



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

**Date** Thursday 11 January 2018  
**Time** 9.30 am  
**Venue** Committee Room 2, County Hall, Durham

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### **Business**

#### **Part A**

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

1. Apologies for Absence
2. Substitute Members
3. Minutes of the Special Meeting held 24 October and the Meeting held 2 November 2017 (Pages 3 - 26)
4. Declarations of Interest, if any
5. Items from Co-opted Members or Interested Parties, if any
6. Media Relations
7. Durham Key Options - Progress: (Pages 27 - 36)
  - (i) Joint Report of the Director of Transformation and Partnerships and the Corporate Director of Regeneration and Local Services.
  - (ii) Presentation by the Housing Manager, Regeneration and Local Services.
8. Chapter Homes - Progress: (Pages 37 - 40)

Report of the Corporate Director of Regeneration and Local Services – Development Manager, Regeneration and Local Services and Chief Development Officer, Chapter Homes.
9. County Durham Plan - Progress: (Pages 41 - 68)

Report of the Corporate Director of Regeneration and Local Services - Spatial Planning Team Leader, Regeneration and Local Services.

10. Quarter 2, 2017/18 Revenue and Capital Outturn: (Pages 69 - 76)  
Joint Report of the Corporate Director of Regeneration and Local Services and the Corporate Director of Resources - Principal Accountant, Resources.
11. Quarter 2, 2017/18 Performance Management Report: (Pages 77 - 88)  
Report of the Director of Transformation and Partnerships - Performance and Improvement Team Leader, Regeneration and Local Services.
12. Minutes from the County Durham Economic Partnership meeting held on 17 October 2017 (Pages 89 - 92)
13. 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  
3 January 2018

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 Special Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Tuesday 24 October 2017** at **9.30 am**

**Present:**

**Councillor A Batey (Chairman)**

**Members of the Committee:**

Councillors E Adam, J Atkinson, J Clare, M Clarke, T Henderson, P Jopling, J Maitland, R Manchester, A Reed, P Sexton and L Taylor

**1 Apologies for Absence**

Apologies for absence were received from Councillors R Crute, P Howell, L Maddison, A Patterson and M Wilson.

**2 Substitute Members**

No notification of Substitute Members had been received.

**3 Declarations of Interest**

Councillor A Reed noted a family member was employed by the County Durham Housing Group.

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

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

**5 County Durham Housing Group**

The Chairman introduced the Chief Executive of the County Durham Housing Group (CDHG), Bill Fullen who was in attendance to give an update presentation as regards the CDHG (for copy see file of minutes).

The Chief Executive, CDHG reminded Members of the background to the CDHG, with transfer of around 18,500 properties to the CDHG from the Council on 13 April 2015. It was added that £150 million of finance had been secured from Barclays Bank and M&G Investments with good long-term fixed interest rates, giving a stable financial position.

It was explained that the homes transferred were already at a standard higher than the national Decent Homes Standard (DHS), and the CDHG transfer was the first post-DHS transfer.

The Chief Executive, CDHG explained that subsequent to the General Election, the new Government imposed a 1% rent cut for four years and this had an impact of a £21 million loss in terms of cash over those four years, impacting upon the non-allocated resource of £70 million.

The Committee were reminded of the transfer Offer Document that had been developed in consultation with key stakeholders and set out the promises to tenants in relation to: extra investment in existing homes; better quality neighbourhoods; new jobs and apprenticeship; more varied services; and new homes. It was noted that there were quarterly meetings with the Council's Head of Economic Development and Housing, Sarah Robson to monitor progress in this regard and that of the 80 promises set out in the Offer Document, currently 76% were being provided in full, 21% were partially provided or in progress, with 3% yet to commence.

The Chief Executive, CDHG added that in terms of investment in the stock: £37 million of investment had been made since April 2015 resulting in the delivery of over: 1340 kitchens; 1110 bathrooms; 1020 rewires; 1300 new boilers; 1400 new roofs; over £2.8 million on disabled adaptations.

Councillors noted that in connection with repairs and maintenance, during 2016/17: 97.5% of responsive repairs were completed within target; 99.2% of responsive repairs appointments were made and kept; and 90.6% of customers were satisfied with the repairs and maintenance service.

It was explained that the Handyperson service was now available across all three landlords and Dale and Valley Homes (DVH) and Durham City Homes (DCH) had reduced their external painting programme from a 7 year cycle to a 5 year cycle, with East Durham Homes (EDH) terms to be looked at when the service goes back out to tender in 2019.

Members noted that in terms of better quality neighbourhoods, a Neighbourhood Quality Standard (NQS) had been approved in March 2016, which sets out what tenants could expect, and also what was expected from tenants. It was noted that, since transfer, there had been an investment of £18.8 million through the neighbourhood investment programme. Councillors noted that this included: safety improvements at Sherburn; sporting groups; local school projects, such as healthy eating and reading clubs; local mother and toddler groups; and community events to enhance social inclusion.

The Chief Executive, CDHG noted that in terms of new jobs and apprenticeships in 2016/17 the group supported, 24 customers into employment; 3 into apprenticeships; and 43 customers through training. Members noted that the CDHG had also had 13 apprentices across the group.

Members noted that it was an aspiration for the CDHG to build 700 homes, with 44 new homes secured via Section 106 monies, 18 of which had been completed.

The Chief Executive, CDHG added that the Homes and Communities Agency (HCA) grant allocation would allow for 195 new homes to be delivered, with a total of £8.6 million in terms of funding secured. It was noted that DCHG had achieved Investment Partner status with the HCA and this allowed for direct bids to access funding.

It was explained that tenants wanted more varied services, these included: a new single website, launched in April 2017; welfare benefits advice; energy advice; digital inclusion; a new Universal Credit Team; and social media. Councillors noted that looking at digital inclusion trends, it was clear there was a need to help enable people to access these services, for example Universal Credit being managed online, and use of IT being a requirement in many jobs. The Chief Executive, CDHG noted that a lot of people under-claimed and CDHG helped around 1,400 customers resulting in approximately £3.3 million in additional benefits gained. It was noted in terms of energy advice, 1,400 customers had been advised and £105,000 in Warm Homes Discount had been awarded, along with £14,000 in energy grants.

Members learned that CDHG had helped customers in terms of Universal Credit, with around 200 new claims. It was noted the Development Team were working closely to understand the impact and learn in advance of the full roll out of the benefit. Councillors noted that it was important to encourage people to pay their rent and to not underestimate what the impact of Universal Credit would be, noting there were areas where the impact would be more likely. It was added that work is being undertaken to raise awareness of the support available via social media and the use of a single website. The introduction of the single website had resulted in a 13% increase in the number of hits to the CDHG's website in May 2017.

It was explained that the achievements of the group had resulted in added value including: grounds maintenance savings of £63,000 per annum; staff savings of £481,000; increase in commercial rents; £75,000 saving from updating communications; and £30,000 of external funding to expand employability and training support.

The Chief Executive, CDHG explained that in terms of the future for CDHG, there would be investment in existing homes, with over £64 million through their investment scheme: £20 million in 2017/18; £22 million in 2018/19; £22 million 2019/20. It was explained that the Group Property Services would be expanded, from April 2018 they would deliver the repairs and maintenance service to all Dale and Valley Homes tenants for a 2 year period.

It was noted that in terms of new homes, there were plans approved and funding in place for the delivery over the next four years, with 98 bungalows for elderly and disabled people. Members noted a mix of developments funded by s106 and CDHG funds in Crook, Rookhope and Pity Me. Members noted that funding had been secured from the Homes and Communities Agency (HCA) in terms of delivering 121 "Rent to Buy" (RTB) properties.

The Chief Executive, CDHG asked Members to note that since 1996, the number of under 35 year olds owning their home had fallen from around 50% to 25% while the number in private rented accommodation had risen from around 20% to 54%. It was added the number in social housing had remained around 20% over this time. The Chief Executive, CDHG added that he felt that by 2020 this would change, and Members were reminded of the impact of welfare benefit changes on those under 35 years old.

He added that while the majority of private rented accommodation was good, it was known that some private rented accommodation was of a poor standard and it would need to be known why people do not move into the social rented sector. It was noted that the new RTB provision would be targeting those under 40 years old, in work, and with the option to buy after 5 years of affordable rent. It was reiterated that how to market these effectively would be key. He added that for those under 35 years old, and not working, other options such as shared tenancies could be looked at.

The Chief Executive, CDHG explained that in respect of better quality neighbourhoods a single housing operations directorate had been established, delivering more joined up services to customers. It was added that this allowed for more resources to be invested in frontline services and local neighbourhood teams were in place to be able to enforce all elements of the Quality Standard, responding to environmental issues. It was noted that a new group grant scheme was launched in July 2018 and a three year growth programme was developed to increase the number of apprentices across the group to 23 in 2017/18.

The Chief Executive, CDHG added that there would be provision of more varied services, with: a single housing management system will deliver a more modernised service to customers, accredited in-house money and debt advice service; a group-wide Occupational Health service; and tenancy sustainment, including pre-tenancy support. Councillors learned that the CDHG had restructured its governance arrangements and as part of this process had established VOCAL (Voice Of the Customer and Leaseholder). VOCAL would form part of the governance structure, with up to 12 members being a mix of residents from across the County. It was noted that VOCAL would play a key role in reviewing and shaping CDHG services giving customers a much stronger voice.

The Chief Executive, CDHG concluded by noting that: significant progress had been made over the last two years; 76% of the elements within the offer document were being delivered; plans were in place to ensure progress is made on the remaining offers over the next five years; and the continuing focus would be on added value.

The Chairman thanked the Chief Executive, CDHG and noted the impact of Universal Credit and asked whether the support in terms of this was from a central location or whether there was outreach into communities.

The Chief Executive, CDHG noted there were a number of strands, there was a central Universal Credit Team and while the numbers currently effected were small, around 200 customers, there was negotiation with the Department of Work and Pensions (DWP) as regards whether it would be possible for rent to be paid directly to CDHG. He added that this would help at an early stage as regards any rent arrears in order to help sustain a tenancy. The Chairman asked, with Universal Credit requiring access to IT equipment in terms of payments and queries, how tenants would be supported in this regard. The Chief Executive, CDHG noted that this was within the wider digital inclusion element of the support provided, with local hubs offering support. He added that issues of connectivity were more problematic in rural areas, such as the Durham Dales, however the CDHG would try to help customers get online to be able to deal with the DWP. Members noted that a survey of customers had noted that 64-65% had no internet provision in their homes, however the majority did own a smartphone and therefore this may be the best approach.

The Chairman asked Members for their questions on the progress report and presentation.

Councillor E Adam noted that since 2015, there had been some positive impact in terms of the stock transfer and establishing the CDHG. He added he was interested in terms of the DWP and changes to buying/rent, and also noted the challenge of Universal Credit and asked were there other challenges.

Councillor E Adam asked in terms of issues that related to parking and footpaths, was there work undertaken in conjunction with Durham County Council (DCC) in terms of additional land or funding, or indeed work with local Town and Parish Councils. Councillor E Adam also asked, as regards energy costs, was there plans to invest in new technologies in order to try and help address fuel poverty.

The Chief Executive, CDHG noted there were several challenges, with Universal Credit being the biggest risk, however another challenge was that of delivering against demand. He explained that in some areas some types of property struggled to be let, with some 3-bed properties being subject to the spare room subsidy. He added that this low demand in some areas led to a need for a fundamental look at asset against liability, and whether it would be better to dispose or demolish a property and build a better product.

The Chief Executive, CDHG explained that in respect of parking issues, a lot of footpaths, roads and hardstandings were transferred to the CDHG from DCC and the group had allocated up to £1 million each year to be invested in these areas, working with DCC Engineers as regards schemes of works and to get areas up to an adoptable standard. In respect of new technologies and fuel poverty, the Chief Executive, CDHG explained that photovoltaic cells had been an attractive option, however, the changes made in terms of the feed-in tariff had now meant this was not as good an option. Members noted the CDHG would look to try and secure an EU funding, while this was still possible, to look for imaginative ways to help with energy conservation/sustainability works.

The Chairman noted all Members would know of instances in their local areas as regards parking issues and for the need to create sufficient parking, including when looking at planning.

Councillor J Maitland noted that the new properties at Murton were appreciated and she was glad there was development within the village. She added that around half were bungalows, a good option.

Councillor J Atkinson noted that maintenance contracts were very important and asked how vigorous had the process been in terms of assessing whether the companies had been able to do the work required and to the necessary standard. He asked what plans were in place to tackle the outstanding jobs as tenants pay for this service as part of their rent.

*Councillor P Jopling left the meeting at 10.20am*

The Chief Executive, CDHG explained that this was a very important point. He explained that around 10-15 years ago repairs were contracted out, however in the last 2-3 years many Housing Groups were bringing such services back in-house as this allowed for greater control. It was noted that when monitoring contracts, there was a need to monitor very closely the performance.

Councillor J Atkinson asked as regards the £63,000 saving in terms of grounds maintenance and the Chief Executive, CDHG noted this had been achieved by using a more programmed scheme.

Councillor A Reed noted work she had undertaken in her electoral division with tenants looking at issues of repairs and anti-social behaviour and thanked the CDHG staff for their hard work in helping to resolve issues.

She added that new homes for Crook would be welcomed and added that there would be a need to look at the types needed in the area, for example bungalows, and asked if there were details available of the proposed housing mix for Crook. She added that when looking at Durham Key Options (DKO) there appeared to be few bungalows.

The Chief Executive, CDHG noted that he did not have the details to hand, however, he would get them for the Member and respond in due course. He added that one scheme at Willington was exclusively bungalows, some with adaptations.

The Housing Manager, Marie Smith noted that there were issues in terms of demographics and that the County Durham Plan (CDP) would be the way to address this, with the details from DKO in terms of demand being provided to Spatial Planning for their use in the development of the Housing Strategy. It was added that once need was identified, then you would need to look at how you provide against that need, noting that bungalows were not always the only options and that there was a need to have a longer term understanding of housing need.

**Resolved:**

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note and comment on the information provided in the CDHG's Annual Report and the presentation provided.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee schedule into the Committee's 2018/19 Work Programme consideration of the County Durham Housing Group's Annual Report together with detail of the progress made by the group in 2017/18.

## **6 Durham County Council's Housing Function - Overview**

The Chairman asked the Housing Manager to give an update presentation as regards the Durham County Council Housing Function (for copy see file of minutes).

The Housing Manager noted that as there was a number of new Members, it would be useful to explain: the overall housing and statutory function; the work of housing solutions; headline statistics in terms of customer profile and performance; and up and coming challenges.

It was explained that while the Authority no longer had any housing stock, there was still a need to deliver a housing function. Members noted that the Council's housing and statutory functions were jointly delivered between Housing Solutions, Spatial Policy and Regeneration and Development.

It was noted that there was a requirement to understand housing need and to produce a housing strategy, looking to deliver in conjunction with the Council's 31 partners within the County, 4-5 of the main providers having over 500 properties each.

Councillors were reminded of the duty to secure accommodation for those people found to be statutory homeless, there being 171 last year, and the delivery of Disabled Facilities Grants.

The Housing Manager explained that the Housing Solutions Team also looked at regeneration and the private sector in addition to issues such as homelessness. Members noted that in terms of improving properties and housing management standards there were elements in relation to: energy efficiency grants, the management of the 6 Gypsies, Roma and Traveller (GRT) Sites, which had recently been refurbished; repairs via Direct Services; the Home Improvement Agency; and the landlord accreditation scheme.

The Housing Manager noted that in respect of assisting clients to move home, or remain at home the service provided support in terms of: the Home Improvement Agency (HIA); Family Intervention; homelessness prevention and welfare reform; and managing Durham Key Options (DKO) on behalf of partners.

Members noted that customers could make contact with Housing Solutions via the Housing Advice Line, be referred via a partner agency, or using an online portal. It was explained that there had been 16,184 clients contacted in 2016/17, this number increasing each year, approximately 5,000 of these being via the portal. It was added that clients contacted may just require one off advice or may need to be referred to specialist advice from one of the Housing Solutions teams. Members noted the main reason for referral to specialist advice was due to financial difficulties. The Housing Manager noted that the age range for those requiring specialist advice was mainly clients aged 25 to 44, and the main household type was single males.

Councillors learned that there had been 528 homelessness applications, and with 171 cases accepted with a statutory duty to find accommodation. It was added that the main reason for homelessness was loss of tenancy in the private rented sector.

The Housing Manager explained that there had been: 596 Disabled Facilities Grants completed; 640 properties improved as a direct consequence of local authority intervention; 136 empty properties brought back into use; 106 landlords accredited; and 392 properties improved via energy efficiency measures. Members noted that 563 households had been assisted in moving to alternative accommodation, with 1,173 referrals made to partners for further assistance, including: Changing Lives; YMCA; Durham Action for Single Homeless; Cornerstone; and Moving On.

The Committee learned that 481 clients had been assisted in staying in their home through adaptations or home improvements. It was explained that 378 clients were assisted in resolving their housing benefit queries, and 274 had been assisted via the Council's Remain Safe scheme. Members noted that 455 clients had been referred for assistance via the Discretionary Housing Payment Policy.

The Housing Manager explained that upcoming challenges would include the new Homeless Reduction Act 2017, to be in force from April 2018, which makes the prevention of homelessness a statutory duty. It was explained that there were additional duties and the definition of priority need had been widened and individuals would require a personal housing plan.

It was added that the impact of the roll out of Universal Credit on demand would need to be monitored, with the Council's Head of Finance and Transactional Services sitting on the DWP Working Group. It was noted that it was felt that impact as regards this may start to be felt around Christmas, with more clients having to access the Housing Solutions service.

The Chairman thanked the Housing Manager and asked Members for their questions on the update report and presentation.

Councillor J Maitland asked how private sector properties were chosen for help to make improvements as there was a property in her Division that had been in disrepair for 20 years. The Housing Manager noted the service did not go out and survey, rather requests would come to the service normally via the landlord however the officer would take details in relation to the particular property in the Councillor's area following the conclusion of the meeting.

