>	<b>40,569</b>	<b>7,766</b>	<b>32,803</b>

- 14 Actual spend for the first three months amounts to **£7.766 million**. **Appendix 3** provides a more detailed breakdown of spend across the major projects contained within the former RED capital programme.
- 15 The key areas of spend to date have been on Industrial Estates (£1.685 million), Structural Capitalised Maintenance (£1.513 million), and the Transport Major Schemes (£1.719 million). Other areas of the programme are profiled to be implemented during the remainder of the year and it is anticipated that the projected outturn at 31 March 2018 will be in line with the revised budget.
- 16 At year end the actual outturn performance will be compared against the revised budgets and service and project managers will need to account for any budget variance.

**Recommendations:**

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

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**Contact: Philip Curran – Finance Manager**

**Tel: 03000 261 967**

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## **Appendix 1: Implications**

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### **Finance**

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

### **Staffing**

None.

### **Risk**

None.

### **Equality and Diversity / Public Sector Equality Duty**

None.

### **Accommodation**

None.

### **Crime and disorder**

None.

### **Human rights**

None.

### **Consultation**

None.

### **Procurement**

None.

### **Disability Issues**

None.

### **Legal Implications**

None.

## Appendix 2: Revenue Budget Variances – Quarter 1 2017-18

Head of Service	Service Area	Description	(Under) / Overspend	(Under) / Overspend
Economic Development & Housing	Head of Economic Development	Minor variation pending re-allocation of price inflation saving	29	<b>(54)</b>
	Physical Development	Under budget due to a recharge of some staff costs and staff vacancy savings.	(53)	
	Visit County Durham	Under budget on employee costs due to vacant posts – MTFP savings made early.	(48)	
	Business Durham	Under budget due to additional rental income at NETPark offset by costs incurred prior to the full occupation of Salvus House. Over budget at Derwentside Business Centre due to additional premises costs and a lower rental yield.	(10)	
	Economic Development	Over budget principally due to a shortage of funding for the apprentice programme in the Employability Team (£60k) and a delay in the award of contracts for the Employment and Skills Team (£169k)	229	
	Housing Solutions	Under budget due to employee vacancies, reduced costs of supplies and services and additional income.	(201)	
Spatial Policy, Planning Assets & Environment	Head of SPPAE	Minor variance	(2)	<b>(110)</b>
	Spatial Policy	Agreed spending to progress County Durham Local Plan	89	
	Development Management	£81k under budget on employees and supplies and services costs	(81)	
	Environment & Design	£31k under budget on employees £69k under budget relating to additional income	(100)	
	Asset Management	£88k under budget on employees in relation to vacant posts £82k underachieved income on vacant properties £10k additional rental income	16	
Transport	Management	Minor variance pending a re-allocation of savings	20	
	Strategic Transport	Minor over and under budget variances	(1)	

<b>Head of Service</b>	<b>Service Area</b>	<b>Description</b>	<b>(Under) / Overspend</b>	<b>(Under) / Overspend</b>
	Sustainable Transport	Over budget on employee costs – vacancy savings not met (£26k) Minor Variance on other costs (£9k) Over budget on bus and rail contracts due to additional contract costs and an annual price review of contracts (£71k)	106	
	Care Connect	Over budget on employee costs following changes in staff hours and rota patterns and vacancy savings not met (£378k) Under budget on other costs mainly due to service efficiencies on CCTV and community alarms, and contract re-negotiations (£104k)	274	<b>399</b>
Central	Central Costs	No variances		<b>0</b>
<b>TOTAL</b>				<b>235</b>

