

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 **Monday 26 February 2018** 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, P Howell, P Jopling, L Maddison, J Maitland, R Manchester, R Ormerod, A Patterson, A Reed, E Scott, P Sexton and M Wilson

Also Present:

Councillors S Iveson

1 Apologies for Absence

Apologies for absence were received from Councillor L Taylor.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The minutes of the Meeting held 1 January 2018 were agreed as a correct record, subject to the inclusion of apologies for absence from Councillor A Reed.

4 Declarations of Interest

Councillor P Howell declared an interest in Item 8, Private Sector Housing, as a private landlord.

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: the rise in rough sleeping in England for the seventh year running; 3,200 potential jobs at the Forrest Park site at Aycliffe Business Park; a Masterplan for 6,000 new jobs and £400 million economic boost at Aykley Heads; and the new Managing Director of Business Durham hoped to help support more start-up companies in the County.

The Overview and Scrutiny Officer added that the new Managing Director of Business Durham, Brian Archer would be in attendance at the June meeting of the Committee.

Resolved:

That the presentation be noted.

7 Housing and Homelessness Strategies - Progress

The Chairman introduced the Policy Team Leader, Graeme Smith and the Housing Manager, Marie Smith who were in attendance to give an update on the Housing and Homelessness Strategies (for copy see file of minutes).

The Policy Team Leader and Housing Manager, Marie Smith gave a comprehensive presentation in terms of the Housing and Homelessness Strategies.

The Policy Team Leader explained that there was a Housing Strategy Framework and Partnership Structure in place, and referred Members to slides within the presentation. Members were given an overview of: Housing Strategy evidence, and the County Durham Plan (CDP); the Strategic Housing Market Assessment (SHMA); the Housing Demand Assessment; and the Housing Market Position Statement.

The Housing Manager, Marie Smith gave Members information in terms of: an overview of Housing Solutions, including contacts; headline statistics for homelessness; and the homelessness review and Strategy. Councillors were also informed of the tools available to help prevent homelessness including: a Joint Protocol for 16/17 year olds; a pre-eviction protocol; Family Intervention case work; a prevention fund; and the Discretionary Housing payment. It was noted that homelessness had been prevent for over 1,200 clients. It was also highlighted that the Homelessness Reduction Act 2017 places a greater emphasis on Local Authorities preventing homelessness with a requirement that they produce a strategy to cover prevention, provision of support and current supply in both social and private sector.

The Chairman thanked the Officers for their presentation and asked for any comments or questions.

Councillor M Clarke noted in terms of the SHMA and, with the CDP being worked on, he asked whether there was a window of opportunity that developers were taking advantage of and noted the need to maintain focus on delivering 1 and 2 bedroom properties if that is what we needed. The Policy Team Leader noted the figure was a guide and that a proportion of a development is set aside in terms of affordable housing, with the SHMA informing the type and mix of properties.

Councillor J Atkinson noted the number of long term empty properties and asked how many were not rentable due to condition and how many were due to location. The Policy Team Leader noted the number seemed high as there were a high number of properties within the County; however as a percentage it was low. He added that reasons could vary, and could include the reasons the Councillor stated and also other factors, such as rent level. The Policy Team Leader noted there was a need to understand those cluster of properties and to understand why. He added that we were not there yet; however surveys would provide the evidence to inform the Strategy.

Councillor P Howell noted that the headline figure for affordable homes there was a shortfall of 378 per year in the County and asked what the total backlog was. The Policy Team Leader noted this was based upon the need at the point of gathering evidence, 2016, and the 378 was a net shortfall, over a 5 year period. Councillor P Howell asked whether this figure was an accumulative figure or an independent yearly figure. The Chairman noted this could be circulated to the Committee. Councillor P Howell continued by asking if it would be possible to have further detail on the categories of empty properties and where clusters of empty properties are located in the county. The Policy Team Leader noted that this information could be provided to the committee when progress on the CDP is brought back to the Committee.

Councillor E Adam noted the SHMA was the strategy for the type of dwelling and noted the context of more people looking to rent rather than to buy a property and the impact of the spare room subsidy. He asked as regards the involvement of Business Durham feeding information into the process and in relation to homelessness asked if Housing Advice Line staff take information and pass this on or simply signpost or give information to those making contact. The Policy Team Leader noted that the preference was for an affordable of social rent over an “intermediate product”, rather than over owner/occupier. He added that the impact of welfare reform changes was an overprovision of 3 bedroom properties, again information feeding into the evidence base. The Policy Team Leader also noted that there were links with Business Durham, as per the framework set out in the presentation, linking to the County Durham Economic Partnership (CDEP), including wider input from business. The Housing Manager, Marie Smith noted that when an individual contacted the Housing Advice Line they usually would require: an application form for DKO to be sent out; a small amount of advice, linking to services such as the Citizens’ Advice Bureau; or with more complex issues, a case is opened and the individual is passed on to the relevant Specialist.