Councillor J Clare noted a case of a young person, "sofa-surfing" and asked how many emergency units there were in County Durham. He also noted a letter had been circulated in advance of Universal Credit noting the IT facilities available at libraries, and the ability to take advice from the Citizens' Advice Bureau, though he felt that there was not sufficient emphasis on taking this advice. The Housing Manager noted that Customer Services have had some training in this respect and she believed front line staff, such as library staff had received information. The Housing Manager noted that the emergency accommodation had been managed previously by Stonham, now it had been brought in-house from May 2017. It was explained there were 42 properties and the service was looking to increase provision, and as there was some for single males and single females, there would be a look to provide family accommodation. It was noted that the service did all it could to prevent such emergency accommodation having to be used, and that the use of bed and breakfast accommodation was very much a last resort. Councillor J Clare noted it was very important to have this type of provision around the County and the Housing Manager noted that the new Homeless Reduction Act may help in relation to increasing such provision in the county.

The Chairman noted that Area Action Partnership (AAP) meetings had received a good presentation relating to Universal Credit, with the Customer Services Manager and Citizens' Advice Bureau being in attendance to help signpost what services could help.

Councillor E Adam noted the number of landlords accredited and asked how many this had increased by since the last update, how many should we have, and whether there was Universal Credit training for the accredited landlords. The Housing Manager noted this was a reduction from 121, and there was an action plan in place to help address this. She added that there had been four events to which landlords had been invited. In respect of Universal Credit training for accredited landlords, this had been led by the DWP with over 30 in attendance and with some very useful feedback.

It was added there needed to be more of these sessions and also sessions for those landlords without accreditation, and the reasons why those landlords have not renewed their membership of the accreditation scheme was being investigated.

Councillor P Sexton noted he felt that the Homeless Reduction Act would be a game changer and asked whether there was a disjoint between the numbers of those broadly homeless and the housing stock available. The Housing Manager noted it was not the stock itself, more so the stock type and the benefits that would be available. She added that those likely to have issues were single males under 35, in receipt of benefits that may not cover their rent.

It was added that it was a struggle to find those people a property and therefore the service was working with partners looking at models such as shared tenancy to help address these issues.

Councillor P Sexton reiterated the comments from the Chairman as regards the very good presentation made at a recent AAP. He added that he knew from past experience, having worked for the DWP, that it had been law that hardcopy letters be sent out to benefit claimants, adding he was not sure how well an electronic system would work in practice. Councillor P Sexton added that he was pleased to note all of the work being done by DCC and partners in relation to this, but noted that members of the public would see the Council, as Local Government, as being part of the Government that introduced Universal Credit. He concluded by noting that the penalties and sanctions that could be applied to individuals would cause serious hardship. The Chairman reiterated this, adding that sanctions of up to three years could be life changing.

Councillor J Atkinson asked in relation to Councillor E Adam's question, was the message being send out to private landlords. The Housing Manager noted that it was and also it was important to get the information out to tenants and the wider public too.

Councillor R Manchester asked if the financial assistance was linked to being an accredited landlord. The Housing Manager noted it was not, the scheme being linked to the standard of management not the stock.

### **Resolved:**

That the overview report and presentation be noted.

## **7 Housing White Paper - Progress**

The Chairman asked the Spatial Planning Team Leader, Michelle Robinson to give a progress report in respect of the Housing White Paper and the 'Planning for the Right Homes in the Right Places' Consultation (for copy see file of minutes).

The Spatial Planning Team Leader noted that this was a further update, the last being at the February meeting of the Committee. It was explained that following the White Paper published on 7 February, Planning for the Right Homes in the Right Places was published on 14 September 2017 for an eight week consultation closing on the 9 November 2017.

It was noted that the CDP had a 6 week consultation on the issues and options paper, which had been very open to take on board peoples' thoughts. Members were reminded that the next stage had been to go out with a "preferred option" around November/December 2016, however, as it was known that the Housing White Paper would be produced, advice was to hold off until this could be looked at. The White Paper had been expected in December 2016, however it did not come forward until February 2017. The Spatial Planning Team Leader added that the White Paper had not included some details, such as the method of calculating housing need, however it included 49 questions and a DCC response had been produced and submitted. A copy of the response had been circulated to the members of the committee in July 2017.

Members noted the Planning for the Right Homes in the Right Places paper included the methodology in terms of calculating housing need and also contained a further 19 questions, including: areas of common ground where working with other Local Authorities; how neighbourhood planning groups can have greater certainty in terms of housing need; using viability assessments to improve and speed up s106 agreements; and looking at increasing planning fees for those Local Planning Authorities that are delivering the homes their communities need.

The Spatial Planning Team Leader noted that the Council's published figure as set out in the methodology was 1,368 houses per annum. It was noted that the figures consulted on within the CDP issues and options in June 2016 of 1,717, 1,629 and 1,533 per annum, which were based on Officer for National Statistics 2012 projections, the Government's figure being based on 2014 projections, which were significantly lower. Members noted for context that in terms of housing delivery per annum over the last 3 years were 1,146, 1,537 and 1,386.

The Committee noted that the consultation document suggested that it was possible to go beyond the published figure as a result of a "strategic infrastructure project, increased employment ambition through a Local Enterprise Partnership (LEP) investment strategy, a bespoke housing deal or through delivering the modern Industrial Strategy", however, clarity on this was needed.

The Spatial Planning Team Leader added that the Government had noted that following the consultation, the changes would be made to the National Planning Policy Framework (NPPF), to be published early 2018, with a final version being published in Spring 2018. Members noted that the Council's response to the consultation would be considered by Cabinet at its meeting on 15 November 2017 and if Members felt appropriate a further update could be brought back to the Committee in January 2018.

The Chairman thanked the Spatial Planning Team Leader and asked Members for their questions on the update report.

Councillor J Clare noted he recalled that some non-housing elements of the CDP may be brought forward and asked as regards this. He also noted that he felt that the issue in terms of housing was not necessarily the numbers, rather the types, and that two storey properties could work for older people if built suitably in the first place, and there was an issue in terms of provision for single males. Councillor J Clare added he felt that the potential to increase planning fees seemed counterproductive, especially in areas that struggled to meet their needs.

The Spatial Planning Team Leader noted that the Government consultation sets out how to plan for people with specialist needs, and the CDP would meet the aims in terms of age, population and specialist groups. She noted the example of the Great Aycliffe Neighbourhood plan which looked for 10% new housing to address the needs of older people and those with specialist needs. It was added that the Strategic Housing Market Assessment (SHMA) and colleagues from teams, such as Housing Solutions, would help to inform the Council's Housing Strategy moving forward, to ensure the types of property we need are being delivered. The Spatial Planning Team Leader noted that it had been considered to move forward with some aspects of the CDP such as transport, waste, minerals, however the advice was not to do so.

Councillor E Adam noted it was pleasing to see links to Housing Solutions and added that he had noted the CBI's report on the Government's White Paper had not been particularly supportive and that the concern was to support employment by supplying the houses that were needed alongside. He added that the Council's CDP had been very forward looking in terms of this, however, added that while the focus had been on houses to buy he felt that there could be some merit in having more social housing provision, allowing people to move easier to access employment opportunities.

The Spatial Planning Team Leader noted that employment and growth had been considered within the CDP, however, the White Paper had looked more along the lines of affordability only, and had not taken into account other issues, such as vacancy rates.

**Resolved:**

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note the progress report.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee received a further update in January 2018.

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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 2 November 2017** at **9.30 am**

**Present:**

**Councillor A Batey (Chairman)**

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

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

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

Apologies for absence were received from Councillors P Jopling, P Sexton and Mr T Batson.

#### **2 Substitute Members**

No notification of Substitute Members had been received.

#### **3 Minutes**

The Minutes of the meeting held 26 September 2017 were agreed as a correct record and were signed by the Chairman.

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

Councillors A Batey and A Patterson both declared an interest in relation to Item 10, Scrutiny Review of Support provided by DCC to the Retail Sector in County Durham, having their own retail businesses.

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

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

## **6 Media Relations**

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

The articles included: Durham Oktoberfest, held at the Xcel Centre, Newton Aycliffe, where the main item for discussion was Brexit; a new General Manager having been appointed at South West Durham Training (SWDT); Hitachi rail announcing an initial 7 trains having been supplied to the Great Western route, with a further 50 to be delivered; and a local builders firm from Chester-le-Street, McCarrick construction, being honoured for its work in relation to apprenticeships, winning Small Employer of the year for the North East region in the National Apprenticeships Awards.

Councillor J Clare asked the Committee to note that Hitachi was one of five companies that had been shortlisted for the £2.75 Billion HS2 contract.

### **Resolved:**

That the presentation be noted.

## **7 Masterplans - Progress**

The Chairman introduced the Spatial Policy Team Leader, Graeme Smith along with the Regeneration Projects Manager Chris Myers and Community Economic Development Manager, Wendy Benson who were in attendance to give an update as regards the Masterplans for County Durham (for copy see file of minutes).

The Spatial Policy Team Leader reminded the Committee of the previous updates given in relation to the Masterplans, for the largest 12 towns within the County, and noted that all first round Masterplans were in place. He noted that each plan was individual, each different, with some being "Masterplans", with others being "Development Frameworks" or "Regeneration Frameworks". He added that having such plans in place did not preclude any projects or opportunities that may come up from being taken forward. The Committee noted a suite of Masterplan update documents, confirming current actions and future confirmed actions. Members noted that they had been approved by Cabinet at its meeting in December 2016 and January 2017 and were subject to discussions within the Area Action Partnerships (AAPs). The Spatial Policy Team Leader explained that the second round of "full" Masterplans were in development, an ongoing and staged programme with each full plan taking around 18 months to complete and have in place. Councillors noted that the Chester-le-Street Masterplan was currently being developed working with a number of teams, including Highways and Tourism. He added that the first round of consultation had begun in respect of the Bishop Auckland Masterplan and the Consett Masterplan was at early stages. Reference was also made to the importance of Neighbourhood Plans and to the ongoing activity in Newton Aycliffe, Durham and Stanley all of which would influence the wider masterplans in those areas.

The Regeneration Projects Manager noted that in respect of recent delivery at Barnard Castle, a condition survey had been prepared in relation to the Market Cross, and it had been found to be in reasonable condition for its age. We are planning on undertaking a programme of works to repair and restore the Grade I listed building, with works to be carried out next year. He added a number of target business improvement (TBI) scheme works for the town centre would also be undertaken.

The Regeneration Projects Manager explained in respect of Bishop Auckland that there were works ongoing in respect of the market place tower, and car park extension at North Bondgate. It was noted that works were in the context of the wider improvements linked to the regeneration of the Castle, opening in early 2018.

The Community Economic Development Manager noted that DCC teams were working together to submit a bid for funding to deliver flood prevention and improvement works around the culvert and marketplace. She added that work was ongoing with landowners in terms of bringing forward vacant properties.

The Community Economic Development Manager noted for Consett, a design concept and delivery framework for Middle Street had been completed and permissions had been secured for a replica "Consett Clock", with planning permission to be submitted.

The Regeneration Projects Manager explained that for Durham City, work with the Durham Business Improvement District (BID) had resulted in the installation of digital totems, three in total, one commissioned at Millennium Place, the other two being at Elvet and North Road, yet to be commissioned. It was noted that of the three digital screens on the totems, two would contain Durham BID information, with one to allow the Council to display information to residents and on DCC activities. It was added that TBI activities had been carried out at The Station House, North Road, to brighten up this area, a gateway being in proximity to the rail and bus stations.

The Regeneration Projects Manager noted for Newton Aycliffe the Chapter Homes development at Eden Field was progressing with, at the end of October, 32 properties sold, 15 properties let and 52 properties reserved of the 135 dwellings. The Community Economic Development Manager noted that the library works had been completed, with a new Customer Access Point, with off-site improvement works to start late December.

The Committee noted that in respect of Peterlee, consultation was ongoing in respect of the relocation of the library, with two all-day sessions having been held, and feedback received as regards the issue of car parking.

It was explained that in terms of Seaham Marina and the Seaham Water Sports Centre, a Watersports Development Officer had been employed as regards the opportunities and physical activities, linking with schools to help them meet their curriculum activities. It was added that the project had won the Chair's Award from the Royal Town Planning Institute's North East Planning Excellence 2017 awards.

The Community Economic Development Manager noted that Seaham Town Centre had a number of public realm works completed at Railway Street, with some further works to take place.

It was added that a stakeholder event held in September 2017 had helped to support a Townscape Heritage Application of £1.5 million, with information on the success of the bid to be received in May 2018.

Councillors noted for Shildon that consultation as regards arches was concluded and works were being undertaken to refurbish and enhance. It was added that works would be carried out in terms of refurbishment of street furniture.

The Community Economic Development Manager noted the work continued in terms of bringing forward development at Festival Walk and consultation was being prepared in terms of the future of the market place. It was added that support of the redevelopment of the North Eastern continued.

Members noted that the works to the South of Front Street at Stanley had been completed and planning had been approved for an Aldi Store and for Home Bargains. It was added that designs were being developed for further areas including the North of Front Street and links to the car parks.

The Committee noted a snapshot in terms of the support being given to the retail sector, with: 391 enquires from businesses; ongoing engagement with 62 businesses; 16 projects being delivered; and 4 subsidised courses being delivered, digital marketing, health and safety, visual window display and marketing.

The Chairman thanked the Officers for their report and presentation and asked Members for their comments and questions.

Councillor A Patterson noted the Masterplans referred to the 12 main settlements in the County and asked why there had not been a slide referring to Crook. The Community Economic Development Manager noted the presentation had represented the updates since the last report to Committee, and there had not been any additional information as regards Crook, however it was noted the a former depot site was up for sale, with interest from a food retailer, and there was also streetscape designs and TBI offer in addition, for example at the Post Office.

Councillor L Maddison noted that in respect of the Spennymoor there is to be a consultation regarding the market place and asked that local members be provided with copies of the consultation documentation. The Community Economic Development Manager explained it was hoped to dovetail with Festival Walk work and that the consultation should be available in November to send a copy to the member. Councillor L Maddison noted perception was for work to begin in February 2018, and added that in terms of delays involving some privately owned land that was derelict in the centre of the town, she would be prepared to look to use Member Initiative Fund (MIF) to try and help. She also asked if it would be possible to improve the exterior of the North Eastern building temporarily, until the Masterplan was in place.

The Community Economic Development Manager noted that in terms of some private land and those in administration it was difficult to try and deal with those. In respect of the North Eastern Building, it was explained that it was on the list for TBI, though not for works until the full development, however the Authority would push for extra value.

Councillor R Crute noted the format and approach of the Masterplans, understanding the 12 main settlements in terms of helping to improve our economy and looking at services and investment. He reminded the Committee that there are a number of smaller settlements outside of those 12 and asked what benefit there was for them. The Spatial Policy Team Leader noted that smaller settlements could have documents developed for them, and that the CDP would be relevant for all settlements and that Neighbourhood Plans could be developed. He reiterated that Masterplans for areas did not preclude any additional schemes coming forward.

Councillor J Atkinson noted the last slide referred to training for customer services and he added he felt this was very important as retail not only sells the products, it also helps sell the area too, and asked if there had been any feedback on this. The Community Economic Development Manager noted that last year retailers had been asked as regards skills and qualifications and they had noted that retailers wanted the “softer” skills rather than qualifications. It was added that accordingly there had been work internally and with partners in terms of the training and the take up had been good, albeit they were subsidised, and the aim was now to look to commercialise this training.

The Regeneration Projects Manager noted that at Bishop Auckland there was significant experience in terms of tourism, with Bishop Auckland having being designated as a “World Host” town, it was noted this would include all customer facing services undergoing training, such as taxi drivers, shop workers. It was added that the Local Member, Councillor J Allen had helped with a contribution from her MIF and the Community Economic Development Manager added that they had achieved the status and were the first to do so in the North East.

Councillor J Clare noted that Neighbourhood Plans were not for setting out an aspirational vision for an area, they did not have the same aim as Masterplans; rather Neighbourhood Plans were to look at planning issues, use of land, assets and restrictions. He added that for issues outside of planning that a Parish Plan maybe more appropriate. Councillor J Clare added he felt the overview of the main settlements was useful as it afforded the opportunity to see what projects had been developed in other areas and use them if appropriate. He noted in terms of “run down areas”, planning blight was an issue that received a big push 3-4 years ago and this could be an angle to force owners to address problems. He echoed the comments made by Councillor J Atkinson in terms of good customer service and welcomed the World Host status of Bishop Auckland and noted it would be great if there could be a “World Host County”. Councillor J Clare welcomed the slide in terms of retail, noting this was going to be an area of work a Review Group would be looking at. He asked as regards the Community Economic Team and in terms of TBI, who was the person to contact. The Community Economic Development Manager noted she was the relevant Officer to speak to in that regard.

**Resolved:**

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note the progress report and presentation on Masterplans.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receives a further progress report on an annual basis on the development and implementation of the various masterplans.

## **8 NECA Transport Activity - Overview**

The Chairman introduced the Head of Transport and Contract Services, Adrian White who was in attendance to give an overview as regards North East Combined Authority (NECA) Transport Activity (for copy see file of minutes).

The Head of Transport and Contract Services reminded the Committee that when the NECA was formed in April 2014 it took on the role of “Transport Authority” for the whole area covering the seven NECA Local Authorities: County Durham; Gateshead; Newcastle; North Tyneside; Northumberland; South Tyneside; and Sunderland. He noted this had included the responsibility in terms of producing a Local Transport Plan. Members were reminded that NECA had delegated back, to County Durham and Northumberland, the operational delivery of public transport, with Nexus having the responsibility for the Tyne and Wear Authorities. It was reiterated that NECA retained that responsibility for strategy and policy, being able to look in terms of economic and planning issues at a regional level.

The Committee were reminded that NECA would respond to national issues, for example to the Department for Transport (DfT), such as the “Northern Powerhouse” and other issues as set out within the report. The Head of Transport and Contract Services explained that NECA, along with the Tees Valley Combined Authority, Cumbria and North Yorkshire had established a unique partnership with Northern Rail in establishing the North East Rail Management Unit (NERMU) to co-manage the rail franchise in the North East.