### Appendix 3: Capital Programme 2017-18

Scheme	Revised Annual Budget 2017/18	Actual Spend to 30 June	Remaining Budget
	£'000	£'000	£'000
<b>ECONOMIC DEVELOPMENT &amp; HOUSING</b>			
Barnard Castle Vision	1	0	1
Industrial Estates	12,080	1,685	10,395
North Dock Seaham	80	0	80
Office Accommodation	1,934	15	1,919
Town Centres	2,306	147	2,159
Minor Schemes	168	42	126
Disabled Facilities Grant / FAP	3,398	771	2,627
Gypsy Roma Travellers	0	(12)	12
Housing Renewal	1,004	174	830
Chapter Homes	2,010	760	1,250
<b>TOTAL ECONOMIC DEVELOPMENT &amp; HOUSING</b>	<b>22,981</b>	<b>3,582</b>	<b>19,399</b>
<b>PLANNING &amp; ASSETS</b>			
Renewable Energy Schemes	479	11	468
Structural Capitalised Maintenance	7,931	1,513	6,418
Minor Schemes	172	93	79
Strategy and Programmes Minor Schemes	150	0	150
<b>TOTAL PLANNING &amp; ASSETS</b>	<b>8,732</b>	<b>1,617</b>	<b>7,115</b>
<b>TRANSPORT &amp; CONTRACTED SERVICES</b>			
Local Transport Plan	3,395	848	2,547
Transport Corridors	0	(4)	4
Transport Major Schemes	5,422	1,719	3,703
CCTV	16	4	12
Minor Schemes	23	0	23
<b>TOTAL TRANSPORT &amp; CONTRACTED SERVICES</b>	<b>8,856</b>	<b>2,567</b>	<b>6,289</b>
<b>Total</b>	<b>40,569</b>	<b>7,766</b>	<b>32,803</b>

(1) FAP – Financial Assistance Programme

**Economy and Enterprise Overview and Scrutiny Committee**

**26 September 2017**



**Quarter One 2017/18  
Performance Management Report**

**Report of Corporate Management Team  
Lorraine O'Donnell, Director of Transformation and Partnerships  
Councillor Simon Henig, Leader of the Council**

**Purpose of the Report**

- 1 To present progress against the council's corporate performance framework for the Altogether Wealthier priority theme for the first quarter of the 2017/18 financial year.

**Background**

- 2 The council's partnership led Sustainable Community Strategy, setting out the vision for the county, and supporting council plan and service plans are due for review this year. There is a strong commitment to progressing the council's transformation programme, driven by a focus on delivering the best possible outcomes within available resources, and Cabinet agreed that an outcome based approach to planning is adopted. 2017/18 is a transition year as we review our vision, planning framework and associated performance management arrangements to ensure that they operate efficiently and are fit for purpose in the current climate.

**Performance Reporting Arrangements for 2017/18**

**Key Performance Questions**

- 3 A review of our performance reporting arrangements has led to the development of a series of key performance questions (KPQs). These questions are aligned to the 'Altogether' framework of six priority themes, and are designed to facilitate greater scrutiny of performance.

<b>Key Performance Questions</b>
<b><i>Altogether Wealthier</i></b>
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?

<b>Key Performance Questions</b>
<b><i>Altogether Better for Children and Young People</i></b>
6. Are children, young people and families in receipt of universal services appropriately supported?
7. Are children, young people and families in receipt of early help appropriately supported?
8. Are children and young people in receipt of social services appropriately supported and safeguarded?
9. Are we being a good corporate parent for looked after children?
<b><i>Altogether Healthier</i></b>
10. Are our services improving the health of our residents and reducing health inequalities?
11. Are people in need of adult social care supported to live safe, healthy and independent lives?
<b><i>Altogether Safer</i></b>
12. How effective are we at tackling crime and offending?
13. How effective are we at tackling antisocial behaviour?
14. How well do we reduce the misuse of drugs and alcohol?
15. How well do we tackle abuse of vulnerable people including domestic abuse, child sexual exploitation and radicalisation?
16. How do we keep our environment safe including roads and waterways?
<b><i>Altogether Greener</i></b>
17. How clean and tidy is my local environment?
18. Are we reducing carbon emissions and adapting to climate change?
19. How effective and sustainable is our collection and disposal of waste?
<b><i>Altogether Better Council</i></b>
20. How well do we look after our people?
21. Are our resources being managed for the best possible outcomes for residents and customers?
22. How good are our services to customers and the public?
23. How effectively do we work with our partners and communities?