Councillor P Sexton asked if, after the stock survey and other assessments, was there a plan to follow from the strategy with deliverables, dates, resources and so on and would there be physical evidence that Members could see to be able to scrutinise and measure progress accordingly.

The Policy Team Leader noted the full document and evidence would go out with the CDP and cited the evidence from previous stock surveys leading to actions such as the involvement of Warm up North. He added it was an iterative process and while the document was on track for June, that did not mean that actions were not already being taken.

Councillor M Wilson asked if the SHMA had recognised an aging population and the need for more bungalows and asked how this was encouraged as developers did not seem keen to build them. The Policy Team Leader noted there was an aging population in the County and that within the Issues and Options paper there was a specific question regarding older people, in terms of leaving the issue to market forces or taking a more prescriptive view in terms of a policy approach, akin to that taken in respect of affordable housing. He added that a number of Neighbourhood Plans that had been developed did include these types of policies. The Chairman noted a development within her division where it had been possible to secure 14 bungalows and added that it was possible.

Councillor P Jopling asked as regards the number of empty properties and whether it was possible to find out how many were private and how many were "Durham's own". The Policy Team Leader noted the data came from Council Tax and did not have ownership attached. The Council's Head of Economic Development and Housing, Sarah Robson noted that Council no longer had housing stock; however, the information should be available and could be brought back to Members. The Housing Manager, Shirley Janes noted that of the total of 11,361 from Council Tax records, 949 were social housing.

Councillor P Jopling noted affordable housing, and in particular bungalows, if left to developers would be more akin to private rent, and a lot of elderly people could be left out in terms of affordability. The Policy Team Leader noted two aspects, one being market led, the other being 20% affordable housing.

Councillor E Scott noted a recent television programme where properties had been sold off for £1, with the stipulation that those purchasing would renovate and move in and remain in the property for a number of years and asked if this was something we could look to do in the County. The Housing Manager, Shirley Janes noted she would explain as regards this type of activity within her presentation on the next item.

Councillor J Clare noted that hidden homelessness, "sofa surfing" was an issue that needed to be addressed and added that from experience of an individual in his division could have a number of complex needs and the work of the Council and partners was very good. Councillor J Clare noted his questions were was there only emergency housing provision available at Sunderland or Newcastle, and that he was interested as regards the Housing Forum and Development Group, what they do and how they could affect things. The Housing Manager, Marie Smith noted the Authority did have emergency accommodation, some at Chester-le-Street and other locations, with some for single females. She added that the Authority was looking to develop similar for families, direct access and added that all efforts were made to avoid the use of bed and breakfast accommodation. The Housing Manager, Marie Smith added that there was an increasing demand and that this was noted and was part of the Homelessness Strategy. The Policy Team Leader noted the Housing Forum fed into the CDEP and the Council's Head of Economic Development and Housing Chaired the Forum.

He added it included all the Chief Executives of the Housing Providers and was a very strategic group sharing information, influencing and also had an understanding operationally which all helped to inform strategies. It was added that the Housing Development Group looked at products and delivery, looking to understand planning at the Council in terms of the types of products needed. The Policy Team Leader added that the Housing Support Group focussed on care, homelessness and how Registered Providers could help and what constraints there were.

Councillor A Patterson thanked the Officers and noted that the Committee had identified that there needed to be a joined up approach in terms of planning, and that performance was monitored quarterly. She asked if new legislation would have an impact and would there be implications in terms of staffing and capacity. The Housing Manager, Marie Smith noted that delivery had been reviewed and 4 additional Officers had strengthened the team and that the focus would be more on the customer, with Personal Housing Plans and so on.

Councillor P Howell noted he was surprised in terms of figures that highlighted a reduction in those presenting as homeless citing financial hardship, while there was an increase in those citing relationship breakdown as a reason. He asked whether this would then be fed into the strategy and lead to changes accordingly. The Housing Manager noted that there was targeted work in terms of these areas and that where there have been preventions, those were not included in the figures within the presentation. It was added that the impact of Universal Credit had not been seen yet.

Resolved:

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note the report and presentation.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee as part of the refresh of the work programme for 2018-2019 receive a further update report in relation to both strategies.