The Head of Transport and Contract Services also noted that in respect of local transport that the NECA Transport Team worked closely with the North East Local Enterprise Partnership (NELEP) in relation to major transport capital investments, for example Horden Station, a prioritised scheme attracting £3.34m from regional funding.

Members noted ongoing issues, such as the North of Tyne Mayor, the Metro/Tyne and Wear and added that while there was a lot of good work ongoing there were still a number of challenges ahead.

The Chairman thanked the Head of Transport and Contract Services for his update report and asked Members for their comments and questions.

Councillor J Clare noted that it was vital to adopt a regional approach and that it was important to hang on to NECA. He added that devolution was complex, however the benefits in terms of the economy and transport were vital and splintering would be bad.

Councillor J Atkinson noted that many trains from London stop at York and Darlington, but not Durham station and also noted that the line came very close to the Newton Aycliffe Trading Estate. The Head of Transport and Contract Services noted that the issue in terms of stopping on the mainline at Durham was historic, and always there is a fight for more trains to stop at Durham, with more doing so recently as Durham has had more passengers than Darlington in the last two years. It was noted however, that Durham was a through station, while Darlington was an interchange hub, linking to Bishop Auckland and Tees Valley. The Head of Transport and Contract Services noted that in relation to creating any additional stops, this would be difficult as there was not enough space in the timetable.

He added there was the Bishop Auckland branch line, near to Hitachi, and that there were schemes, for example working with “Recyke y Bike” to make cycles available for the staff to make the one mile journey. It was noted the hourly service from Bishop Auckland was a huge improvement.

Councillor R Crute noted that NECA had strategic responsibility and asked if there was a split, what implications could there be for the Council, both strategically and financially. The Head of Transport and Contract Services noted that it was hugely complicated and that in terms of Tyne and Wear, if there was a split there would be a need for management arrangements for Nexus, or there is the possibility of a Joint Committee of “North of Tyne” and “South of Tyne” that could operate. He noted that he felt that “Transport for the North” would not have conversations with each Local Authority and that there would need to be some mechanism to be able to lobby regionally.

Councillor J Maitland noted the train travelling from Sunderland to London did not stop at Seaham and asked whether this could be possible, taking pressure off Durham. The Head of Transport and Contract Services noted that the operators on the East Line paid fares into a pot and the split they then received was based upon the number of services provided and how fast they ran and accordingly, additional stops could make the services unviable. He noted conversations as regards the new station at Horden and that the issue is the time impact upon journeys when considering new stops.

Councillor J Clare asked as regards a link from the Main East Coast Line to Newton Aycliffe, the Forrest Park phase 2, and a rail interchange. The Head of Transport and Contract Services noted that the market had been approached as regards the idea, having a useful site next to the motorway with good links. He added that there was good potential; however it was at a very early stage.

Councillor P Howell noted that NECA was complex and asked how reassured could the “South of Tyne” be in terms of transport issues. The Head of Transport and Contract Services noted that the NECA transport team was based at Newcastle, however he reminded NECA that the NECA boundary extended down to the Tees Valley and also there were links directly to Highways England and the DfT, as well as looking to align where possible with the Tees Valley Combined Authority as appropriate.

Councillor A Patterson noted that if the East Coast Line was “full” what implications did this have in terms of Durham City and regeneration. The Head of Transport and Contract Services noted that the “Northern Powerhouse” in relation to rail was about connectivity, Leeds, Sheffield, Liverpool, Manchester, Newcastle. He added that while we could champion Durham’s case, the “Northern Powerhouse” was a push for speed, for example Leeds to Newcastle was currently 90 minutes, with an aim to reduce this to 60 minutes. He added that NECA would push the case for the whole NECA area. It was added that improving capacity was a different issue, with Darlington Station being a constraint in terms of cross over lines. The Head of Transport and Contract Services noted that with a mix of freight, local and fast trains, there was a need to leave bigger “gaps” to allow for the different types to operate together on two-track lines. He added that you would need four-track, or sections where you could separate off freight to allow fast trains to pass. The Head of Transport and Contract Services noted that there would be a need to look to help in terms of the resilience of the services.

Councillor J Atkinson asked as regards whether a Darlington relief road would be likely. The Head of Transport and Contract Services noted the Tees Valley Combined Authority working with Highways England and together with Garden Village proposals and possible objections to new roads being developed; a scheme may come forward in around 5 years or so.

**Resolved:**

That the Economy and Enterprise Overview and Scrutiny Committee note the progress report.

## **9 Local Transport Plan - Progress**

The Chairman introduced the Traffic Management Section Manager, Dave Lewin who was in attendance to give detail of progress with the Local Transport Plan (LTP) (for copy see file of minutes).

The Traffic Management Section Manager reminded Members of the introduction of “LTP1” in 2001, with the current “LTP3” being now in effect for six years. He added that they have been initially in five year blocks; however, the Transport Act (2008) removed this requirement. Members noted that the current LTP had been agreed by Cabinet in April 2011. Members were reminded that the LTP was to provide a transport strategy and delivery plan that supported economic growth in County Durham.

The Committee was referred to the table at page 28 of the agenda papers setting out the five national transport goals, complimented by a sixth transport goal for County Durham of “maintenance of the transport asset”, reflecting the importance of the existing transport network. The Traffic Management Section Manager noted that the number one priority was “a stronger economy through regeneration”, with maintaining the transport asset being the number two priority.

The Traffic Management Section Manager referred Members to information relating to capital funding, based on two formula based block allocations of the integrated transport block (ITB) and maintenance block, with a table setting out funding from 2011/12 through to 2017/18. It was added that, as part of the initial year of the National Productivity Investment Fund (NPIF) the Council’s ITB funding was uplifted by £506,000 to be used locally towards relieving congestion, the recent works at Neville’s Cross Junction. It was added that the 2017/18 financial year was the last year for which the DfT had allocated funding for the blocks, future years being currently shown as indicative.

The Committee noted Appendix 2 to the report set out delivery area information, relating to: sustainable travel; economic/transport corridors; the whole-town approach; and maintaining the transport asset. The Traffic Management Section Manager reminded Members of the relationship with NECA, and the delegation back to DCC in terms of the LTP and that “LTP3” would stay in place and deliver accordingly.

The Chairman thanked the Traffic Management Section Manager for his update report and asked Members for their comments and questions.

Councillor J Atkinson asked how much engagement there was with taxi companies and in terms of walking and cycling he noted with interest the ideas in terms of environment. The Traffic Management Section Manager noted that the Taxi Licensing Liaison Group met bi-annually, with the Traffic Management Section Manager attending. He noted that it was difficult in terms of all the competing demands in terms of kerb space, however there was engagement. In terms of cycling, the Traffic Management Section Manager noted there were various groups, including the Durham University "Durham Bicycle User Group" and teams working at the Council.

Councillor R Ormerod noted that Government seemed to be committed in terms of electric vehicle charging and asked long term were we ready in County Durham. The Traffic Management Section Manager noted recent reports in terms of the readiness of the National Grid in terms of large scale electric charging, with sub-stations not being ready to cope. He added in terms of County Durham the introduction of current charging points, that may take three or four hours to charge, may not be the best option for the City centre as we would want a turnover of visitors for business. The Traffic Management Section Manager noted that therefore increasing the number of charging points at the Park and Ride facilities which offered longer stays may be more beneficial. He added that as regards the two charging points at Old Elvet, Officers were getting information as regards power usage to be able to understand the way those charging spaces were being used. Members noted that there were requests in terms of the installation of charging points for private dwellings, and there would need to be development of a policy on this as there were a number of issues.

Councillor A Reed noted the small village of Fir Tree near Crook which had no public transport and asked if there were any plans as there were a number of elderly residents and if schoolchildren missed the school bus there was no service bus they could then catch. The Traffic Management Section Manager noted he would take up the issues with the Passenger Transport Section and get back to the Councillor. Councillor A Reed asked as regards how to request a bus shelter for the school children waiting for their bus. The Traffic Management Section Manager noted this area was not straightforward as there were a number of potential issues, such as anti-social behaviour to consider, and he would speak to the Councillor in respect of the issue.

Councillor L Maddison noted schemes in terms of use of cycles, to be then left at agreed spots. The Traffic Management Section Manager noted such schemes had been looked at, however, there would be many issues to look at in terms of where to park, safety, how to hire and use the cycles. He added that Durham was very hilly and in that respect perhaps did not lend itself to such schemes, however, he would speak to the Council's Sustainable Travel Officer, Victoria Lloyd-Gent to get an update in this regard.

Councillor E Adam noted that the main priority was "a stronger economy through regeneration" and asked whether transport capacity was an issue being addressed within the LTP. The Traffic Management Section Manager noted that the strategy was to encourage the use of other modes of transport other than car, for example cycling or public transport, and schemes such as cross-ticketing and the provision of wifi on public transport could help.

Councillor E Adam noted that in looking to encourage the use of cycling, rail and buses, was this factored against the cost and time of these incentives, the economics of it. The Traffic Management Section Manager noted that in terms of the LTP, bus companies noted that improvements, such as the SCOOT system, had helped in terms of reliability in timetables and that cycling schemes offered a choice, with some being off-road, not mixing with traffic.

**Resolved:**

That the Economy and Enterprise Overview and Scrutiny Committee note the progress report.

**10 Scrutiny Review of Support provided by DCC to the Retail Sector in County Durham**

The Chairman asked the Overview and Scrutiny Officer to present the report relating to the Scrutiny Review of Support provided by DCC to the Retail Sector in County Durham (for copy see file of minutes).

The Overview and Scrutiny Officer noted the report set out the national, regional and local context in terms of strategies, policies and statistics. She added that the current support provided by DCC and partners such as local Enterprise Agencies, Durham BID, AAPs, North East Chamber of Commerce and the Federation of Small Businesses. Members were referred to the draft terms of reference as set out at pages 46-48 and asked to note in respect of engagement the review group would receive information from key partners and also from letting agents. It was added that visits would be undertaken to provide an opportunity for Members to engage with local retailers.

The Overview and Scrutiny Officer noted that the Membership would consist of around 10 Members, including the Chairman and Vice-Chairman of the Committee, along with the Chairman and Vice-Chairman of the Corporate Overview and Scrutiny Management Board as ex-officio members. Members were asked to express their interest with the Overview and Scrutiny Officer.

The Chairman thanked the Overview and Scrutiny Officer and noted that topics evolve and that other issues may also need to be considered by the Committee and therefore the project plan may be subject to some changes as required. The Chairman asked Members for their comments and questions.

Councillor E Adam noted he felt the terms of reference were ok, however, asked as regards outcomes, impact and delivery in terms of helping retail to tackle issue they have. The Overview and Scrutiny Officer noted that the review group would be led by key findings, which would then be used to lead to a set of outcomes.

Councillor R Crute noted that he suspected that a number of issues will emerge that will be outside of the Council's control, however, it would be important to look to identify gaps and where the Council and partners could provide influence and support.

The Principal Overview and Scrutiny Officer, Stephen Gwilym noted that one anticipated outcome would be to raise awareness amongst Councillors in terms of the mechanisms of support available to the retail sector, to then be able to identify gaps and look to help in those areas.

Councillor J Clare noted he welcomed the review group, having been an issue he had noted for 3 years. He added that he thought the framework for the review was very good, and that it was important to raise awareness of what was being offered and to shout louder about good work and any areas that needed changes or where gaps were identified. Councillor J Clare noted that this would need to be within the resources that were available and that there was no “magic wand” and therefore it would be important to manage expectations, while still trying to find any funding sources to try and plug any gaps.

Councillor L Maddison asked if the review group would be looking at the issues that lead people to move out of the retail sector. The Overview and Scrutiny Officer noted that one of the first sessions would have an Officer from Spatial Planning to help give a picture in terms of retail, how it was changing and the causes.

Councillor R Ormerod noted he also welcomed this review group and asked how Members would seek to be considered for the group. The Chairman asked Members to consider the commitment as set out in the project plan and to then speak to the Overview and Scrutiny Officer if they wished to be part of the review group.

**Resolved:**

That the Economy and Enterprise Overview and Scrutiny Committee agree the Terms of Reference and Project Plan as set out in the report.

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## Economy and Enterprise Overview and Scrutiny Committee

11 January 2018

### Durham Key Options (DKO) Letting Policy Changes Review (6 month)




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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 To provide the Economy and Enterprise Overview and Scrutiny Committee (OSC) with detail of the progress of Durham Key Options (DKO) Lettings Policy prior to a presentation by the Housing Manager and/or Housing Team Leader.

#### Background

- 2 Durham Key Options began in 2008, with East Durham Homes acting as a pilot to the Choice Based Lettings (CBL) scheme. CBL allows applicants who are registered for housing to bid for empty properties on a weekly basis. Dale & Valley Homes, Derwentside Homes (now Karbon Homes) Durham City Homes, East Durham Homes, livin and North Star (formerly Teesdale Housing) joined in 2009 and Cestria (now Karbon Homes) fully entered the scheme in 2010. All seven of the original housing partners agreed to follow one combined Letting Policy and nominate 100% of their stock through DKO.
- 3 The DKO Lettings Policy was last reviewed and amended in 2013. This was in response to the Localism Act 2011 and impending changes to housing benefit.
- 4 The purpose of the recent review was to reflect the changing climate in housing; the impact of welfare reform and the changing needs of clients. Overall, the aim was to offer suitable and affordable homes, with an easier application process and a more efficient bidding system; a more customer friendly scheme, with a better matching of stock to needs.
- 5 The Economy and Enterprise Overview and Scrutiny Committee (OSC) at the meeting on the 28<sup>th</sup> July 2016 commented upon the proposed changes to the DKO Letting Policy - with these comments forming the Overview and Scrutiny response which was then fed into the on-going consultation exercise (13<sup>th</sup> June 2016 – 19<sup>th</sup> August 2016). The results of the consultation were presented to OSC on 26<sup>th</sup> September 2016.

- 6 Following the consultation the final changes were reported to Cabinet on 19 October 2016. The revised policy was implemented on 4 April 2017.

### **Banding structure and removal of quota system**

- 7 Previously, DKO Letting Policy had 5 bands (A to E), band A being for those in highest housing need down to band E for those adequately housed. To create fairer assessment of need and increased competition (to attempt to increase demand) policy reduced the priority groups to just four bands: bands 1, 2, 3 and 4 (see appendix 2 for banding structure).

- 8 Before the policy changes, the following number of applicants (active to bid) were in each band:

| <b>Bands</b> | <b>Number of Active applicants</b> |
|--------------|------------------------------------|
| <b>A</b>     | 152                                |
| <b>B</b>     | 739                                |
| <b>C</b>     | 3299                               |
| <b>D</b>     | 1322                               |
| <b>E</b>     | 4288                               |

- 9 Of the 739 assessed under the old band B priority, 237 were re-assessed under the new letting policy and placed in the highest band (band 1) – a total of 389 given the highest preference. The other 502 applicants from the old band B priority remained in the second highest band (now band 2).

- 10 The following number of applicants (active to bid) are now in each band:

| <b>Bands</b> | <b>Number of Active applicants</b> |
|--------------|------------------------------------|
| <b>1</b>     | 382                                |
| <b>2</b>     | 3516                               |
| <b>3</b>     | 1044                               |
| <b>4</b>     | 4245                               |

- 11 Under the old policy, all adverts for social homes were advertised with preference given to either band B, C or D applicants (after band A were prioritised). Quotas gave customers in all bands the chance to access social housing when DKO experienced higher demand for their stock. Due to changing demand the quota system was removed from the scheme.
- 12 All housing partners have commented that the removal of the quota system has made the scheme more user friendly. The removal of the quota system has reduced complaints and negative comments regarding the fairness of the system. There have been no negative comments made through the DKO website, by letter, by email or any other correspondence to DCC.
- 13 All allocations are now made solely in priority order. Adequately housed applicants (now band 4) applicants continue to only be offered homes that applicants in higher bands have expressed no interest in.

## **New medical assessment framework**

- 14 DKO previously had three levels of priority for those in medical need. Department for Communities and Local Government (DCLG) guidance states that just two tiers of medical need are appropriate for local authority lettings policy (these being medical and urgent medical). Applicants registering with DKO with medical needs are now assessed against the new framework.
- 15 There are currently 247 applicants on the register assessed as having an urgent medical need under the new framework. In April 2017 there were 217 applicants awarded this medical priority. This is a 14% increase over the last 6 months. An increase in urgent medical assessments *was* expected due to the positive change (for applicants) in criteria to qualify for this priority.
- 16 In the first 6 months of 2017-18, DKO has housed 769 applicants with a medical need, with 125 of those assessed as urgent medical under the new framework.
- 17 In the same period of the previous year, there were only 612 moves completed by medical applicants - with 77 assessed urgent medical under the old framework. This means there has been an increase of 26% in moves by those assessed with a medical need and although this may not be solely due to the banding changes, it is likely to be a contributing factor and can be seen as a positive change at this stage.
- 18 This policy change will continue to be monitored through monthly benchmarking to give more data for analysis and to see whether the trend continues. Staff training will continue to be offered by DCC to all partners and DKO procedures are discussed in detail at partner meetings.
- 19 In January 2018, file audits will be carried out (as they are each year) by Housing Solutions on a sample of each processing partner's forms assessed in the previous 12 months. This will assist in highlighting any issues with the way in which medical assessments are completed.

## **Time limit for band 1 applicants**

- 20 After 12 months applicants in band 1 will be directly offered a suitable property of type and size (and area) and, if rejected, the applicant *may* be placed into band 2. All cases will be looked at individually and an inability to move at any given time and/or availability of stock will be considered. Statutorily homeless applicants continue to be granted band 1 in line with the Council's duty to rehouse (however long that may be in each case).
- 21 This policy change cannot yet be reviewed as all applicants in band 1 on the 4<sup>th</sup> April 2017 were granted a further 12 months (from that date) in this band before they are re-assessed.
- 22 Of the 382 applicants currently in band 1, 201 applicants have been in the band since the policy changes were implemented. These applicants *may* be re-assessed into band 2 in April 2018 if it is felt they have not actively engaged to access social housing (this priority band's purpose is to create the quickest move possible for applicants in urgent need, into suitable homes).