- 4 A more focused set of performance indicators has been developed to provide evidence to help answer these questions for those with corporate governance responsibilities. Development of performance reporting will continue throughout the year in particular to enhance reporting of qualitative aspects of performance as highlighted in the 2016 Ofsted inspection.
- 5 There are other areas of performance that are measured in more detailed monitoring across service groupings and if performance issues arise, these will be escalated for consideration by including them in the corporate report on an exception basis.
- 6 The performance indicators are still reported against two indicator types which comprise of:

- (a) Key target indicators – targets are set for indicators where improvements can be measured regularly and where improvement can be actively influenced by the council and its partners; and
  - (b) Key tracker indicators – performance is tracked but no targets are set for indicators which are long-term and/or which the council and its partners only partially influence.
- 7 This report sets out our key performance messages from data released this quarter and a visual summary for the Altogether Wealthier priority theme that presents key data messages from the new performance framework showing the latest position in trends and how we compare with others.
- 8 A comprehensive table of all performance data is presented in Appendix 3.
- 9 An explanation of symbols used and the groups we use to compare ourselves is in Appendix 2.
- 10 To support the complete indicator set, a guide is available which provides full details of indicator definitions and data sources for the 2017/18 corporate indicator set. This is available to view either internally from the intranet (at Councillors useful links) or can be requested from the Corporate Planning and Performance Team at [performance@durham.gov.uk](mailto:performance@durham.gov.uk).

### **Key Performance Messages from Data Released this Quarter**

- 11 The employment rate has improved and is now at its highest level since 2007/08 and better than the regional rate, though remains below the national rate. For the past two years the number of 18 to 24 year olds claiming out of work benefits has fluctuated around its lowest level since 2014/15. Apprenticeship starts through council funded schemes as well as apprenticeships sustained for 15 months or more from Durham County Council schemes, have increased since last year. The proportion of 16 to 17 year olds in an apprenticeship in County Durham in March 2017 was higher than last year and the averages for both England and the North East.
- 12 Successful council intervention on housing development continues with a higher number of both empty properties brought back into use and new homes completed than last year. The number of affordable homes delivered and statutory homelessness preventions have fallen since last year. Work is currently ongoing to consider the impact of the forthcoming Homeless Reduction Act, which will focus more strongly on the prevention of homelessness.
- 13 The council, like most highways authorities, has a significant maintenance backlog. It has steadily increased its contribution to programmed capital maintenance from £0.7 million in 2010/11 to £9.1 million in 2017/18, in addition to £13 million provided by the Department for Transport. The council has also maintained maximum funding, under the Department for Transport's Incentive Fund, only one of two authorities to do so. In recent years, the council has prioritised budgets to maintain principal roads with the highest

usage. This is reflected in the improved condition of A, B and C roads. Although the condition of unclassified roads is below the national average, there has been an improvement over the past year, and there is an on-going programme of resurfacing works in place. The National Highways Survey 2016 shows satisfaction with the maintenance and the condition of our highways has improved and is better than national averages.

14 There are no key risks in delivering the objectives of this theme.

### **Key Data Messages by Altogether Theme**

15 The next section provides a one-page summary of key data messages for the Altogether Wealthier priority theme. The format<sup>1</sup> of the Altogether theme provides a snap shot overview aimed to ensure that key performance messages are easy to identify. The Altogether theme is supplemented by information and data relating to the complete indicator set, provided at Appendix 3.

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<sup>1</sup> Images designed by Homelessness Outreach Service by Hawaii Open Data US, Office Rental by Makhmudkhon, Pound Bills by John Burraco, Pounds by Oliviu Stoian from the thenounproject.com, Bury Council

# Altogether Wealthier

## Job prospects

### Employment in 2016/17

**71.5%** working age population defined as in employment in County Durham (231,600 people). More than last quarter but below England and Wales (74.4%)

**75.3%** male working age population aged 16-64 (120,200)

**67.8%** female working age population aged 16-64 (111,400)

**79%** private sector (188,600), in line with England & Wales (78.6%)

To achieve national levels, **9,000** people (aged 16 - 64) out of **18,100** people economically inactive and wanting a job need to enter employment

Young people	Durham	England	North East
18-24 year olds who are out of work and claiming either Universal Credit or Jobseeker's Allowance (at Jun 2017)	<b>3.9%</b> (2,010 people)	2.6%	4.6%
16-17 year olds in an apprenticeship (at Mar 2017)	<b>9.1%</b>	6.4%	8.8%

### Helping people back into work

**268** jobs created/safeguarded as a result of Business Durham activity (Apr—Jun 2017)

**222** apprenticeships started through County Council schemes (2016/17) above the target of 200

**735** apprenticeships through Durham County Council schemes sustained for 15 months or more (at Jun 2017), which equates to 68.4% of all apprenticeship starts through these schemes

Apprenticeship programme - on hold while assessing the impact of the newly introduced levy to determine whether a successor programme will follow.