8 Private Sector Housing - Progress

The Chairman asked the Housing Manager, Shirley Janes to give a presentation on Private Sector Housing (for copy see file of minutes) and noted the Head of Direct Services, Oliver Sherratt, the Head of Environment, Health and Consumer Protection, Joanne Waller and the Head of Policy and Communications, Office of the Police, Crime and Victims' Commissioner (PCVC), Jon Carling were also in attendance to provide additional information.

The Housing Manager, Shirley Janes gave a comprehensive presentation which included information in relation to: the Housing Solutions Teams; statistics relating to the private rented sector in Durham; advice and information; empty homes; selective licensing; challenges for the Authority and private landlords; and a forward plan of areas to be addressed.

The Head of Direct Services noted a multi-agency approach was undertaken in terms of issues with either homes or commercial properties and added he could come back to the Committee to explain this in more detail. He noted several types of issues, including: anti-social behaviour (ASB); arson; drug taking; and dangerous buildings, for example a faulty gas supply at a property. He added that the departments and agencies involved did note frustrations in some cases, and in taking stock of the time and expenditure in relation to such properties it was noted that there were a significant number of call outs from a Fire perspective alone.

The Head of Direct Services explained that there was therefore a multi-agency interest in being able to deal with issues faster and it was not always to use the “biggest stick” available, often better intelligence and information sharing was important, both internally and with partners. He noted that Section 29 of the Data Protection Act allowed the sharing of information where this would prevent a crime or was in the interests of safety. He noted the Empty Homes Team was the reception for information and added that a second step was to use the knowledge in terms of preventions to help, for example visits to property owners by the Fire Service or Police helping to highlight the need for a landlord to take action can lead to early wins with good coordination. The Head of Direct Services noted that in cases of health and safety and community risk, partners such as the Fire Service and Police, alongside Environmental Health, would look to trigger actions as appropriate, looking to reclaim funds where the Authority has had to take action, where the landlord has not responded to attempts to contact them by the Authority. He reiterated that it was not one tool for all situations, rather use of all the tools at the Authority’s and Partners’ disposal in conjunction.

The Head of Policy and Communications, Office of the PCVC noted that the PCVC and the Chief Constable were keen to address such issues and reduce crime and ASB. He added it was known that these could occur in clusters in areas with a number of empty homes, such as at Horden and that in terms of a strategic, operational and financial level, it was very important that information is shared appropriately. He added there was a need to better “talk up” the many success stories and that also the PCVC was keen to put pressure on Government and he was working with Phil Wilson MP in terms of a 10 Minute Bill in relation to mandatory registration for private landlords.

The Head of Environment, Health and Consumer Protection noted there were a number of key stakeholders and that there were a number of joint working protocols in place, both practical and strategic which helped to prevent duplication of work and help utilise resources more efficiently and effectively. She added there was a limited amount of funds and a limited number of powers, however, there were approaches such as using boards that looked like actual windows and doors when securing a property that could help. The Head of Environment, Health and Consumer Protection reiterated that a problem solving approach was taken and that Officers could share information in terms of how this worked in partnership, together with success stories, at a future meeting.

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

Councillor R Crute noted the 3 areas regarding selective licensing, and the information from the Head of Policy and Communications, and asked how they were monitored. He noted that there were mixed messages as regards this and that Members needed to know the benefits, disbenefits and costs in order to look at selective licensing against accreditation.

Councillor R Ormerod noted that new legislation was positive; however, what were the implications in terms of our accreditation scheme. The Housing Manager, Shirley Janes noted that the majority within the scheme were “better” landlords and therefore a database may not help as rogue landlords tended to “fly under the radar”.

Councillor A Patterson noted she looked forward to the Tenant Scheme pilot and asked what was done to encourage landlords to stay within the accreditation scheme, given a 45% retention, and whether Banning Orders could be a risk to the Local Authority and the budget. The Housing Manager, Shirley Janes noted that Banning Orders were not yet in effect and that issues were being looked at in advance of them coming into effect later in the year. She added that in terms of retention, feedback was taken and there were 6 monthly reviews, however, a lot of the smaller landlords were choosing not to renew membership and this would be looked at.

Councillor E Adam noted that if landlords were not renewing accreditation, were they at least taking on advice and best practice. He added that it is the rogue landlords that needed to be tackled, was the Authority getting value from the scheme and asked are we targeting resources accordingly, for example in tackling those rogue landlords. The Housing Manager, Shirley Janes noted there were teams in terms of Accreditation and in terms of “rogue” landlords. She added that it was important to keep those accredited “on board” to be able to help in terms of future housing need. It was noted that a graded system of accreditation, whereby a landlord is accredited, but does not have access to all the services, could be an approach, for example where those inheriting property, “accidental landlords” could received some advice and basic documentation. The Housing Manager, Shirley Janes noted there was an action plan as regards accreditation and this could be circulated to the Committee.