- 23 Applicants who require specific property types and/or areas of County Durham will be allowed to remain in band 1 but only if there is a reasonable chance that the scheme is able to offer the type, size and area of home that is required.
- 24 All applicants in band 1, that have been in the band since April 2017 will be written to in January 2018 - to remind them again of the policy change and they will be given further support to access social housing within Durham Key Options.

### **Removal of threatened with homelessness priority**

- 25 Any homeless applicants with a priority need receive band 1 and homeless applicants without priority need (or intentionally homeless) receive band 2. Applicants providing evidence to DKO partners that they are to be homeless within the next 3 months are referred to the Housing Solutions service (these applicants were previously awarded band D priority).
- 26 This policy change has ensured fairness to all applicants and improved the chance (and speed) of a move into social housing - as well as other housing options being explored - for those that go through the Housing Solutions service.
- 27 The Housing Solutions service have not reported any significant increase in resource required to deal with these referrals since the policy changes. At the point of implementation there were only 87 applicants in this group, of which over a third were estimated to have either already resolved their homelessness issue or were now homeless and should have sought further assistance from the local authority.
- 28 Removing this low-level band for homelessness is predicted to increase engagement between applicants and the Housing Solutions service and in light of the upcoming Homelessness Reduction Act, this change is a positive one.

### **Removal of wanting larger accommodation priority**

- 29 Previously, all applicants *wanting* larger accommodation (but not considered to be overcrowded) were given band D with the reason 'needing larger accommodation (outside of overcrowding)'. This meant priority was being given to applicants that could not afford the rent on larger homes and conflicted with the change in policy regarding affordability (see later in the report).
- 30 Those that *can* afford larger homes are still entitled to access them but are now assessed solely under their current housing *need* (and not their 'want'). Overcrowded applicants are given band 1 or 2 dependent on severity.
- 31 At the point of implementation there were 214 applicants in this group and these are now considered adequately housed ie no housing need.

## **New transfers with no housing need unable to re-apply for 12 months**

- 32 Previously, a new tenant could register a fresh application with DKO immediately after moving; even if they were adequately housed (ie their need had been addressed by their recent move). This created increased voids.
- 33 DKO now disqualify tenants from the housing register during the first 12 months of their tenancy, unless they have a new housing need in that time (in which case they will be assessed as a new application).
- 34 On amending the policy, approximately 350 tenants were immediately disqualified from the scheme where they had only moved in the previous 12 months and had been assessed as having no housing need.
- 35 Since this policy change was implemented, 116 applications from transferring tenants have been disqualified where they had moved within the last 12 months and had no new housing need. All transfers can apply again after a 12 month period.
- 36 The breakdown of tenants disqualified since April 2017 is given below, by processing partner:

| <b>Partner</b>                 | <b>Total disqualified</b> |
|--------------------------------|---------------------------|
| <b>Dale &amp; Valley Homes</b> | 2                         |
| <b>Durham City Homes</b>       | 26                        |
| <b>East Durham Homes</b>       | 30                        |
| <b>Karbon 1</b>                | 9                         |
| <b>Karbon 2</b>                | 23                        |
| <b>livin</b>                   | 21                        |
| <b>North Star</b>              | 5                         |

- 37 Monthly benchmarking shows that Dale & Valley Homes have the lowest number of new applications (with any housing need) from their own tenants compared to all other DKO partners. File audits will reveal whether there are inconsistencies in assessing these applicants for qualification.

## **Assessing all rent arrears (not just those over 8 weeks)**

- 38 DKO now assess *all* rent arrears at application stage when deciding whether someone will be an acceptable tenant in the future. It also gives DKO the opportunity to address overall financial issues and suggest suitable action to the applicant. Every case is judged on its own merits.
- 39 Since April 2017, 541 applicants have been disqualified from DKO due to rent arrears (where no suitable reason was found as to why the arrears accrued and/or where no payment plan was in place to show significant signs of change).
- 40 The breakdown of tenants disqualified for this reason is given below, by processing partner:

| <b>Partner</b>                 | <b>Total disqualified</b> |
|--------------------------------|---------------------------|
| <b>Dale &amp; Valley Homes</b> | 28                        |
| <b>Durham City Homes</b>       | 65                        |
| <b>East Durham Homes</b>       | 220                       |
| <b>Karbon 1</b>                | 43                        |
| <b>Karbon 2</b>                | 83                        |
| <b>livin</b>                   | 99                        |
| <b>North Star</b>              | 3                         |

- 41 The number disqualified for rent arrears in all of 2016-17 was 694. If the current trend continues, the number of applicants disqualified this financial year will have increased by 56% across the scheme. This overall percentage is in line with the increased percentage seen individually by Dale & Valley Homes, Karbon Homes and livin.
- 42 However, there has been no increase in disqualifications by Durham City Homes or North Star compared to the previous financial year under the old policy. East Durham Homes have seen a slightly higher increase than the partnership average, with a 60% increase.
- 43 Refresher training may be required by all partner landlords to ensure consistency of assessment across County Durham. File audits will also assist with highlighting any training need.
- 44 In light of this review, and to further support applicants to access DKO, the refusal letter has been amended to offer further support from partners with managing debt and arrears. A recommended repayment table has also been included to show applicants what steps can be taken towards qualifying.

#### **All offers subject to affordability**

- 45 DKO amended its entitlement chart to state that people will only be offered *larger* homes if they can afford them. This ensures that applicants are only placed into suitable homes and sustainable tenancies.
- 46 94 single applicants and 5 couples are currently on the housing register for a 1-bed home only. This means they have been assessed as unable to afford a 2-bed home.
- 47 144 families that would previously have had access to a (larger than needed) 3-bed home (regardless of affordability) are now only allowed a 2 bed home. These families will only be allowed access to a larger home if they show they can afford it or if they meet the requirements for exemption, as shown below.
- 48 RPs assist these applicants with debt management, budgeting and employability issues to assist with accessing larger housing.

- 49 Individual circumstances are taken into account and DKO continues to include safeguards in the policy to ensure vulnerable applicants are assisted into social housing. Exceptions to affordability (for larger homes) are given for:
- Fostering/adopting families
  - Applicants with a medical need where a bedroom cannot be shared
  - Applicants at the 20 week stage of pregnancy
  - Applicants requiring a carer from outside the household to stay overnight
- 50 Further to this new policy change, DKO Board feel they are still allowing some applicants access to homes they cannot afford. Options are currently being considered for affordability checking *all* applicants for *all* offers - not just where they want larger homes than their household size requires. Even though an applicant may be entitled to receive housing costs for the size of home they need, they may not be able to afford their rent due to benefit caps and may not pay their rent when receiving Universal Credit direct, if they have large outgoings and may prioritise other costs (eg debts).
- 51 The need of applicants will always be considered against affordability concerns of RPs - partners will need to ensure that any changes do not exclude the applicants that need our help the most.

### **Further information**

- 52 All partners of DKO and other RPs in County Durham have only expressed positive comments since April, regarding the revised policy.
- 53 An appeals process remains in place for any applicant who feels aggrieved by decisions they disagree with, either at point of application or thereafter - including at point of any offer.
- 54 There have been no stage 3 appeals received by Durham County Council (as part of the DKO appeals process) regarding any of the policy changes in the last 6 months. This means that DKO partners have either successfully dealt with an appeal at stage 1 or stage 2 of the process, or there have been no issues regarding this element of the new policy.
- 55 The policy will be reviewed every April. The Head of Economic Development and Housing will continue to have delegated authority to make any necessary minor changes to the letting policy. A copy of the Durham Key Options Letting Policy is available on the Durham Key Options Website at:  
<https://www.durhamkeyoptions.co.uk/content/aboutdko/CustomDocuments>

### **Recommendations**

- 56 That the Economy and Enterprise OSC note and comment on the information provided in the report and presentation.
- 57 That the Economy and Enterprise OSC includes in its work programme for 2018/19 a further report monitoring the progress of DKO.

**Background Papers:**

- DKO Letting Policy April 2017 v1
- CLG Allocation of accommodation guidance for local housing authorities in England 2012

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

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## **Appendix 1: Implications**

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### **Finance -**

None

### **Staffing -**

None

### **Equality and Diversity -**

A full impact assessment was carried out as part of the consultation.

### **Accommodation -**

None

### **Crime and Disorder -**

None

### **Human Rights -**

None

### **Consultation -**

Consultation was undertaken with all relevant parties/stakeholders.

### **Procurement -**

None

### **Disability Issues -**

None

### **Legal Implications -**

Housing legislation requires certain steps to be taken in advance of changes to the DKO Letting Policy. Housing Solutions liaised with DCC Legal to ensure that all necessary legal requirements have and will be complied with.

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**Economy and Enterprise  
Overview and Scrutiny  
Committee**



**11 January 2018**

**Chapter Homes Update**

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

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**Purpose of the Report**

- 1 To provide the Economy and Enterprise Overview and Scrutiny Committee with information on the progress of Chapter Homes, the Council's company dedicated to the development and management of housing for sale and market rent.

**Background**

- 2 Cabinet agreed in July 2015 to the establishment of a new 'bespoke' company to develop new housing for market rent and sale. The aim was that, by taking direct responsibility for the development of surplus Council owned land the company would construct new modern housing to meet demand, benefit from developer profits to return to the Council, whilst the Council would continue to secure capital receipts from the sale of land and benefit from additional council tax yield and New Homes Bonus.
- 3 The business of developing and managing housing for market rent and sale is considered to be commercial activity and thus not an activity which the Council could carry out itself. The Localism Act 2011, however, permits local authorities to undertake commercial activities through a separate company.
- 4 Chapter Homes Durham Limited was incorporated as a private limited company on 10 August 2015, with Cabinet having endorsed the initial Business Plan on 15 July 2015. Currently, the Council is the sole shareholder of the company.
- 5 The Economy and Enterprise Overview and Scrutiny Committee received an overview of the Chapter Homes project at a special meeting held on the 28 July 2016 and it was agreed by members at that meeting that the committee would receive a progress report as part of the 2017/18 work programme. In addition to the progress report a visit has been arranged for members of the committee on the 27 February, 2018 to the Chapter Home site providing members with the opportunity to see 'first hand' the development undertaken by the company.

## Development Activity

- 6 The Council initially identified four sites in its ownership that would be suitable for the development of market rent and sale housing by the new company. The Company considered these sites and reflected their approach within the business plan of the company. The sites were considered appropriate for the company as they were immediately available for development and situated in housing markets where demand for properties for sale and rent was buoyant. A comprehensive assessment of market conditions was undertaken within the Business Plan.
- 7 The sites identified are located at:
  - Agnew 5, Woodham Drive, Newton Aycliffe (originally 125 units)
  - Cobblers Hall Site N, Newton Aycliffe (approx. 60 units)
  - Former Civic Centre site, Chester-le-Street (approx. 53 units)
  - Oakerside Drive, Peterlee (approx. 65 units)
- 8 Chapter Homes is progressing with its first development site at Eden Field in Newton Aycliffe, which was chosen as a pilot site to test the business case and ability of the company to deliver the housing and development return.
- 9 Shortly after commencing development there was an opportunity identified to purchase additional land which would enable a further 18 properties to be constructed on the site. This meant that the total housing to be constructed on the site could be increased to 143 units.
- 10 Shown below is a brief summary of key milestones achieved for the pilot site, Eden Field, in Newton Aycliffe:
  - Planning application submitted – 22 July 2015
  - Planning approval received – 20 November 2015
  - Actual start of construction on site – January 2016
  - Sales office opening – August 2016
  - Show home/view home opening - August 2016
  - First legal completion - December 2016
  - Planning application submitted for additional units/land – 24 January 2017
  - Planning approval received for additional units/land – 21 July 2017
  - Additional land purchased – 15 September 2017
- 11 As can be seen, Chapter Homes has made swift progress in building new housing for the area and managed to achieve this rapidly after acquiring land and securing planning permission. This is a key benefit of the Council owning its own housing development company in that land will be developed promptly.

12 The images below show the progress made at Eden Field:



### **Business Planning**

- 13 Chapter homes has firmly positioned itself within the market as being a leader in good quality housing and has quickly become a name that customers trust.
- 14 Following the success at Eden Field, Chapter Homes is looking at progressing other sites with the aim of having in place a pipeline of development to be able to deliver a supply of new housing annually.
- 15 Chapter Homes is currently reviewing its Business Plan which will look to see the Company grow to help meet housing demand in County Durham and to generate a company profit to return to the Council as shareholder. However this will ultimately rely upon an adequate supply of land both local authority and from the private sector.

### **Conclusions**

- 16 This report outlines the progress which has been made in terms of its current development pipeline but also its ambition to grow and become a significant housing developer within County Durham.

### **Recommendations**

- 17 It is recommended that members note the content of this report and progress made.
- 18 That the Economy and Enterprise Overview and Scrutiny Committee receive a further progress report as part of the 2018/19 work programme.

### **Background Papers:**

None

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|                  |  |                           |
|------------------|--|---------------------------|
| <b>Contacts:</b> | <b>Ian Thompson, Corporate Director of Regeneration and Economic Development</b> | <b>Tel: 03000 267 332</b> |
| <b>Author:</b>   | <b>Peter Coe CEO, Chapter Homes</b>  | <b>Tel: 03000 262 042</b> |

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## **Appendix 1: Implications**

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**Finance** – No direct implications as a result of this report.

**Staffing** – No direct implications as a result of this report.

**Risk** – The company is a separate legal entity and as such the risks to the Council is are limited to the value of its loans and its reputation. To mitigate these risks, Directors have been trained on their fiduciary duty to the company and the potential for conflict with any role they may have with the Council.

**Equality and Diversity/Public Sector Equality Duty** - n/a

**Accommodation** – n/a

**Crime and Disorder** – n/a

**Human Rights** – n/a

**Consultation** – the company complies with its obligations to consult as part of the planning regime. .

**Procurement** – all procurements are now undertaken by the Company, not the Council.

**Disability Issues** – n/a

**Legal Implications** – The company is a distinct legal entity and as such is responsible for discharging all of its legal obligations. The Council is the sole shareholder in the company and is entitled to exercise its authority as a shareholder in relation to the performance of the company.

## Economy and Enterprise Overview and Scrutiny Committee

11 January 2018

### County Durham Plan Progress Report




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

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#### Purpose of the Report

- 1 To update members of the Economy and Enterprise Overview and Scrutiny Committee on the current position with the County Durham Plan (CDP) and to outline an initial timetable for taking it forward through the agreement of a new Local Development Scheme.
- 2 For Economy and Enterprise Overview and Scrutiny Committee to be presented with Durham County Council's response to the consultation on 'Planning for the Right Homes in the Right Places.' Comments were submitted in time for the closing date of the consultation on 9 November 2017 following consultation with the relevant Cabinet Portfolio holders and the Corporate Director.
- 3 This is further to the update provided on the Housing White Paper on the 23 February 2017 and the Planning for the Right Homes in the Right Places on the 24 October 2017.

#### Background

- 4 The council, following a successful high court challenge to overturn the Inspector's draft report in respect of the Local Plan Examination in 2015, has been in discussions with Government and the planning inspectorate in order to bring forward local plan as soon as possible. The council is committed to delivering a Plan for the whole of the county as quickly as possible which meets the needs and aspirations of its residents, helps to promote economic growth whilst protecting and enhancing the things that make Durham special.
- 5 Overview and Scrutiny will recall a report to Cabinet in December 2016 that resulted in pausing the preparation of the County Durham Plan which had reached the Issues and Options stage in June/July 2016. The forthcoming publication of a Housing White Paper was expected to have several implications for the preparation of the Plan, including a new national methodology for the calculation of housing requirements. The housing requirement figure, otherwise known as the Objectively Assessed Need (OAN) for housing, is critical to the preparation of a local plan and impacts on a number of policy areas in addition to housing, such as employment, infrastructure and waste.

- 6 The Housing White Paper was subsequently published on 7 February 2017. It did not however, include the proposed methodology but instead referred to a separate (then-forthcoming) consultation. Members will recall that the council submitted a response to the Housing White Paper consultation as reported to Cabinet in July.
- 7 The Government's subsequent document 'Planning for the Right Homes in the Right Places', which included the OAN methodology, was eventually published on 14 September 2017 for an eight week consultation.
- 8 It should be noted, at this stage, that neither the Housing White Paper or the 'Planning for the Right Homes in the Right Places' are currently considered to have changed the policy context or raised issues to the extent that mean we would need to revisit the Issues and Options stage of plan preparation. This position will be reconsidered as additional advice, guidance and policy is received.
- 9 It was hoped that on publication of the OAN methodology contained within the 'Planning for the Right Homes in the Right Places, the council would have had the certainty to move forward with the local plan. However, whilst the government's consultation does provide a baseline figure for the expected housing number, it also provides a context but as yet no detail as to how a figure could be uplifted to consider issues such as economic growth. Despite this current lack of clarity we believe that we can now move forward with progressing the local plan.
- 10 The timescale that we have identified takes into account the consultation period and a reasonable time for government to respond. There are risks in developing a strategy in what is an emerging policy picture. However, after a period of almost 12 months it is considered that we can move the plan forward based on the consultation documents. To mitigate the risks, officers will continue to meet with government officials and ensure that members are informed of the outcome.
- 11 Progressing the Plan will build on the momentum currently seen right across the county and ensure all parts benefit from growing confidence in the area, as well as dealing with the issues that are still faced by some of our communities. The timescales identified build in significant opportunities for our communities and businesses as well as stakeholders to participate in the development of the strategy.