**£15,496** average disposable household income that individuals have available for spending or saving after deduction of expenditure (2015). More than £15,246 in 2014 but less than England average of £19,447 and North East average of £16,197 (2015)

## Housing and regeneration

**↑ 45** empty properties brought back into use as a result of local authority intervention (Apr- Jun 2017). More than target (30) and last year (29)

**↑ 422** net new homes completed (Apr- Jun 2017). More than last year (336)

**↓ 198** affordable homes delivered (2016/17). In line with target (200) but fewer than 2015/16 (262)

**↓ 320** clients for whom homelessness was prevented (Apr- Jun 2017). Less than last year (363)



## Local authority road network



Structures are in 'good to fair' condition. Backlog has grown over the past year due to updated and more accurate condition surveys.

Condition of A, B & C roads is in line with national average (3% require maintenance to be considered). On-going programme of resurfacing works in place for all roads.



**£192m** needed to bring DCC highway asset up to a good condition, and having no backlog with no defects (at Mar 2016).  
£628m needed regionally, £12b needed across England and Wales

Overall Satisfaction with.... (National Highways & Transport survey)	2014	2016	National Average 2016
... condition of the highways	38%	<b>45%</b>	38%
... highway maintenance	49%	<b>55%</b>	53%

## **Recommendations and reasons**

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

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**Contact: Jenny Haworth**  
**Tel: 03000 268071**

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Appendix 1: Implications

Appendix 2: Report Key

Appendix 3: Summary of key performance indicators

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## **Appendix 1: Implications**

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

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

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

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

**Accommodation** - Not applicable

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

**Human Rights** - Not applicable

**Consultation** - Not applicable

**Procurement** - Not applicable

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

**Legal Implications** - Not applicable

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## Appendix 2: Report key

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### Performance Indicators:

#### Direction of travel/benchmarking

Same or better than comparable period/comparator group

**GREEN**

Worse than comparable period / comparator group (within 2% tolerance)

**AMBER**

Worse than comparable period / comparator group (greater than 2%)

**RED**

#### Performance against target

Meeting/Exceeding target

Getting there - performance approaching target (within 2%)

Performance >2% behind target

- ✓ Performance is good or better than comparable benchmark
- ✗ Performance is poor or worse than comparable benchmark
- ↔ Performance has remained static or is in line with comparable benchmark

### National Benchmarking

We compare our performance to all English authorities. The number of authorities varies according to the performance indicator and functions of councils, for example educational attainment is compared to county and unitary councils however waste disposal is compared to district and unitary councils.

### North East Benchmarking

The North East figure is the average performance from the authorities within the North East region, i.e. County Durham, Darlington, Gateshead, Hartlepool, Middlesbrough, Newcastle upon Tyne, North Tyneside, Northumberland, Redcar and Cleveland, Stockton-On-Tees, South Tyneside, Sunderland. The number of authorities also varies according to the performance indicator and functions of councils.

### Nearest Neighbour Benchmarking:

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

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

## Appendix 3: Summary of Key Performance Indicators

**Table 1: Key Target and Tracker Indicators**

Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered		
<b>Altogether Wealthier</b>												
<b>1. Do residents have good job prospects?</b>												
1	REDPI 40	Proportion of the working age population defined as in employment	71.5	2016/17	Tracker	69.0	GREEN	74.4	RED	69.8*	GREEN	2016/ 17
2	REDPI 88	Per capita household disposable income (£) [1] [2]	15,496	2015	Tracker	15,246	GREEN	19,447	RED	16,197*	RED	2015
3	REDPI 62	Number of apprenticeships started through Durham County Council schemes	222	2016/17	200	74	GREEN	No Data		No Data		
4	REDPI 105	Number of apprenticeships from Durham County Council schemes sustained at least 15 months [2]	735	As at Jun 2017	Tracker	663	GREEN	No Data		No Data		
5	REDPI 92	Number of gross potential jobs created or safeguarded as a result of Business Durham activity [3]	268	Apr - Jun 2017	NA	1,409	NA	No Data		No Data		
6	CYPS1	Percentage of 16 to 17 year olds in an apprenticeship	9.1	As at Mar 2017	Tracker	8.0	GREEN	6.4	GREEN	8.8*	GREEN	As at Mar 2017
7	REDPI 7a	Number of 18 to 24 year olds who are out of work and claiming either Universal Credit or Jobseekers Allowance (JSA)	2,010	As at Jun 2017	Tracker	1,855	RED	No Data		No Data		

Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure		Performance compared to *North East or **Nearest statistical neighbour figure		Period covered
8	REDPI 8b	Proportion of all Jobseeker's Allowance (JSA) claimants that have claimed for one year or more	32.20	As at Jun 2017	Tracker	29.90	<a href="#">NA [4]</a>	No Data		No Data		
<b>2. Do residents have access to decent and affordable housing</b>												
9	REDPI 30	Number of empty properties brought back into use as a result of local authority intervention	45	Apr - Jun 2017		29	GREEN	No Data		No Data		
10	REDPI 10b	Number of net homes completed	422	Apr - Jun 2017	Tracker	336	GREEN	No Data		No Data		
11	REDPI 36a	Number of clients who have accessed the Housing Solutions Service and for whom homelessness has been prevented	320	Apr - Jun 2017	Tracker	363	RED	No Data		No Data		
12	REDPI 10ai	Number of affordable homes delivered [3]	198	2016/17		200	RED	No Data		No Data		
<b>3. Is County Durham a good place to do business?</b>												
13	REDPI 87	Gross Value Added (GVA) per capita in County Durham (£) [1] [2]	15,210	2014	Tracker	15,202	GREEN	25,624	RED	18,413*	RED	2014
14	REDPI 89	Number of registered businesses in County Durham	16,585	2015/16	Tracker	16,400	GREEN	No Data		No Data		
<b>4. Is it easy to travel around the county?</b>												
15	NS06a	Percentage of A roads where maintenance is recommended (scanner survey)	3	2016/17	Tracker	4	GREEN	3	GREEN	3*	GREEN	2015/ 16

Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered		
16	NS06bc	Percentage of B and C roads where maintenance is recommended (scanner survey)	3	2016/17	Tracker	4	GREEN	6	GREEN	6*	GREEN	2015/ 16
17	NS06d	Percentage of unclassified roads where maintenance is recommended (scanner survey)	20	2015/16	Tracker	19	RED	17	RED	14*	RED	2015/ 16
18	NS07	Highways maintenance backlog (£millions)	191.7	2016	Tracker	181	NA	No Data		No Data		
<b>5. How well does tourism and cultural events contribute to our local economy?</b>												
19	REDPI 100	Number of visitors to County Durham (million)	18.7	2015	Tracker	18.1	GREEN	No Data		No Data		
20	REDPI 101	Number of jobs supported by the visitor economy	10,961	2015	Tracker	10,803	GREEN	No Data		No Data		
21	REDPI 102	Amount (£ million) generated by the visitor economy	778	2015	Tracker	752	GREEN	No Data		No Data		

[1] Previous period data amended /refreshed

[2] Data 12 months earlier amended/refreshed

[3] Target is annual

[4] Since August 2015, out of work claimants who are single with no dependants will be claiming Universal Credit.

Information on long term claimants is not available therefore this PI no longer represents all long term out of work claimants

Table 2: Other additional relevant indicators

Ref	PI ref	Description	Latest data	Period covered	Period target	Data 12 months earlier	Performance compared to 12 months earlier	Performance compared to National figure	Performance compared to *North East or **Nearest statistical neighbour figure	Period covered		
<b>Altogether Better for Children and Young People</b>												
<b>1. Are children, young people and families in receipt of universal services appropriately supported?</b>												
23	CYPS 27	Average point score per A level entry of state-funded school students	31.9	2015/16 ac yr (final)	Tracker	New PI	NA	31.8	GREEN	30.63*	GREEN	2015/ 16 ac yr (final)
24	CYPS 2	Percentage of 16 to 17 year olds who are not in education, employment or training (NEET) [5]	4.9	Apr - Jun 2017	Tracker	4.7	RED	No Data		4*	RED	
59	CYPS 12	Percentage of care leavers aged 17-21 in education, employment or training (EET)	69.1	Apr - Jun 2017	Tracker	59.3	GREEN	52	GREEN	50*	GREEN	2015/ 16 ac yr

[5] The high number of school leavers whose status is 'not known' impacts significantly on this indicator



**MINUTES**

<b>Meeting</b>	County Durham Economic Partnership Board
<b>Date of Meeting</b>	Tuesday 4 <sup>th</sup> July 2017
<b>Time</b>	13.00 – 15.00
<b>Venue</b>	Mill Hill Board Room, Business School, Durham University