Councillor E Adam noted in cases of ASB there were links with relevant partners and noted excellent work in his area with the Police with properties not being allowed to reopen for 6 months being a particularly strong tactic. The Housing Manager, Shirley Janes noted that Officers were delivering training to the Police in terms of the Closure Order process and she reminded Members that not all landlords are at fault and there was support for them as appropriate. The Chairman noted that publicity of the work and actions available would be of benefit.

Councillor J Clare noted he appreciated the proactive and integrated approach taken by the Head of Direct Services and his teams, however, noted that in some cases the process needed to be speeded up, with an example in his areas where a yard had not been cleared. The Head of Direct Services noted that under existing powers the normal timescale for such a clearance was around 3-4 weeks and therefore in this case there would have been other circumstances.

Councillor J Clare noted that in terms of the accreditation scheme, a number of private landlords had explained that there were other national schemes they could join, and they could get the information and advice from those schemes. He added that the Authority needed to be aware of the pressure on landlords, including the likely impact in terms of Universal Credit. Councillor J Clare noted that there was so much that seemed to penalise good landlord in the process of chasing the bad landlords. He added that the 10 Minute Motion as mentioned seemed to avoid this issue and that he felt the DKO scheme was very good. Councillor J Clare asked as regards the Time Limited Projects (TLPs) for each agency and did they overlap. The Chairman noted that the TLPs involved all the relevant agencies. The Housing Manager, Shirley Janes and the Head of Direct Services noted the approach was that of multi-agency problem solving. Councillor J Clare suggested that it was important that the County Council improved its communications to let the public know what it was doing in terms of these TLPs.

Councillor R Manchester asked as regards those landlords that were part of the Accreditation Scheme being able to access financial assistance and whether this could be used as an incentive to attract more landlords to the scheme. The Housing Manager, Shirley Janes noted that this was one of the issues highlighted when promoting the scheme, for example, at specific landlord events.

Councillor J Atkinson noted in terms of the numbers of empty properties, was there a point at which the Authority could not do any more. The Housing Manager, Shirley Janes noted that not all empty properties would be seen as “empties” and that it was only some that became an issue. It was added that all cases were looked at as appropriate and cited a recently brought back into use property, previously empty for 16 years.

Councillor P Howell noted that in terms of accreditation, there were a number of associations that landlords could apply to and join and therefore could it be better if the Authority dealt with one of those schemes rather than its own, though to focus on serious issues, not “nitpicking” for example in terms of stipulating door colours. He also agreed with the issue raised by other Members in terms of focusing on rogue landlords. The Housing Manager, Shirley Janes noted she would feed these comments back.

Councillor P Jopling noted that multiagency approaches were taken to tackle rogue landlords, looking at all options open to the Authority and Partners and asked was there the possibility of compulsory purchase. The Head of Environment, Health and Consumer Protection noted there was a range of powers, from early intervention, to disrepair, through to compulsory purchase. She added there was an escalation strategy, together with the tools, such as enforced sales where there was a debt to the Authority. It was added that if a landlord did not do the requisite repair works to a property, a charge could be placed on the property, and in cases where the works are required to be undertaken by the Authority then an enforced sale could be appropriate. The Head of Environment, Health and Consumer Protection noted that powers to manage a property were used as a last resort.

Councillor M Davinson noted that the pilot accreditation scheme had been undertaken in his area, with landlords having been asked what they wanted from such a scheme. He noted that the pilot was free, and that the scheme in place had a cost. He noted that over time there has been more and more positives added to the scheme and this was good. He concluded by noting his experience of selective licensing was that the issues moved out of those areas to other non-licensed areas nearby.

Resolved:

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note the report and presentation.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee continues to monitor the progress of the various initiative undertaken with the private rented sector including the Landlord Accreditation Scheme with a further progress report scheduled in the work programme for 2019/20.
- (iii) That a presentation is provided to the Economy and Enterprise Overview and Scrutiny committee as part of the 2018/19 work programme providing an overview of the Tackling Empty Properties' Initiative.

9 County Durham Investment Pipeline - Overview

The Chairman introduced the Project Development Team Leader, Heather Orton who was in attendance to give an overview of the County Durham Investment Pipeline (for copy see file of minutes).