### **Planning for the Right Homes in the Right Places**

- 12 The consultation document builds on some of the proposals in the Housing White Paper and seeks views on changes to national planning policy to help local planning authorities and communities plan for and deliver the homes they need, including:
  - a proposed standard methodology for calculating local housing need;

- improving how authorities work together in planning to meet housing need and proposing the preparation of Statements of Common Ground between authorities;
  - how neighbourhood planning groups can have greater certainty on the level of housing need to plan for;
  - considering how authorities can plan for the needs of particular groups, including affordable housing and housing for older and disabled people;
  - proposals for improving the use of section 106 agreements, by making the use of viability assessments simpler, quicker and more transparent; and
  - increased planning application fees in those areas where local planning authorities are delivering the homes their communities need.
- 13 The standardised housing methodology uses the latest household projections as the demographic baseline to arrive at an annual average household growth over a 10 year period. An adjustment is then made to take account of market signals, where appropriate, based on affordability (the latest information on workplace-based median house price to median earnings ratios). Using this methodology the government has also published a list of each local authority's annualised housing need figure. Where the affordability adjustment is a more than 40% increase then it will be capped; however this is not applicable in this area.
- 14 Durham County Council's published figure as set out in the methodology is 1368 houses per annum. This can be compared to the figures consulted on in the County Durham Plan Issues and Options (June 2016) which were 1717, 1629 and 1533 per annum. These figures were based on the ONS 2012 projections whereas the government figure is based on the 2014 projections which are generally lower and were not available at the Issues and Options Stage. To give some context, in terms of past performance housing completion rates for each of the last 3 years have been 1146, 1537 and 1386.
- 15 The consultation document does suggest that it is possible to go beyond the published figure as a result of 'a strategic infrastructure project, increased employment ambition through a LEP investment strategy, a bespoke housing deal or through delivering the modern Industrial Strategy'. The document does not provide any detail on how this could be done, and it gives no guidance on how to derive housing targets in areas of planning constraint.
- 16 The council's response to the consultation is attached at **Appendix 2**. Although many of the principles in the consultation are to be welcomed there are areas of the document where further clarity is required to ensure they will work as envisaged. The government has indicated that following consultation the resultant changes will be made to the National Planning Policy Framework (NPPF) which is also intended to be published for consultation early 2018 with the final version being published in spring 2018.

## Re-starting the County Durham Plan

- 17 The OAN methodology consultation has now been published, therefore it is an appropriate time to resume the preparation of the County Durham Plan. Whilst the proposed timescales take account of future government consultations, the process will continue to be monitored with caution taking account of feedback from Government on the extent and timescale of any further changes.
- 18 Overview and Scrutiny will recall that consultation was undertaken on an Issues and Options document in June/July 2016. It is considered that this document is still relevant however this will need to be assessed as further national guidance and policy is received. The responses we received through the Issues and Options consultation will form part of the evidence base for the Preferred Options including how these responses have been taken into account in the preparation of the document.
- 19 Therefore the intention is that the next stage is the publication of a Preferred Options for consultation in summer / autumn next year. Publication of the Pre-Submission Draft will then follow in Winter 2018. The full timetable, including for the additional Minerals and Waste Policies and Allocation document, is set out in the updated Local Development Scheme at **Appendix 3** and will be continually monitored but the key milestones are shown below:

| Stage   | Date                      |
|---|---------------------------|
| Review progress and re-start the plan process | Winter 2017               |
| Cabinet agree Preferred Options               | Spring / Summer 2018      |
| Consultation                                  | Summer / Autumn           |
| Cabinet agree Pre-Submission Draft            | Winter 2018               |
| Consultation                                  | Winter 2018 / Spring 2019 |
| Full Council agree submission                 | Summer 2019               |
| Submission                                    | Summer 2019               |
| Examination in Public (Strategic Issues)      | Autumn 2019               |
| Examination in Public (Site Allocations)      | Spring 2020               |
| Adoption                                      | Summer 2020               |

- 20 Cabinet will be asked to consider and approve each stage of the process prior to it proceeding to public consultation. Members will be kept up to date throughout the preparation of the local plan with members' seminars in advance of each round of consultation. During consultation, officers will be available to discuss any issues that members wish to raise. There will also be a number of drop in surgeries arranged throughout the process to assist in answering any questions that members may have. The LDS will be continually reviewed to ensure it takes account of changes to national guidance and legislation.



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## **Appendix 1: Implications**

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**Finance** – The local plan has a continuing budget commitment for appropriate evidence gathering, consultation, printing and EIP costs.

**Staffing** – Resource required to progress the local plan.

**Risk** – Not having an adopted local plan makes it more difficult to resist inappropriate development and also to provide the necessary certainty to facilitate appropriate development to support the local economy. The plan was paused awaiting further Government guidance and clarity as to the methodology for calculating housing numbers within the plan. Failure to make progress risks Government intervention as well as increasing the pressure on some towns and villages through increased developer interest whilst no plan is in place. Whilst the position is far from clear in terms of how the Government will respond to the consultation and what changes will be considered in the revised National Planning Policy Framework it is considered waiting for these changes would significantly impact on the ability to produce a strategic plan for the area that would be of greatest benefit to the County. Close monitoring and review of the process will be undertaken to ensure any risks are understood and reported to Cabinet.

**Equality and Diversity / Public Sector Equality Duty** – The Statement of Community Involvement 2016 which describes how stakeholders will be involved in local plan preparation and the determination of planning applications was subject to an Equality Impact Assessment and was prepared with the partnership and community engagement team. The local plan will continue to be subject to Equality Impact Assessment as it progresses.

**Accommodation** –  
None

**Crime and Disorder** –  
None

**Human Rights** –  
None

**Consultation** – The stages of consultation on the local plan are outlined in the local development scheme timetable. The Statement of Community Involvement 2016 describes how stakeholders will be involved in plan preparation.

**Procurement** – When required consultants are commissioned to deliver evidence studies in accordance with the Council's procurement rules/procedures.

**Disability Discrimination Act** – The local plan will seek to address relevant issues identified as part of the Equality Impact Assessment referred to above.

**Legal Implications** – Local plans must be positively prepared, justified, effective and consistent with national policy in accordance with section 20 of the Planning and Compulsory Purchase Act 2004 (as amended) and the national planning policy framework (NPPF). The NPPF gives guidance to local authorities in drawing up their local plans.

A Local Development Scheme is required under section 15 of the Planning and Compulsory Purchase Act 2004 and should be published on the Council's website. Up-to-date and accessible reporting on the Local Development Scheme in an Authority's Monitoring Report is an important way in which Local Planning Authorities can keep communities informed of plan making activity.

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|   |
|---|
| <p><b>Question 1</b></p>  |
| <p>a) Do you agree with the proposed standard approach to assessing local housing need? If now, what alternative approach or other factors should be considered?</p> <p>b) how can information on local housing need be made more transparent?</p>  |
| <p><b>Response</b></p>  |
| <p>Durham County Council welcomes the broad aim of the proposal to develop a consistent methodology to determining and formulating an appropriate housing need for each local authority area. It is further noted that the method, as currently proposed, is transparent. However, there are concerns with the proposed standard approach as proposed. Firstly, it does not align with the overarching aim and purpose of NPPF. Secondly, it omits critical key steps as set out in current PPG, most importantly, demographic sensitivity testing and the assessment of employment trends across the planning period. Finally, the approach as presented does not consider the implications of vacancy rates within housing stock</p>  |
| <p><b>National Planning Policy Framework - NPPF</b></p> <p>Para. 19 of the NPPF suggests that “the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system.” Para. 20 of the NPPF goes on to state that “to help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21<sup>st</sup> century.”</p> <p>In doing this, NPPF states that local planning authorities should work together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and, work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.” (Para. 160).</p> <p>The consultation paper does recognise the importance of supporting sustainable economic growth through the plan making process. At Para. 46 the consultation paper sets out that:</p> <p>“Plan makers may put forward proposals that lead to a local housing need above that given by our proposed approach. This could be as a result of a strategic infrastructure project, or through increased employment (and hence housing) ambition as a result of a Local Economic Partnership investment strategy, a bespoke housing deal with Government or through delivering the modern Industrial Strategy. We want to make sure that we give proper support to those ambitious authorities who want to deliver more homes. To facilitate this we propose to amend planning guidance so that where a plan is based on an assessment of local housing need in excess of that which the standard method would provide, Planning Inspectors are advised to work on the assumption that the approach adopted is sound unless there are compelling reasons to indicate otherwise.”</p> <p>However, the use of a combination of baseline ONS-SNPP and DCLG housing projection data together with the application of a formula to account for housing affordability at the local level. In these terms, the derived figure of 1,368 dwellings per annum is transparent.</p> |

**Question 1**

However, given the importance of ensuring plans support sustainable economic growth, as set out in NPPF, it is considered that a specific methodology is required to assess the impact of the matters set out in paragraph 46 of the consultation. In the absence of a clear and transparent method by which to assess the implications of employment trends it is likely that this will remain a major area of uncertainty and speculation in the development of a figure for housing need.

**Planning Policy Guidance - PPG**

PPG is clear with regard to a stepped process by which to determine local housing need. The following steps are set out in PPG:

1. Establish the relevant functional area to assess needs – for housing need, this is the Housing Market Area (HMA) as defined by PPG (Paragraph: 010 Reference ID: 2a-010-20140306).
2. Make use of the household projections published by DCLG as the starting point estimate (PPG Paragraph: 015 Reference ID: 2a-015-20140306).
3. Consider sensitivity testing specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. (PPG Paragraph: 017 Reference ID: 2a-017-20140306).
4. Take account of employment trends (Paragraph: 018 Reference ID: 2a-018-20140306) by making an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area.
5. Take account of market signals (Paragraph: 020 Reference ID: 2a-020-20140306).
6. Consider an increase in the total housing figures where it could help deliver the total number of affordable homes (Paragraph 029: Reference ID: 2a-029-20140306)

Again, in the context of PPG it is clear that two key steps are deleted from the methodological process proposed by DCLG (steps 3 and 4 above).

Firstly, there is no means by which to identify and consider alternate demographic scenarios based upon longer term historic demographic data. There is a concern that shorter term trends can be more susceptible to one off events in the economic cycle (for example the financial crash post 2007) which can downwardly suppress demographic data in the short term. It is therefore reasonable to develop demographic scenarios based upon longer term trends in order to capture the effects of a full economic cycle. This ability is not afforded through the methodology which has been proposed in the consultation paper and which only reflects a shorter term trend. This considers only a starting point housing number based upon the projected period 2016-2026 in isolation from historic demographic trends.

In order to address this concern, the methodology should make provision to consider a long term trend. This would ensure that demographic trends are considered over a longer term than the baseline shorter term trend.

Secondly, in relation to the consideration of employment trends, there is no prescription within the methodology to consider the implications of either past employment trends or future employment forecasts as part of the assessment of sustainable economic growth in a transparent way. This is

**Question 1**

a major omission and neglects a key and significant link in the process. It is well understood that where the size of an area’s working age population is not sufficient to meet with forecast expectations of employment growth then enhanced net migration may be required to meet the shortfall. This, in turn, may have implications for an uplift in local housing numbers. It would appear that the process to determine employment trends does not fully reflect this potential range of employment circumstances.

It is considered that a mechanism for the assessment of future jobs, based on past trends or economic forecasts (as appropriate) and the implications for housing need should be included in the methodology. It is recognised that the current PPG methodology does not prescribe an approach to address this issue, and that this has been interpreted in different ways which has in part contributed to the length of Local Plan examinations and S.78 appeals. Whilst paragraph 46 of the consultation document notes that increased employment is a consideration in assessing housing needs, no method is prescribed. The document at present will not serve to shorten discussions at examinations or appeals.

**Vacancy Rates**

The relationship between households and dwellings in local housing need scenarios is usually modelled using a ‘vacancy rate’, sourced from the 2011 Census. The vacancy rate is calculated using statistics on households (occupied, second homes and vacant) and dwellings (shared and unshared). This factor has not been given any consideration in the context of the consultation paper.

A vacancy rate of 4.1% for County Durham is applied, based upon the Census 2011 figure. Using this vacancy rate, the ‘dwelling requirement’ for each household growth trajectory is determined. This results in a dpa figure which is higher than the household change figure which would appear to have been presented by DCLG. If a 4.1% vacancy rate were to be applied to the 1,368 ‘dpa’ presented for County Durham, then the dpa figure would rise to 1,425 dpa.

It is proposed that a local figure on vacancy rates is applied for each plan area derived from the most recent census information.

**Question 2**

Do you agree with the proposal that an assessment of local housing need should be able to be relied upon for a period of two years from the date a plan is submitted?

**Response**

This proposal is welcomed as it would avoid the need to recalculate local housing need following the submission of a local plan. From past experience this has led to delays and considerable uncertainty both during and following the examination process. Whilst the data release cycle for both ONS-SNPP and DCLG household projection data is now on a more regular and synchronised two yearly cycle there have been occasions in recent years when this was not the case. Further, household projection data was released in two stages at one point. There have also been other local instances in which revised SNPP data has been released just days prior to an Examination in Public leading to the need to completely revisit the local housing need number at short notice. The development and presentation of demographic evidence to support local housing plans is subject to an increasing degree of public scrutiny. In these circumstances it is important to avoid the potential to introduce new data sources which can be subjected to divergent modes of

**Question 2**

interpretation once an Examination in Public process is underway. When new data has been introduced to an EiP process this has invariably resulted in further obfuscation and confusion in relation to a contested area. The proposed two year period would address these issues

Local Plan development is undertaken in stages (in line with regulation 18 and 19). It is therefore prudent to ensure that local housing needs assessments developed at each plan stage can be relied on for a period of 2 years. The concern is that, evidence developed as part of a preferred option or other pre submission stage local plan could be undermined by release of data. This would mean that plan making would be delayed. A two year period associated with each plan stage would enable greater certainty in plan production and evidence development.

**Question 3**

Do you agree that we should amend national planning policy so that a sound plan should identify local housing need using a clear and justified method?

**Response**

Durham County Council is committed to adopting a sustainable and deliverable local plan at the earliest opportunity. As well as meeting its housing requirement in terms of quantum, the Council also requests that policy ensures we can deliver the right houses in the right locations to support a strong and competitive economy. In order to progress a local plan for County Durham, it is necessary that stability and certainty is brought to the plan making process.

The Housing White Paper also consulted on a change to the soundness tests to 'an' appropriate strategy for the area. We welcomed that proposal and similarly welcome the proposal to amend the soundness tests further to ensure development needs are identified using a clear and justified method as well as meeting objectively assessed development needs insofar as is reasonable possibly.

Paragraph 9 of the consultation document suggests that local authorities then need to determine whether there are any environmental designations or other physical or policy constraints which could prevent authorities from meeting this need. Whilst the National Planning Policy Framework (NPPF) is clear that Green Belt boundaries should only be altered in exceptional circumstances, the Housing White Paper then seeks comments on whether to amend national policy to make clear that authorities should amend Green Belt only when they can demonstrate that they have examined full all other reasonable options. The inference from the Housing White Paper is that unmet housing need is a legitimate exceptional circumstances to be considered through the plan making process however the current consultation seems to suggest that need does not need to be met.

In principle, it is therefore agreed that a sound plan should identify local housing need using a clear and justified method subject to the detailed comments set out against other questions. However more clarity and guidance is needed regarding instances where circumstances can be regarded as exceptional to allow local authorities to have confidence in their ability to produce a sound plan.

We also note in paragraph 91 that the Government will engage with a range of stakeholders to update planning guidance on identifying the housing need for individual groups. It is unclear from paragraph 39 whether it will remain a role of the strategic housing market assessment to identify the housing need for these individual groups or whether a completely new process is likely to be included within the updated planning guidance.

**Question 4**

Do you agree with our approach in circumstances when plan makers deviate from the proposed method, including the level of scrutiny we expect from Planning Inspectors?

**Response**

Whilst we welcome the intent that plan makers may put forward proposals that lead to a housing figure above the Government's proposed approach, It is suggested that the proposed method would greatly benefit from specific mechanisms or steps to accommodate for the matters as set out in paragraph 46 of the consultation. Whilst examples are given, no detail or guidance is provided regarding how an authority could go about calculating an appropriate uplift or what compelling reasons could indicate that this approach would be sound. For example, whether an uplift would be justified if it included an authority looking at exceptional circumstances for the consideration of releasing Green Belt land.

The County Durham Plan Issues and Options (June 2016) set out three population growth scenarios within the '[County Durham Demographics Analysis and Forecasts](#)' resulting in 1,717 houses per year; 1,629 houses per year and 1,533 houses per year. The Government's proposed housing number for County Durham is 1,368 which is at least 165 houses per year less than our assessment of housing need. Given that the National Planning Policy Framework (NPPF) seeks to boost significantly the supply of housing it is unclear how the Government's consultation allows for this.

**Question 5**

a) do you agree that the Secretary of State should have discretion to defer the period for using the baseline for some local planning authorities? If so, how best could this be achieved, what minimum requirements should be in place before the Secretary of State may exercise this discretion, and for how long should such deferral be permitted?

b) do you consider that authorities that have an adopted joint local plan, or which are covered by an adopted spatial development strategy, should be able to assess their five year land supply and/or be measured for the purposes of the Housing Delivery Test, across the area as a whole?

c) do you consider that authorities that are not able to use the new method for calculating local housing need should be able to use an existing or an emerging local plan figure for housing need for the purposes of calculating five year land supply and to be measured for the purposes of the Housing Delivery Test?

**Response**

a) It is agreed that in some specific cases more flexibility may be required in relation to the timescales before applying the baseline. For consistency however this should be limited to a small number of circumstances.

b) Authorities should only be able to assess five year land supply against adopted joint local plans/adopted spatial development strategy in instances where it recognised that the assessments of housing needs which informed them are not out of date.