**Attendees:**

Brian Tanner	Chair
Jon Gluyas	Durham University
Sarah Robson	Chair of Housing Forum
Simon Goon	Business Durham
Matthew Hudson	Business Durham
Simon Hanson	FSB
Sue Parkinson	Vice Chair & Chair of the Business, Enterprise & Skills Group
Gordon Elliott	Transformation & Partnerships, Durham County Council
Tarryn Lloyd Payne	Strategy & Partnerships, Durham County Council
Angela Brown	Strategy & Partnerships, Durham County Council
Stuart Corbridge	Durham University
Andrew Mitchell	North East Finance
Dawn Dunn	North East Finance

**1. Welcome**

BT welcomed everyone to the meeting in particular Stuart Corbridge, Vice Chancellor at Durham University, Andrew Mitchell and Dawn Dunn from North East Finance and Gordon Elliott Head of Transformation and Partnerships, DCC, who are all on the agenda to present today. BT also welcomed Matthew Hudson who attended with Business Durham today

BT informed the Board that we now have new elected members and Cllr Carl Marshall is now the Portfolio Holder for Economic Regeneration and Cllr Ossie Johnson is the Portfolio Holder for Tourism, Culture, Leisure and Rural Issues as we understand it Cllr Johnson will also Chair the Rural Working Group. They were both invited today's meeting but sent apologies as they were at a Local Government Association meeting.

## 2. Apologies

Alison Gittins	Durham Business Club
Arun Harish	CPI
Carol Daniell	Job Centre Plus
Ian Thompson	Director of Regeneration and Economic Dev
Neil Graham	Chair of Durham City Board
Michelle Gorman	Visit County Durham
Barbara Gubbins	County Durham Community Federation

## 3. Minutes of the last meeting

These were agreed as a true record and accurate record.

## 4. Matters Arising

Matters arising some actions are still outstanding –

- MG to share results from perception research as agreed at meeting on 2<sup>nd</sup> May
- JG to share link to Durham University Strategy
- Thanks to SH for Link which will be circulated after meeting today

## 5. Economic Update

BT discussed the County Durham Economic Update which was circulated with the papers. The statistics are for 14<sup>th</sup> July so just ahead of where we are now. Employment rate has been rising. At the moment we are sitting at regional level but the trend was upwards. Not a lot different to previous updates. Qualifications are still going up. Visitor economy seems to be increasing. The performance highlight report shows Housing as highlighted in red but this is not a lot different to the national picture.

## 6. Durham University – Professor Stuart Corbridge, Vice Chancellor

BT welcomed SC to give a presentation to the Board in relation to Durham University in the City and Region.

SC mentioned that he felt there is a change in focus from the University that has been very well received in the local community.

Durham University Today:

- £350m enterprise
- Around 17,500 students
- Around 4000 employees
- Currently at Durham City, Stockton and NetPark

Three key decisions:

- Re-purposing of Queen's Campus as an International Study Centre
- Transferring School of Medicine, Pharmacy and Health to Newcastle University
- Relocate Ustinov College to Sheraton Park

To move this forward:

- The University will be transparent
- Consult
- Listen and make appropriate changes
- Work in Partnership

### Questions/Comments

SP mentioned that we need to expand the pipeline of EU activity we have, therefore SP was keen to understand the extent of interest the University has in possible additional EU funding that they can take on. We need to be working together to look at this. SC agreed that this would be a focus of his discussions with colleagues.

It was asked if there would be an increase in foreign students from different cultures. SC felt that no University could remain a Top University if you have closed borders so therefore would expect to see a stronger mix over time.

How do you see development of regional partners? At present a perception is that the University doesn't work with businesses. This is partly due to some of the global research bases of the Universities partners but SC recognised that local relationships are important with SMEs. We need to build on the connections we already have and look to change perceptions. JG felt that the local SME base is seeing growth and will enhance local reputation. For example at Spennymoor research is taking place using flooded coalmines, this is something which could spark a mini-revolution within a niche sector and give local growth a leading edge. SC reiterated that the university is currently making really good progress with people who are looking forward and happy to engage and would welcome further discussion on local business engagement.