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| <b>Question 5</b>  |
| c) More information and clarity would be needed setting out the instances where authorities are unable to use the new method for calculating local housing, however, citing the examples given (where local planning authorities do not align with local authority boundaries) it is logical to use any locally identified housing need figure which exists in the absence of anything else. |

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| <b>Question 6</b>   |
| Do you agree with the proposed transitional arrangements for introducing the standard approach for calculating local housing need?  |
| <b>Response</b>   |
| In December 2016, Durham County Council paused the progression of the County Durham Plan owing to the then imminent release of the Housing White Paper. The proposed transitional arrangements will therefore not apply. However in order to be able to progress a local plan at the earliest opportunity it is necessary to ensure certainty and stability in the plan making process. |

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| <b>Question 7</b>   |
| a) do you agree with the proposed administrative arrangements for preparing the statement of common ground?   |
| b) how do you consider a statement of common ground should be implemented in areas where there is a Mayor with strategic plan-making powers?  |
| c) do you consider there to be a role for directly elected Mayors without strategic plan-making powers, in the production of a statement of common ground?  |
| <b>Response</b>   |
| a) Although it appears logical that Statements of Common Ground are produced over housing market areas it is not clear how this would work when the local authority is a self contained housing market area. There is a suggestion that alternative areas can be agreed if justified but how exactly this would work in the case of an authority like County Durham which has boundaries with 10 other authorities including unitaries, districts and counties. More guidance on determining the areas for Statements of Common Ground is therefore required. |
| The proposal that local authorities should only be signatories to those strategic issues in which they have an interest is sensible and it also makes sense that counties and Marine Management Organisation can also be signatories where relevant.  |
| b) No Comment.  |
| c) No Comment.  |

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| <b>Question 8</b>   |
| Do you agree that the proposed content and timescales for publication of the statement of common ground are appropriate and will support more effective co-operation on strategic cross-boundary planning matters?  |
| <b>Response</b>   |
| <p>Durham County Council take the legal, policy and practice requirements of the duty to cooperate very seriously and work positively with neighbouring authorities and other statutory consultees on strategic matters. This is in terms of maximising the effectiveness of the plan making process and cooperating and engaging with the relevant bodies on an ongoing basis with regard to strategic matters, including development and infrastructure requirements and other cross boundary issues. We are ensuring that there has been effective joint working on cross boundary strategic matters and priorities by setting in place clear processes for fulfilling the duty.</p> <p>Through its Duty to Cooperate, we have maintained a record of discussions on strategic issues with the Prescribed Bodies particularly where issues have arisen and collated evidence of how these issues have been overcome and resolved. It would appear appropriate for the Statement of Common Ground to be in addition to the Duty to Cooperate to ensure that strategic matters such as Habitats Regulations Assessment with Natural England or any strategic highway issues with Highways England are addressed also.</p> <p>This existing work could form the starting point for our Statement of Common Ground and therefore the requirements for the six month and twelve month timescales appear reasonable although the timing of decisions made by individual local authorities may need to be taken into consideration i.e. at different stages in plan making. In addition to the key milestones set out in the regulations it would also be sensible to publish a Statement of Common Ground alongside a Preferred Options if this stage was undertaken.</p> <p>However what is not clear is if the Statements of Common Ground are in addition to the Duty to Cooperate or actually replace it. If it is additional work this will have some resource implication but would make more sense than if it is a replacement particularly in areas which are self contained housing market areas.</p> <p>In addition the Statement of Common Ground appears to introduce a Duty to Agree which could in itself fetter decisions of a local authority. The requirement to agree could well bring about risks in terms of delays to local plan production in terms of reaching a ransom where matters cannot be agreed for example.</p> |

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| <b>Question 9</b>   |
| <p>a) do you agree with the proposal to amend the tests of soundness to include that:</p> <ul style="list-style-type: none"> <li>i) plans should be prepared based on a strategy informed by agreements over the wider area; and</li> <li>ii) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground?</li> </ul> <p>b) do you agree to the proposed transitional arrangements for amending the tests of soundness to ensure effective co-operation?</p> |

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| <b>Question 9</b>   |
| <b>Response</b>   |
| <p>a i) Whilst in principle, the proposal to amend the tests of soundness to ensure plans are prepared based on a strategy informed by agreements over the wider area is sensible, clarity is required on what the Government deems to be 'the wider area'. This is particularly relevant in areas such as County Durham which is a self contained housing market. As a self contained housing market area it is unclear how the proposal for a Statement of Common Ground will operate and whether they are prepared by neighbouring authorities regardless of whether or not they share a housing market area.</p> <p>a ii) National Planning Policy Framework (NPPF) at paragraph 156 sets out strategic priorities for the area. These strategic priorities have been the starting point for discussions with prescribed bodies for the purposes of the Duty to Cooperate. Through its Duty to Cooperate, we have maintained a record of discussions on strategic issues with the Prescribed Bodies particularly where issues have arisen and collated evidence of how these issues have been overcome and resolved. This could form the starting point for our Statement of Common Ground and therefore the timescales appear reasonable although the Statement of Common Ground could be better published alongside each stage of the plan making process. We would reiterate however that the Statement of Common Ground appears to introduce a requirement to agree which could result in delays to the plan-making process in some situations. An inability to agree to a Statement of Common Ground does not in itself indicate a plan is unsound in principle.</p> <p>b) We are committed to adopting a sustainable and deliverable local plan at the earliest opportunity. In order to progress a local plan for County Durham, it is necessary that stability and certainty is brought to the plan making process. The transitional arrangements for the Statement of Common Ground appear reasonable although clarity is required regarding self contained housing market areas and whether and what Government deems to be a 'wider area'. This needs to be considered ahead of the publication of the revised NPPF.</p> |

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| <b>Question 10</b>   |
| <p>a) do you have suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help plan to meet the needs of particular groups?</p> <p>b) do you agree that the current definition of older people within the National Planning Policy Framework is still fit-for-purpose?</p>  |
| <b>Response</b>  |
| <p>a) This is an extensive question relating to the methodology of the Strategic Housing Market Assessment rather than the proposed methodology on housing numbers. We have limited our comments to the types and tenures specifically identified in the text of the consultation but the issue could perhaps be better addressed in a separate consultation:</p> <p><b>Older and disabled people, Affordable Housing, Families with children:</b> Reliable and annually up-dated evidence on the size, detailed nature and broad accessibility of the housing stock in each local authority area is collected by the valuation office for Council Tax purposes. Skeleton information is published for each local authority, although is not routinely used. Further development and categorisation of this evidence base by, for instance, cross analysing it with social housing address</p> |

**Question 10**

data, ensuring it can be broken down by super output area, etc would be enormously beneficial in planning for older peoples/disabled housing, affordable housing, family housing, and housing for newly forming households. For instance, such an approach could accurately differentiate the number of private and social bungalows in each area, which cannot currently be achieved.

**Affordable housing and Older People:** In the context of a rapidly aging society, it would be helpful if the DCLG collected and published information in the DCLG live tables on the number of social houses in each local authority area, sub divided by retirement housing and general needs housing. It would also be helpful if the DCLG similarly published information on new affordable housing completed, subdivided by retirement and general needs housing. Social retirement housing is often needed to meet medical need as much as affordability need.

**Self-build and custom build development:** It would be helpful if clearer guidance was given to authorities in Planning Practice Guidance on how to define housing sites with planning permission which could reasonably be considered to be suitable as serviced self build/custom build sites for the purposes of interpreting recent regulations on this issue.

**Student accommodation:** The baseline demographic figure used in the standard methodology appears to exclude those aged 18-21. County Durham includes a major University City and the majority of its substantial student population is in this age group. The standard methodology needs to clarify if this age group has indeed been excluded. If so, the methodology needs to clarify whether local authorities which include an University Cities, like County Durham, can add an allowance for students to their future housing figure, incorporating any plans that universities may have for their future growth.

**Travellers who have ceased to travel:** County Durham has extensive experience with Gypsies and Travellers. It has the second highest number of social pitches of any authority in England and routinely manages seasonal travel to events like Appleby Fair. It has also been recognised as a best practise authority in its management of Gypsy and Traveller sites. Despite the Council's positive relationship with its Gypsy and Traveller Community and very extensive efforts, we have been unable to identify or understand the needs of our housed Gypsy and Traveller population, which we know accounts for the majority of this population. Our recent Travellers Assessment also shows that census figures on this population are extremely inaccurate. In the context of our experience, it is clear that it would be extremely difficult indeed to plan for the housing needs of this group. It would indeed be harder to make a practical assessment of their needs than it is for the site population – which experience across the country has already shown to be a very challenging exercise.

**Private rented sector and build to rent housing:** The extent of the private rented sector has changed rapidly over the past ten years. The census is the only reliable information which can be broken down to meaningful geographies and this quickly becomes out of date. Better information to identify changing trends in the extent of the private rented sector at geographies relevant to planning could perhaps be achieved through a breakdown of information from the Valuation Service which informs the Local Housing Allowance and/or tax returns which give details of income from rental properties.

b) The definition of older people in Annex 2 does require some amendment. The current definition is limited to people of retirement age or above. In the context of an aging society, there are two reasons why we consider this definition of older people to be too narrow:

1. Research clearly shows that people experience the disabilities of old age at varying ages depending on socio-economic group, lifestyle, employment issues (like being employed in manual trades), and genetic inheritance. This is unrelated to a retirement age which is ever

**Question 10**

increasing. It is well documented that those living in poorer areas, in particular, can have life expectancy which is significantly below the national average. Their housing needs as they age, sometimes prematurely, need to be understood and accommodated in planning for housing.

2. Many in older age groups that are below retirement age, whether they are disabled or in good health, have positive plans or aspirations to move to housing which will better meet their needs as they age. In an aging society, it is particularly important to understand and plan for these demands and aspirations, which also address issues of under-occupation and increasing the availability of family housing. It would be misleading for the definition to suggest that these general needs could be met purely by accessible and adaptable homes, rather than specific house types.

The definition of older people could therefore be improved by including the following: 'People under or over retirement age experiencing the disabilities of old age or people who are of an age where they wish to make plans to move to housing which better meets their needs as they age.'

This can encompass those who are active and continue to work, are retired, or are increasingly experiencing the disabilities of old age, including the frail elderly. Their housing needs can encompass appropriate general needs housing like bungalows, flats and accessible housing for those looking to downsize from family housing along with the full range of retirement and specialist housing for those with support or care needs.

**Question 11**

a) should a local plan set out the housing need for designated neighbourhood planning areas and parished areas within the area?

b) do you agree with the proposal for a formula-based approach to apportion housing need to neighbourhood plan bodies in circumstances where the local plan cannot be relied on as a basis for calculating housing need?

**Response**

a) The introduction of this proposal as an absolute requirement of local plans would only be workable in practice if there is full coverage of such areas falling within the local authorities jurisdiction and/or that the neighbourhood areas are contiguous with the parish area to which they relate. For example within County Durham there are currently 102 parish areas and 22 designated neighbourhood plan areas. Some of these neighbourhood areas relate to only part of a parish area. Additionally part of the county remains unparished and not subject to a neighbourhood area designation.

In addition not all neighbourhood plans emerging within the county are seeking to specifically address housing need. Therefore whilst the council considers that this may, in some cases, be a relevant geographical basis to set a housing need figure, a degree of flexibility should be allowed to cater for these localised situations where this would not be appropriate, for example where the parish is very small.

**Question 11**

b) The council considers that this approach would be very difficult to apply. The areas covered by neighbourhood plans can sometimes be very small to the point where an application of a formula would be impractical. Furthermore distributing the housing need figure proportionate to all neighbourhood plan areas would prejudice a local plan's ability to distribute housing according to a plan strategy.

**Question 12**

Do you agree that local plans should identify the infrastructure and affordable housing needed, how these will be funded and the contributions developers will be expected to make?

**Response**

National Planning Policy Framework (NPPF) at paragraph 173 to 177 sets out that sustainable development requires careful attention to viability and costs in plan-making and decision-taking and this includes requirements for affordable housing and infrastructure contributions. Paragraph 174 is clear that policies on local standards are set out in the Local Plan, including requirements for affordable housing. This is the purpose of a whole plan viability study together with the Infrastructure Delivery Plan. It is unclear what additional changes to the NPPF would achieve. In order to progress a local plan for County Durham, it is necessary that stability and certainty is brought to the plan making process.

**Question 13**

In reviewing guidance on testing plans and policies for viability, what amendments could be made to improve current practice?

**Response**

In order to progress a local plan for County Durham, it is necessary that stability and certainty is brought to the plan making process. Planning Practice Guidance (PPG) recognises that the testing of viability at a plan making stage has to be proportionate and given the range of site allocations it is not proportionate to individually test each site and therefore broad assumptions must be made. This is recognised within Paragraph: 006 Reference ID: 10-006-20140306. Local Plans must remain responsive to change with in built flexibility to respond to changing market conditions.

In order to ensure that policies including affordable housing are tested. It is necessary for the proposed change in affordable housing definition to be resolved at the earliest opportunity so it can be taken into account in assessing the plan viability.

PPG is helpful that it recognises that viability with plan making and decision taking however as this consultation recognises local authorities do face challenge from the development industry about providing evidence around land values and other costs and revenue. It is not in the interests of developers to provide this information and therefore negotiations at both the plan making and decision taking stage can prove challenging for local authorities.

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| <b>Question 14</b>  |
| Do you agree that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage?   |
| <b>Response</b>   |
| <p>County Durham is a unitary authority which covers over 232 communities of differing character and size. To ensure a deliverable local plan, the costs of policy requirements to be applied to development including affordable housing, sustainable drainage, open space and other infrastructure requirements such as education will need to be taken into account to ensure that development is viable. The scale of the County means that there are significant differences in viability across the geographical area to the point where high value can be right next to low value areas.</p> <p>In order to test plan viability, assumptions which relate to new development such as build costs, sales prices, profit, abnormal costs and land values can be applied but these are only assumptions. Realistic assumptions are applied but these may not be appropriate to an actual site specific circumstance once further evidence becomes available to the developer for example unanticipated abnormal site specific costs. In our experience in County Durham, there are too many variables to be relied upon for the plan making stage and this will also mean that assumptions will be more heavily challenged at the plan making process placing the burden of proof on the local authority.</p> <p>We agree that the policy requirements should be set out at the plan making stage and these must be taken into consideration during negotiations between a developer and the landowner, however the inability to test viability at a planning application stage is likely to mean there is little opportunity to negotiate in circumstances where costs were unexpectedly higher. Our practice is that we only discuss viability at a planning application stage if the proposal is not compliant with policy e.g. A scheme is unable to deliver the full requirement for affordable housing. In areas where viability is a challenge this could ultimately render sites unviable with little opportunity to negotiate on policy requirements to allow the site to be delivered and also a lower proportion of affordable housing to be negotiated.</p> |

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| <b>Question 15</b>  |
| How can Government ensure that infrastructure providers, including housing associations, are engaged throughout the process, including in circumstances where a viability assessment may be required?   |
| <b>Response</b>   |
| <p>As part of the plan making process, we have worked with statutory undertakers, utility companies and other agencies to identify the need for new infrastructure. If additional infrastructure is not delivered alongside new development, it can put pressure on existing facilities that may not have the ability or capacity to cope with the additional demand. Local Plans need to be supported by Infrastructure Delivery Plans for this purpose and will play a key role in securing private sector involvement in infrastructure delivery, and in aligning the programmes of various providers. Traditionally we have strong involvement from housing associations and infrastructure providers with the exception of gas and electricity providers. In our experience it is increasingly difficult to engage with these.</p> |

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| <b>Question 16</b>  |
| What factors should we take into account in updating guidance to encourage viability assessments to be simpler, quicker and more transparent, for example through a standardised report or summary format?  |
| <b>Response</b>   |
| Currently any negotiations with applicants that take place in County Durham involve viability assessments which are kept confidential for commercial reasons. Already we receive viability appraisals which apply assumptions which have been made for plan making purposes rather than actual information on costs for example. A summary format may not necessarily be appropriate for a situation where challenge is provided to the assumptions. The risk of making such viability assessment publicly accessible is that developers will be even more reluctant to demonstrate their true costs and will instead default to generalised assumptions which will hinder an authority's ability to effectively challenge and negotiate. |

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| <b>Question 17</b>   |
| <p>a) do you agree that local planning authorities should set out in plans how they will monitor and report on planning agreements to help ensure that communities can easily understand what infrastructure and affordable housing has been secured and delivered through developer contributions?</p> <p>b) what factors should we take into account in preparing guidance on a standard approach to monitoring and reporting planning obligations?</p> <p>c) how can local planning authorities and applicants work together to better publicise infrastructure and affordable housing secured through new development once development has commenced, or at other stages of the process?</p>   |
| <b>Response</b>  |
| <p>a) Durham County Council consider that this is important, from a transparency and accountability perspective, to monitor and have information available to demonstrate what contributions will be forthcoming from developments in an area. However it may be more appropriate to report the information in a Annual Monitoring Report or Statement of Community Involvement rather in the main body of a local plan.</p> <p>b) The factors which should be taken into account is the relevant information that people within a community would be interested in, i.e. what obligation the development related to, how much it is, and where it is going to be spent within the local area. We would seek clarification on why it would be necessary to include this in a local plan however if the Government intends to provide guidance on this matter.</p> <p>c) A local planning authority and applicants could issue press releases or maintain website pages (whether hosted by the applicant, local planning authority or jointly) which lets the community know what is happening with the development, and what has and will be delivered in the future. It could also provide details setting out what projects the community might be able to access, or influence what s106 monies should be spent on.</p> |

**Question 17**

However, it is recognised that joint developer/local planning authority press coverage may lead to perception or angst in the community if it was a particularly contentious application that was approved.

**Question 18**

a) do you agree that a further 20 per cent fee increase should be applied to those local planning authorities who are delivering the homes their communities need? What should be the criteria to measure this?

b) do you think there are more appropriate circumstances when a local planning authority should be able to charge the further 20 per cent? If so, do you have views on how these circumstances could work in practice?

c) should any additional fee increase be applied nationally once all local planning authorities meet the required criteria, or only to individual authorities who meet them?

d) are there any other issues we should consider in developing a framework for this additional fee increase?

**Response**

a) No, because delivery of housing is often outside of the control of local authorities, Local authorities can grant the permissions, but have no control over the market or whether developers will build out the sites and consents. A more appropriate criteria to measure this would be the level of consents granted to enable enough homes to be built for their community's needs.

b) Yes, see previous answer. Speed of delivery of consents could be an example.

c) It should only apply to individual authorities who meet them.

d) Consideration should be given to an option of doubling the application fees but with developers getting a rebate if they build out their scheme within a set time. If they do not deliver then they would not get a refund. It would be much more effective having incentives for implementing consents rather than just landbanking them.