The board further discussed how this may be translated into local community engagement and to support local aspirations through Durham participation. SC mentioned that there are many young women and men in the University from lower participation backgrounds than had been in the past. He mentioned they are currently working with Seaham School with students going to speak about French and Spanish to try and encourage participation in higher education.

Transport was flagged as an issue in the reach of such programmes as some schools are not accessible to students by public transport.

BT thanked SC for attending today.

## **7. North East Funds Programme – Andrew Mitchell, North East Finance**

AM handed out a booklet on the North East Fund. The £120m fund is designed to support the growth of hundreds of North East businesses. The North East fund formally known as JEREMIE2 will offer different types of equity investments and loans to companies in a bid to drive growth, investment and job creation across the region. An agreement to launch the new initiative was signed by the seven North East Local Authorities, North East Ltd and the Department for Communities and Local Government (DCLG) last year and was due to go live on 15<sup>th</sup> June but, due to article 50 being triggered, this was delayed. The European Investment Bank is still committed to this but requires formal guarantees from government. AM can't give a firm timeframe but, being realistic, it will probably be the end of summer before the fund launches.

DD informed the group that they are trying to get the message across to people about what they are trying to do. They have committed to providing regional ambassadors to look after areas. The ambassadors will not manage the Programme but will engage with area businesses. The programme will be based around marketing and engagement. It is hoped that the non-economic targets will help to raise the awareness of the programme.  
BT thanked AM and DD for coming today.

## **8. EU Update – Sue Parkinson**

SP emphasised that it is crucial that we fully spend the ESIF allocations and invest them wisely, otherwise future, necessary, programme extensions may be rejected. She reported that we have representation not only on the regional ESIF Committee but also on new working groups connected to DCLG and future funding planning.

SP circulated copies of the current County Durham ERDF Programme Position. The list is in order of Priority Axis; the end of each column shows the total, allocation and balance. SP informed the Board that although there is a pipeline of activity that sits behind this and, as can be seen, not all of the money is yet committed. We need to use this or could risk losing it. Durham is vulnerable to transfer of funds to other transitional LEP areas if allocations are not committed. ESIF is the largest single amount of public money available and we need to use it.

**Action: Partners to contact SP with any project development ideas**

## **9. Prioritising Prevention – Gordon Elliott, Durham County Council**

GE informed the Board that he is now the Head of Partnerships and Community Engagement and as part of the transformation programme the County Durham Partnership is working on moving from good to great. One of the areas of work is the prevention agenda.

He gave background to the Board:

- Prioritising Prevention was considered by the CDP Board in January and April 2017
- It was agreed to focus on a small number of prevention initiatives (3 or 4 areas)
- Financial challenge was a key driver for prevention in a range of areas:
  - Health
  - Thematic Partnerships
  - Council's Transformation Programme
  - CDP Partners

GE listed the ideas that had already been put forward in relation to "Altogether Wealthier":

- Empowering and skilling up young people
- Apprenticeships
- Careers advice and work experience
- Transition points – education to employment
- Housing Adaptations/Nudge work with Social Housing Tenants
- Cybercrime/online safety for businesses
- Small business creation
- Transport

SP mentioned that we need to be clearer on the purpose of this piece of work and what benefits we want to achieve before we can decide, as a partnership, what our priority areas are.

The group agreed that it is necessary to know what we are preventing and who will be involved; the rest will follow. The Board also felt that the word prevention has negative connotations within the economic development arena and this discussion with wider partners would need to be portrayed differently. The project should be seen as opportunity, for example to enhance people's aspirations. The board agreed that a positive angle would need to be identified before progressing. One area agreed for a focus was around youth aspirations and career progression. The board did observe that it would be a difficult programme to quantify in terms of securing additional resource from partners. BT agreed to participate on behalf of CDEP at future "Prevention Steering Groups".

SC commented that he would investigate the possibility of engaging University faculties and colleges in consideration of prevention challenges.

**Action: BT to report back as required**

**Action: University to consider wider engagement in Prevention challenges**

#### **10. Any Other Business**

SP mentioned that Catherine Pearson is her nominated deputy on ESIF Committee but Catherine has now been asked to take Cllr Neil Foster's place as a full member of the Committee. Therefore SP has asked Joanna Laverick to deputise for her at the ESIF meetings. This was endorsed by the Board members.

#### **11. Date and Time of next meeting – 17<sup>th</sup> October 2017 at 1pm**

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