**Question 19**

Having regard to the measures we have already identified in the Housing White Paper, are there any other actions that could increase build out rates?

**Response**

It is considered that more incentives and options are needed nationally to stimulate house building, such as allowing local authorities to build more housing and the ability of local authorities to take into consideration past performance (track record) of those applying for consent.

**Question 19**

Durham County Council is keen to ensure sites with permission come forward to meet identified housing needs and to introduce measures which would achieve this. It would therefore be useful to take into account the realistic prospect of housing being built on a site which has had a past history of the non implementation of earlier permissions. Such a site may be counted as a 'commitment' within the housing development pipeline therefore being counted towards meeting future housing needs. It is important therefore that commitments will genuinely deliver new housing.

It is suggested that one approach would be to introduce a two stage approach to implementation of a planning consent for all schemes. The first stage would be the preliminary acts which means anything done on the site is actually governed by the permission. The second would mean revisiting what is meant by 'colourable' implementations for section 56 purposes. At present, a permission can be kept alive by digging a trench for future foundations. There is an opportunity to amend this definition to make the start more meaningful such as having to develop estate roads.

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# **COUNTY DURHAM PLAN**

**WHAT WE'RE DOING AND WHEN**

**LOCAL DEVELOPMENT SCHEME**

**November 2017**

## **THE LOCAL DEVELOPMENT SCHEME**

The Local Development Scheme (LDS) is an essential part of the plan preparation process. It is a project plan that represents an agreement with central government outlining the arrangements for producing this new plan. It is the starting point for all interested parties to find out about the council's emerging planning policies in respect to a particular area or issue. It illustrates the relationship between the individual documents currently proposed and how they fit into the council's wider strategies. This project plan supersedes any previously adopted by Durham County Council.

## **THE COUNTY DURHAM PLAN**

The County Durham Plan is being produced in accordance with government legislation and guidance. It provides a new and up to date policy context against which all planning applications and development proposals will be assessed and determined. It will be a key influence and steer in the manner in which the county will develop and prosper during the plan period and beyond.

## **COUNTY DURHAM PLAN STRUCTURE**

The **Local Plan** sets out the spatial vision and strategic objectives for future development of the County, including minerals and waste, to which all supporting documents must conform. It will contain policies and site allocations to deliver these objectives, on which planning applications will be determined. The Local Plan will also contain a framework for monitoring and implementation.

The **Minerals and Waste Policies and Allocations** document will develop the strategic minerals and waste content of the County Durham Plan. Strategic components of the waste and minerals including strategic sites where justified and necessary will be allocated in the County Durham Plan. Where needed and justified the Minerals and Waste Policies and Allocations document will allocate non-strategic minerals and waste sites.

The **Proposals Map** uses an Ordnance Survey base to depict the areas to which each of the policies contained within the County Durham Plan will apply. For example, it will show areas which have been allocated for specific types of development, such as industrial estates and retail areas; and designations such as conservation areas, where special controls apply.

## **MILESTONES**

The key milestones for the production of each document that makes up the development plan are shown in Figure 1 below.

## **SUSTAINABILITY APPRAISAL**

The County Durham Plan is subject to Sustainability Appraisal (SA). It considers the environmental, social and economic impacts of the policies and proposals. This will allow the County Durham Plan to comply with the Strategic Environmental Assessment (SEA) Directive (European Directive 2001/42/EC).

## **MONITORING AND REVIEW**

Each year an Annual Monitoring Report (AMR) will be prepared to assess progress on the delivery of the County Durham Plan and to review the effectiveness of County Durham Plan policies. The AMR is published each year and assesses the following factors:

- Progress on the delivery of the County Durham Plan compared with LDS milestones.
- Reasons for any variance and proposed actions.
- Any factors that may impact on the following year's LDS milestones and planned action.
- The need for new evidence or research.
- A review of policy effectiveness.
- A trajectory of future housing provision against housing requirements.

The LDS will be reviewed and rolled forward when necessary to take account of changes to national or regional policy, progress on the programme, milestones and the content of the AMR. The flexible nature of the system means that new documents can be added to the LDS as circumstances change.



## Economy and Enterprise Scrutiny Committee

11 January 2018



### Regeneration and Local Services (Regeneration and Economic Development) – Quarter 2: 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 September 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 - £27.756 million (original £24.143 million)*
  - *Capital Programme – £43.472 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 +£501,000
  - Use of Cash Limits – Economic Development & Housing +£489,000
  - Use of Cash Limits – Transport & Contracted Services +£398,000
  - Use of Selective Licensing Reserve +£41,000

- Use of Planning Reserve +£309,000
- Use of Funding & Programmes Reserve +£24,000
- Use of RED Match Fund Reserve +£36,000
- Use of Economic Employability Reserve +£114,000
- Use of International Relations Reserve +£19,000
- Transfer to Housing Solutions Reserve -£138,000
- Use of Family Intervention Project Reserve +£141,000
- Use of Warm and Healthy Homes Reserve +£30,000
- Use of Welfare Assistance Reserve +£311,000
- Use of Business Durham Programme Reserve +£299,000
- Use of Business Growth Fund +£648,000
- 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 (£0.907 million), now stands at £27.756 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 underspend of **£0.263 million** against a revised budget of **£27.756 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 | Cash Limit Variance |
|------------------------------|---------------|---------------|------------------|---------------------|
| <b>Employees</b>             | 28,676        | 14,898        | 28,720           | <b>44</b>           |
| <b>Premises</b>              | 5,652         | 4,262         | 5,842            | <b>190</b>          |
| <b>Transport</b>             | 871           | 356           | 791              | <b>(80)</b>         |
| <b>Supplies and Services</b> | 8,678         | 3,963         | 9,240            | <b>562</b>          |
| <b>Agency and Contracted</b> | 19,459        | 7,817         | 19,428           | <b>(31)</b>         |
| <b>Transfer Payments</b>     | 95            | 0             | 267              | <b>172</b>          |
| <b>Central Costs</b>         | 10,853        | 654           | 10,998           | <b>146</b>          |
| <b>GROSS EXPENDITURE</b>     | <b>74,283</b> | <b>31,950</b> | <b>75,288</b>    | <b>1,005</b>        |
| <b>INCOME</b>                | (46,527)      | (23,496)      | (47,795)         | <b>(1,267)</b>      |
| <b>NET EXPENDITURE</b>       | <b>27,756</b> | <b>8,454</b>  | <b>27,493</b>    | <b>(263)</b>        |

## Analysis by Head of Service £'000

| Head of Service Grouping                  | Annual Budget | YTD Actual   | Forecast Outturn | Cash Limit Variance |
|---|---------------|--------------|------------------|---------------------|
| <b>Corporate Director</b>                 | 215           | 119          | 215              | <b>0</b>            |
| <b>Economic Development &amp; Housing</b> | 8,107         | 4,966        | 7,955            | <b>(153)</b>        |
| <b>Planning &amp; Assets</b>              | 6,511         | 3,602        | 6,228            | <b>(283)</b>        |
| <b>Transport &amp; Contracted</b>         | 2,681         | (412)        | 3,070            | <b>390</b>          |
| <b>Central Managed Costs</b>              | 10,242        | 179          | 10,025           | <b>(217)</b>        |
| <b>NET EXPENDITURE</b>                    | <b>27,756</b> | <b>8,454</b> | <b>27,493</b>    | <b>(263)</b>        |

- 8 The main reasons accounting for the outturn position are as follows:
- Transport is forecast to be £0.390 million overspent, mainly due to increased employee costs within Care Connect, additional costs on bus and rail contracts and traffic management.
  - Planning and Assets is predicted to be £0.283 million underspent, mainly resulting from increased planning fee income (£200,000), and early achievement of 18/19 MTFP savings from vacant posts (£68,000).
  - Economic Development and Housing is predicted to be underspent by £0.153 million. Savings of approximately £0.313 million in Housing Solutions, Business Durham and Visit County Durham are partially offset by overspends in Economic Development associated with the Employability and Skills team (£0.160 million).
- 9 **Appendix 2** provides a more detailed breakdown of variations across the service area contained within the revenue budget.
- 10 In summary, the service grouping has successfully maintained spending within its cash limit. It should also be noted that the estimated outturn position incorporates the MTFP savings required in 2017/18 which amount to £0.889 million.

## Capital Programme

- 11 The capital programme makes a significant contribution to the Regeneration ambitions of County Durham. The programme is relatively large and diverse and is managed by project delivery officers throughout the service.
- 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 **£43.472 million**.
- 13 Summary financial performance to the end of September is shown below.

| Service                | Original Annual Budget 2017/18<br>£000 | Revised Annual Budget 2017/18<br>£000 | Actual Spend to 30 September<br>£000 | Remaining Budget<br>£000 |
|------------------------|--|---------------------------------------|--------------------------------------|--------------------------|
| Economic Dev & Housing | 21,271                                 | 23,043                                | 6,818                                | 16,225                   |
| Planning & Assets      | 8,722                                  | 11,289                                | 2,783                                | 5,939                    |
| Transport & Contracted | 8,876                                  | 9,140                                 | 3,954                                | 6,289                    |
| <b>Total</b>           | <b>38,869</b>                          | <b>43,472</b>                         | <b>13,555</b>                        | <b>29,917</b>            |

- 14 Actual spend for the first six months amounts to **£13.555 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 (£3.936 million), Structural Capitalised Maintenance (£2.571 million), and the Transport Major Schemes (£2.832 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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## **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 2 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  | 19                  | <b>(153)</b>        |
|   | Physical Development         | Additional charges in Durham City Promotions are offset by additional recharge income.   | 0                   |                     |
|   | Visit County Durham          | Under budget on employee costs due to vacant posts – MTFP savings made early.  | (92)                |                     |
|   | 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. | (64)                |                     |
|   | Economic Development         | A delay in the award of contracts for the Employment and Skills Team (£188k) are partially offset by additional income elsewhere in the service.   | 160                 |                     |
|   | Housing Solutions            | Under budget due to employee vacancies, reduced costs of supplies and services and additional income.  | (176)               |                     |
| Spatial Policy, Planning Assets & Environment | Head of SPPAE                | Minor variance   | 10                  |                     |
|   | Spatial Policy               | £100k agreed spend to progress County Durham Local Plan. £14k referendum costs for Great Aycliffe and Walton (£25k) DCLG grants for town plans   | 89                  |                     |
|   | Planning Development         | £162k over budget Dangerous Structures, Planning Appeals and Building Control. (£215k) underspend on support staff due to vacant posts and supplies and services (£200k) over recovery of planning fee income.                       | (253)               |                     |
|   | Environment & Design         | (£8k) under budget on supplies and services across the service (£62k) under budget relating to additional income   | (70)                |                     |
|   | Asset Management             | £15k over budget on employees in relation to vacant posts (£145k) under spend on the Asset Disposal Programme. £100k underachieved income on vacant properties   | (30)                |                     |

| Head of Service | Service Area                           | Description  | (Under) / Overspend | (Under) / Overspend |
|-----------------|--|--|---------------------|---------------------|
|                 | Strategy Policy Partnerships & Support | Additional income in respect of an employee secondment (£52k) partially offset by an overspend on staffing in respect of staff turnover £16k.  | (36)                |                     |
|                 | Funding and Programmes                 | Minor Variance   | 7                   | (283)               |
| Transport       | Management                             | Minor variance pending a re-allocation of savings  | 15                  |                     |
|                 | Strategic Transport                    | Under budget on employee costs – vacancy saving (£61k)<br>Over budget on supplies and services £145k relating to traffic management schemes<br>Over budget on third party payments £36k due to minimum wage increases to contractors                     | 120                 |                     |
|                 | Sustainable Transport                  | Over budget on employee costs – vacancy savings not met (£12k)<br>Minor Variance on other costs (£3k)<br>Over budget on bus and rail contracts due to additional contract costs and an annual price review of contracts (£85k)                           | 100                 |                     |
|                 | Care Connect                           | Over budget on employee costs following changes in staff hours and rota patterns and vacancy savings not met (£209k)<br>Under budget on other costs mainly due to service efficiencies on CCTV and community alarms, and contract re-negotiations (£54k) | 155                 | 390                 |
| Central         | Central Costs                          | 2018/19 MTFP savings made early  | (217)               | (217)               |
| <b>TOTAL</b>    |  |  |                     | <b>(263)</b>        |

### Appendix 3: Capital Programme 2017-18

| Scheme   | Revised Annual Budget 2017/18 | Actual Spend to 30 September | Remaining Budget |
|--|-------------------------------|------------------------------|------------------|
|  | £'000                         | £'000                        | £'000            |
| <b>ECONOMIC DEVELOPMENT &amp; HOUSING</b>        |                               |                              |                  |
| Barnard Castle Vision                            | 1                             | 0                            | 1                |
| Industrial Estates                               | 12,080                        | 3,936                        | 8,144            |
| North Dock Seaham                                | 80                            | 0                            | 80               |
| Office Accommodation                             | 1,934                         | 88                           | 1,846            |
| Town Centres                                     | 2,368                         | 209                          | 2,159            |
| Minor Schemes                                    | 168                           | 42                           | 126              |
| Disabled Facilities Grant / FAP                  | 3,398                         | 1,390                        | 2,008            |
| Gypsy Roma Travellers                            | 0                             | (12)                         | 12               |
| Housing Renewal                                  | 1,004                         | 405                          | 599              |
| Chapter Homes                                    | 2,010                         | 760                          | 1,250            |
| <b>TOTAL ECONOMIC DEVELOPMENT &amp; HOUSING</b>  | <b>23,043</b>                 | <b>6,818</b>                 | <b>16,225</b>    |
|  |                               |                              |                  |
| <b>PLANNING &amp; ASSETS</b>                     |                               |                              |                  |
| Renewable Energy Schemes                         | 479                           | 26                           | 453              |
| Structural Capitalised Maintenance               | 8,087                         | 2,571                        | 5,516            |
| North Pennines - Peatland                        | 2,330                         | 0                            | 2,330            |
| Minor Schemes                                    | 243                           | 186                          | 57               |
| Strategy and Programmes Minor Schemes            | 150                           | 0                            | 150              |
| <b>TOTAL PLANNING &amp; ASSETS</b>               | <b>11,289</b>                 | <b>2,783</b>                 | <b>8,506</b>     |
|  |                               |                              |                  |
| <b>TRANSPORT &amp; CONTRACTED SERVICES</b>       |                               |                              |                  |
|  |                               |                              |                  |
| Local Transport Plan                             | 3,257                         | 1,111                        | 2,146            |
| Transport Corridors                              | 0                             | (4)                          | 4                |
| Transport Major Schemes                          | 5,844                         | 2,832                        | 3,012            |
| CCTV   | 16                            | 9                            | 7                |
| Minor Schemes                                    | 23                            | 6                            | 17               |
| <b>TOTAL TRANSPORT &amp; CONTRACTED SERVICES</b> | <b>9,140</b>                  | <b>3,954</b>                 | <b>5,186</b>     |
|  |                               |                              |                  |
| <b>Total</b>                                     | <b>43,472</b>                 | <b>13,555</b>                | <b>29,917</b>    |

(1) FAP – Financial Assistance Programme

## Economy and Enterprise Overview and Scrutiny Committee

11 January 2018



### Quarter Two 2017/18 Performance Management Report

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

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#### Purpose of the Report

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

#### Background

- 2 This year, the Sustainable Community Strategy, setting out the vision for the county, and supporting Council Plan and service plans are due for review. With a strong commitment to progressing the council's transformation programme, driven by a focus on delivering the best possible outcomes within available resources, 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

- 3 Our performance reporting arrangements have been developed around a series of key performance questions aligned to the Altogether framework of six priority themes, and are designed to facilitate greater scrutiny of performance. The set of performance measures provides an indication 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 by the 2016 Ofsted inspection.
- 4 There are other areas of performance that are measured through 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.

- 5 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.
- 6 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.
- 7 A comprehensive table of key performance questions and performance data is presented in Appendix 3. An explanation of symbols used and the groups we use to compare ourselves is in Appendix 2.
- 8 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 and 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**

- 9 We are progressing well across most key wealthier measures. The employment rate has continued to improve and remains better than the regional rate but below the national rate. Youth unemployment shows the number of 18 to 24 year olds claiming out of work benefits has slightly increased from the previous quarter and the same quarter last year but remains at its lowest level since 2014/15. The proportion of 16 to 17 year olds in an apprenticeship in County Durham in June 2017 was higher than last year and the averages for both England and the North East. Apprenticeships sustained for 15 months or more from Durham County Council schemes have increased since last year. The apprenticeship programme through Durham County Council schemes has allocated all the funding available during January 2017. Applications are no longer considered as additional funding has not been secured.
- 10 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 statutory homelessness preventions has increased since last year due to cases being closed following successful applications for Discretionary Housing Payment and also a higher number of clients accessing the service. Homelessness cases remain low.
- 11 Annual tourism data released this period are positive. The number of visitors as well as employment in tourism and the total contribution to the County Durham economy increased in 2016. The majority of visits were day visits with the largest number of visitors in the Vale of Durham.

- 12 Work to improve access to Durham rail station is now complete and £4.4m new stations funding for Horden rail station has been secured. Planning consent has been granted for car park development at North Bondgate, Bishop Auckland; infrastructure works at NETPark are ongoing to provide a new highway junction and additional land for growing science based businesses.
- 13 Key performance messages reported to other overview and scrutiny committees which may be of interest to this committee are as follows:
- 14 Provisional figures for 2016/17 show students at A level had an achievement rate in line with last year and higher than regional and national averages.
- 15 At September 2017, the council had corporate parenting responsibility for 235 young people (aged 17 to 21) who had left care. This is a particularly vulnerable cohort of young people. The wide range of support the council offers is good, with figures showing more care leavers in County Durham are in suitable accommodation and in employment or training (EET) compared to both North East and national counterparts.

## **Risk Management**

- 16 Effective risk management is a vital component of the council's agenda. The council's risk management process sits alongside our change programme and is incorporated into all significant change and improvement projects.
- 17 There are no key risks in delivering the objectives of the Altogether Wealthier theme.

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

- 18 The next section provides a summary of key data messages for the Altogether Wealthier priority theme. The format of the Altogether theme provides a snap shot overview aimed to ensure that key performance messages are easy to identify<sup>1</sup>. 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, Camera Tourist Man by Michael Gaman, Traveler by corpus delicti, Restaurant by Hardini Dwi Lestari, Tree by Ilho Byun, Museum by Fernanda Bravo, Shopping Bag by Knockout Prezo, Hotel by Delwar Hossain, Bus by Sandy Priyasa from the thenounproject.com, County Durham map by Visit County Durham.

## Altogether Wealthier

### Job prospects

#### Employment (Jul 2016 - Jun 2017)

**71.6%** working age population defined as in employment in County Durham (232,300 people). More than same quarter last year (67.5%) but below England and Wales (74.4%)

| Young people  | Durham                        | England | North East |
|---|-------------------------------|---------|------------|
| 18-24 year olds who are out of work and claiming either Universal Credit or Jobseeker's Allowance | <b>4.2%</b><br>(2,110 people) | 2.7%    | 4.8%       |
| 16-17 year olds in an apprenticeship (at Jun 2017)  | <b>9.5%</b>                   | 6.7%    | 9.3%       |

#### Helping people back into work

**186** jobs created/safeguarded as a result of Business Durham activity (Jul—Sep 2017)

**813** apprenticeships through Durham County Council schemes sustained for 15 months or more (at Sep 2017), which equates to 75.8% of all apprenticeship starts through these schemes

### Housing and regeneration

**113** empty properties brought back into use as a result of local authority intervention (Apr– Sep 2017). More than target (60) & last year (56)

**758** net new homes completed (Apr– Sep 2017). Significantly more than last year (602)

**441** clients for whom homelessness was prevented (Jul - Sep 2017). More than last year (307)

More clients accessed the service



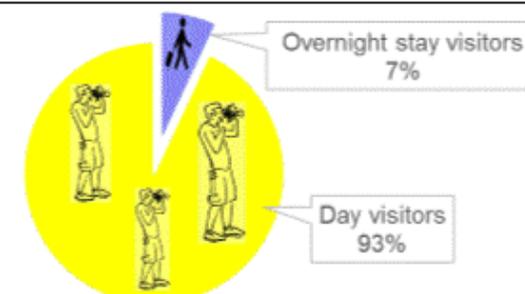
A number of successful applications for Discretionary Housing Payment

Homelessness cases remain low

### Tourism (2016)

**19.3m** visitors  
3% up on 2015

**221** tourism businesses in Visit County Durham Partnership Scheme



|                                       | Food & drink | Other | Attractions | Shopping | Accommodation | Transport |
|---------------------------------------|--------------|-------|-------------|----------|---------------|-----------|
| <b>£806m</b> spend<br>3.6% up on 2015 | 37%          | 25%   | 14%         | 10%      | 7%            | 7%        |
| <b>11,158</b> jobs<br>2% up on 2015   | 38%          | 20%   | 17%         | 9%       | 13%           | 3%        |



#### 'How do Durham visitors rate their experience'

##### Making progress

- Things to do
- Visitor information points
- Local produce
- Accommodation
- Car parking

##### Doing well

- Attractions
- Eating out
- Road signposts
- Cleanliness

##### Improvement

- Distinctive shopping experience
- Nightlife
- Public transport
- Cleanliness of public toilets

## **Recommendations and reasons**

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

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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 period/benchmark
- ✗ Performance is poor or worse than comparable period/benchmark
- ↔ Performance has remained static or is in line with comparable period/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

| 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   | RED PI40  | Proportion of the working age population defined as in employment                                 | 71.6        | Jul 2016-Jun 2017 | Tracker       | 67.5                   | GREEN                                     | 74.4                                    | RED   | 70.2*          | GREEN | Jul 2016 - Jun 2017 |
| 2   | RED PI88  | Per capita household disposable income (£) [1] [2]  | 15,496      | 2015              | Tracker       | 15,246                 | GREEN                                     | 19,447                                  | RED   | 16197*         | RED   | 2015                |
| 3   | RED PI62  | Number of apprenticeships started through Durham County Council schemes [3]                       | 222         | 2016/17           | 200           | 74                     | GREEN                                     |   |   |                |       |                     |
| 4   | RED PI105 | Number of apprenticeships from Durham County Council schemes sustained at least 15 months         | 813         | As at Sep 2017    | Tracker       | 663                    | GREEN                                     |   |   |                |       |                     |
| 5   | RED PI92  | Number of gross potential jobs created or safeguarded as a result of Business Durham activity [4] | 186         | Jul - Sep 2017    | NA            | 500                    | NA  |   |   |                |       |                     |

| 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 |
|--|-----------|---|-------------|----------------|---------------|------------------------|---|---|-------|---|-------|----------------|
| 6  | CYP S1    | Percentage of 16 to 17 year olds in an apprenticeship   | 9.5         | As at Jun 2017 | Tracker       | 8.3                    | GREEN                                     | 6.7                                     | GREEN | 9.3*  | GREEN | As at Jun 2017 |
| 7  | RED PI7a  | Number of 18 to 24 year olds who are out of work and claiming either Universal Credit or Jobseekers Allowance (JSA) | 2,110       | As at Sep 2017 | Tracker       | 2,075                  | AMBER                                     |   |       |   |       |                |
| 8  | RED PI8b  | Proportion of all Jobseeker's Allowance (JSA) claimants that have claimed for one year or more                      | 34.20       | As at Sep 2017 | Tracker       | 31.50                  | <a href="#">NA [5]</a>                    |   |       |   |       |                |
| <b>2. Do residents have access to decent and affordable housing?</b> |           |   |             |                |               |                        |   |   |       |   |       |                |
| 9  | RED PI30  | Number of empty properties brought back into use as a result of local authority intervention                        | 113         | Apr - Sep 2017 | 60            | 56                     | GREEN                                     |   |       |   |       |                |
| 10   | RED PI10b | Number of net homes completed   | 758         | Apr - Sep 2017 | Tracker       | 602                    | GREEN                                     |   |       |   |       |                |

| 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 |
|---|------------|--|-------------|----------------|---------------|------------------------|---|---|-------|---|-------|----------------|
| 11  | RED PI36a  | Number of clients who have accessed the Housing Solutions Service and for whom homelessness has been prevented | 441         | Jul - Sep 2017 | Tracker       | 307                    | GREEN                                     |   |       |   |       |                |
| 12  | RED PI10ai | Number of affordable homes delivered [4]   | 198         | 2016/17        | 200           | 262                    | RED                                       |   |       |   |       |                |
| <b>3. Is County Durham a good place to do business?</b> |            |  |             |                |               |                        |   |   |       |   |       |                |
| 13  | RED PI87   | Gross Value Added (GVA) per capita in County Durham (£) [1] [2]  | 15,210      | 2014           | Tracker       | 15,202                 | GREEN                                     | 25,624                                  | RED   | 18413*  | RED   | 2014           |
| 14  | RED PI89   | Number of registered businesses in County Durham   | 16,585      | 2015/16        | Tracker       | 16,400                 | GREEN                                     |   |       |   |       |                |
| <b>4. Is it easy to travel around the county?</b>       |            |  |             |                |               |                        |   |   |       |   |       |                |
| 15  | NS 06a     | Percentage of A roads where maintenance is recommended (scanner survey)  | 3           | 2016/17        | Tracker       | 4                      | GREEN                                     | 3                                       | GREEN | 3*  | GREEN | 2015/16        |
| 16  | NS 06bc    | Percentage of B and C roads where maintenance is recommended (scanner survey)                                  | 3           | 2016/17        | Tracker       | 4                      | GREEN                                     | 6                                       | GREEN | 6*  | 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 |
|--|-----------|--|-------------|----------------|---------------|------------------------|---|---|-----|---|-----|----------------|
| 17   | NS 06d    | 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  |   |     |   |     |                |
| <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)                                      | 19.3        | 2016           | Tracker       | 18.7                   | GREEN                                     |   |     |   |     |                |
| 20   | REDPI 101 | Number of jobs supported by the visitor economy                                    | 11,158      | 2016           | Tracker       | 10,961                 | GREEN                                     |   |     |   |     |                |
| 21   | REDPI 102 | Amount (£ million) generated by the visitor economy                                | 806         | 2016           | Tracker       | 778                    | GREEN                                     |   |     |   |     |                |

[\[1\] Previous period data amended /refreshed](#)

[\[2\] Data 12 months earlier amended/refreshed](#)

[\[3\] funding required to continue the programme has not been secured](#)

[\[4\] Target is an annual target](#)

[\[5\] 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> |         |  |             |                             |               |                        |   |   |   |                |       |                             |
| 22  | CYPS 27 | Average point score per A level entry of state-funded school students                        | 31.8        | 2016/17 ac yr (provisional) | Tracker       | 31.9                   | AMBER                                     | 30.9                                    | GREEN   | 30.6*          | GREEN | 2016/17 ac yr (provisional) |
| 23  | CYPS 2  | Percentage of 16 to 17 year olds who are not in education, employment or training (NEET) [6] | 4.9         | Apr - Jun 2017              | Tracker       | 4.7                    | RED                                       |   |   | 4*             | RED   |                             |
| <b>4. Are we being a good corporate parent for Looked After Children?</b>                                   |         |  |             |                             |               |                        |   |   |   |                |       |                             |
| 24  | CYPS 12 | Percentage of care leavers aged 17-21 in education, employment or training (EET)             | 66          | Apr - Sep 2017              | Tracker       | 62.4                   | GREEN                                     | 52                                      | GREEN   | 50*            | GREEN | 2015/ 16 ac yr              |

[6] [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 17 <sup>th</sup> October 2017               |
| <b>Time</b>            | 13.00 – 15.00                                       |
| <b>Venue</b>           | Lanchester Wines, Greencroft Estate, Annfield Plain |

**Attendees:**

|                    |   |
|--------------------|---|
| Brian Tanner       | Chair   |
| Jon Gluyas         | Durham University   |
| Simon Hanson       | FSB   |
| Sue Parkinson      | Vice Chair & Chair of the Business, Enterprise & Skills Group |
| Alison Gittins     | Durham Business Club  |
| Carol Daniell      | Job Centre Plus   |
| Neil Graham        | Chair of Durham City Board                                    |
| Michelle Gorman    | Visit County Durham   |
| Barbara Gubbins    | County Durham Community Federation                            |
| Cllr Ossie Johnson | Chair of Rural Working Group                                  |
| David Usher        | Durham County Council   |
| Ray Brewis         | Durham County Council   |
| Tarryn Lloyd Payne | Strategy & Partnerships, Durham County Council                |
| Angela Brown       | Strategy & Partnerships, Durham County Council                |

**1. Welcome**

BT welcomed everyone to the meeting and initiated round the table introductions; he especially welcomed Cllr Ossie Johnson who has recently taken on the role as Chair of the Rural Working Group. He thanked RB and DU for coming along today to give presentations. He also mentioned that the Board were very grateful to TC for the invitation to visit Lanchester Wines and also thanked him for providing lunch. BT commented that it was impressive to see the wind turbines and renewable energy being used on the industrial premises.

**2. Apologies**

|                    |   |
|--------------------|---|
| Arun Harish        | CPI                                       |
| Ian Thompson       | Director of Regeneration and Economic Dev |
| Sarah Robson       | Chair of Housing Forum                    |
| Sarah Slaven       | Business Durham                           |
| Cllr Carl Marshall | Durham County Council                     |

**3. Lanchester Wines – Tony Clearly**

TC welcomed the CDEP Board members and mentioned that they regularly have tours for businesses to look around. Lanchester Wines is a leading UK based wine merchant and importer which was established in 1980. He said that they supply a wide range of quality premium wines to the licensed on-trade and off-trade. Customers include, pubs, clubs, bars and hotel chains to high street retailers and off-licenses. They have an extensive wine collection from all over the world. The Company has “Carbon minus” status which means they produce more energy than they use. Being green is very important and the company is well on the way to being the greenest wine business in the world. They have invested heavily in renewable energy generation. Business is powered almost completely by renewable wind and solar energy.

The company has recently bought Spicers of Hythe and Bon Bons, the latter being a confectionary business based in Wetherby.

Lanchester Wines aims to employ 500+ people. They currently have 461 people within the business, including 91 in Bon Bons and 24 in Kent, with 346 based here. All here are local people and the company is one of the biggest employers in the area. The bottling site is open 5 days a week, but the site operates 24 hours a day. It has seen a drop in sales with regards to Brexit and currency changes.

BT thanked TC

A discussion took place around investment on heat pumps and turbines. TC mentioned they were on a good tariff for the turbines and they should pay for themselves in 5-6 years. He had hoped that the heat pumps would show a return in 4-5 years but it looks like it will now be more like 5-6 years and has cost a lot more than anticipated.

**4. Minutes of last meeting**

The minutes from the meeting on 4<sup>th</sup> July 2017 were agreed as a true and accurate record

BT mentioned that this may be Barbara Gubbins’ last Board meeting and therefore thanked her for her work and time with the Board over the years and wished her well for the future.

**5. Matters Arising**

In relation to prioritising prevention, BT informed the Board that he had written to Stuart Corbridge regarding the action: ‘University to consider wider engagement in Prevention challenges’ but as yet has not had a reply.

**6. Economic Bulletin – David Usher**

DU thanked the Board for the invitation to come along today to present. He discussed the Economic Bulletin:

- Employment – The latest figures for April 2016 – March 2017 estimate that 71.5% of county’s 16-64 population were employed. This is slightly higher than the regional level of 69.8% but lower than national level of 74.3%.
- Jobs – total number of jobs in the county grew by around 5,300 between 2010-16 which saw an increase of 3.2% more than regional growth of 3.1% but less than national growth of 9.8%.
- Business Growth – In 2017 there were 13,790 businesses and enterprises, an increase of 20.5% from 2010 and an increase of 5.8% from 2015.
- Gross Value Added (GVA) – In 2015 total GVA in County Durham was £8,042m, 14.3% higher than the £7,034m in 2009 and a 2.1% increase from 2014. This represented 16.2% of total GVA in the North East in 2015

- Gross Domestic Household Income (GDHI) – This increased by 19.1% to £8.1m in 2015, from £6.99m in 2009 and an increase of 3.7% from the previous year.

BT mentioned there was an increasing gap for County Durham in relation to the UK average for disposable Income and GVA per head. The gap is widening and it is a historic pattern. Earnings are an issue. People are busy but they are not earning high wages.

It was agreed that there are issues with the data especially in relation to figures for self-employment. The data only counts the self-employed as being people who are VAT registered and this is not always the case, especially in County Durham. Self-employed people on zero hours contracts may also not be returned reliably.

BT thanked DU for the update.

## 7. **County Durham Investment Pipeline – Ray Brewis**

RB gave a presentation to the Board in relation to the Investment Pipeline. He outlined the objectives:

- New investment to attract jobs, houses and residents to the County
- High quality jobs
- To improve the County's employment rate and offer
- A highly skilled and educated workforce
- Housing growth to diversify the housing stock from poor quality housing to high quality, energy-efficient homes
- Better place to reside and visit, to make County Durham a more attractive place and significant visitor destination for the North

RB informed the Board that there is almost £13bn of recent or ongoing investment across the county and showed case studies of the projects.

NG mentioned the Horden Project and how Accent has major issues with housing and is selling off properties in the area. He welcomed the £13m being invested, as this will be complementary to housing. It is good to see Durham County Council investing in areas of the county that have seen no investment over the last ten years.

BG commented that on bringing something to the area can make a big difference and she related this to the 'Tommy' statue at Seaham, many people had been attracted to Seaham as a result and she felt it would be good to see something similar to this in Horden.

SP felt we need to be tying in money for social benefits, not just for financial income. Need to have a discussion on how we can create tie-ins. BT agreed that this is exactly what the partnership is about.

BT asked the Board members if they felt the investment had the right balance in geographically. The scale is important. It was agreed that Durham City should soon be in a position where it takes care of itself.

DCLG have done an assessment purely on projects across the county. This is how they have decided how many houses are needed to be put into each local plan, the County numbers having been cut right back. RB mentioned it had been very useful to come along today and the discussion/comments will help with moving forward the Investment Pipeline.

**8. EU Update – Sue Parkinson**

SP gave a presentation to the Board updating it on the County Durham European Programme 2014-2022.

ERDF – This is still operational and taking expressions of interest for the next three years. Durham's allocation has transitional status. The CDEP has a voice on the ESIF Committee and is reasonably well positioned to make decisions. She shared the ERDF programme position for August 2017 which shows the Investment Priorities under each Priority Axis, the applicant name and Project Name, Project Description, ERDF requested from Durham's allocation and the Project End date. SP showed what is still left to spend, there being still lots of unallocated money. We fought to get transitional status and the inability to spend the allocation is an embarrassment. .

ESF – Again there is unspent money in this area.

Current Calls – SP discussed the current calls and the value in each Priority Axis and the closing date for all these calls

SP mentioned there have been some excellent projects to date, but discussed the implications of non-spend. She urged Board members to think of projects and possibly speak to RB for investment opportunities.

**9. Working Group Chair Updates**

*Durham City Board* – NG informed the Board that the last meeting of the Durham City Board had had an interesting presentation of the University Masterplan and the Mount Oswald Project

*Rural Working Group* – OJ mentioned that he was grateful for the invitation to be a CDEP Board member. He has recently taken over as Chair on the Rural Working Group and had attended his first meeting a few weeks ago. This is steep learning curve. BT mentioned that it is very much appreciated that OJ agreed to take on this role.

**10. VCS Update**

BG mentioned that a new chairman had been appointed for The County Durham Community Foundation last month. He is James Fenwick of Wolsingham who will have a new perspective. One of his priorities as Chair of the Charity will be to try to tackle the fundamental issue of lack of aspiration in County Durham.

**11. Any Other Business**

There was no other business to discuss

**12. Date and Time of next meeting – Tuesday 6<sup>th</sup> February 2017 @ 1pm**