The Project Development Team Leader referred Members to the report within the agenda papers and highlighted that the Council's Regeneration Statement and the North East Strategic Economic Plan set out the plan for economic growth and that there was a need to support opportunities for investment and funding. It was explained that there was over £3 billion of investment planned for County Durham, and that Authority had a good track record in terms of funding, including the Local Growth Fund, National Productivity Investment Fund and the Housing Infrastructure Fund. The Project Development Team Leader explained that having the investment pipeline in place helps to secure such funding. It was noted that issues such as lower land values and skills development were identified and that the Authority would be proactive, either by leading, working in partnership or facilitating in order to remain responsive to opportunities.

The Project Development Team Leader noted several priority areas for investment, including: to enhance connectivity and business routes, such as the A19, A1(M), A167, the East Coast Mainline and Durham Coast Line; major projects, including Integra 61, Newton Aycliffe Business Park and Forrest Park, Horden Rail Station; Jade Business Park and a Durham City Relief Road; and to maximise the strength of our places, such as Durham City and our towns, also including major projects such as Aykley Heads, Millburngate House, NETPark and the Auckland Project and Kynren.

The Project Development Team Leader noted that the team would continue to work in terms of securing funding and would keep the Committee up to date in terms of strategies.

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

Councillor E Adam asked as regards any developments in relation to Transport for the North, as he noted a lot of North to South connectivity mentioned, however, nothing much in terms of East to West, such as the A68 and A69. The Project Development Team Leader noted it had been noticed and mentioned as a major issue as part of the Transport for the North consultation and offered to share the link with Members following the conclusion of the meeting.

Councillor R Manchester asked as regards a location and direction in terms of a Durham City Relief Road. The Project Development Team Leader noted a lot of work was ongoing with transport colleagues in terms of the CDP, with the work in terms of the funding sources being at an early stage, she noted connecting up the North and the West of the City.

The Project Development Team Leader concluded by offering to attend a future meeting of the committee to provide more detail in relation to individual major investment projects in the county.

Resolved:

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note the report.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee include in its 2018/19 work programme a report providing detail of individual major investment projects in the county.

10 Industrial Strategy - Progress

The Chairman introduced the Principal Regeneration Policy Analyst, Glenn Martin who was in attendance to give an update on progress of the Government's Industrial Strategy White Paper (for copy see file of minutes).

The Principal Regeneration Policy Analyst noted that the Government's Green Paper on this had been published early last year and the Council had submitted an extensive response. He noted that the White Paper was significantly different from the Green Paper, however unfortunately many of the Council's comments had not been taken on board. It was noted there were now 5 "Foundations of Productivity" (Places, Ideas; People; Infrastructure; and Business Environment) that replaces the Green Paper's "10 Pillars" (Growth across the whole country; local institutions; science, research and innovation; world-leading sectors; skills; infrastructure; energy and clean growth; business starts and growth; trade and inward investment; and procurement.

The Committee noted that the Government were not consulting on the White Paper, which would usually take place, and that the issue of Brexit did not seem to be addressed. The Principal Regeneration Policy Analyst noted that consistent with previous strategies, there was a lot back loaded in terms of the current Parliament.

The Principal Regeneration Policy Analyst explained the Government were keen to reinforce the roles of the Local Enterprise Partnerships (LEPs) and Combined Mayoral Authorities and that Government also was looking to the digital business, including areas such as artificial intelligence, mobility, health and life sciences and aging, with a £725 million fund, though this had existed prior to the Strategy.

The Committee noted: a £22 million project in terms of driverless technology with Durham University and Jaguar/Land Rover; the automotive sector deal as set out on the Government website, together with the deal with Nissan; and electric car charging. The Principal Regeneration Policy Analyst explained GlaxoSmithKline were expanding their life sciences facility at Barnard Castle.

It was also noted that housing need in the North of England was different from the South and that the Industrial Strategy asked for “local industrial strategies” and that these would be for Combined Authorities (Mayors) or LEPs to develop.

The Principal Regeneration Policy Analyst noted areas of opportunity for the North East included infrastructure, with £1 billion for roads and rail and £1 billion for broadband provision. It was noted the Government wished to help support more catapults; noting County Durham already had 2 at NETPark. In terms of education, it was noted the North East falls behind London, though there was a Teacher Development Premium available, the Industrial Strategy also identifies the need to help develop employment for disabled people. The Principal Regeneration Policy Analyst reiterated that Brexit was not mentioned and that work would continue internally and via the County Council Network and other such bodies to lobby in terms of what the Council would like to see within the Industrial Strategy.

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

Councillor R Crute noted he had some significant misgiving in terms of the changes made since the Green Paper and with no opportunity for consultation on the White Paper. He considered whether this was a failure of the Northern Powerhouse, regional structures, or whether the work in terms of Brexit was taking up much of the Government’s time. Councillor R Crute continued that the committee should make its concerns known in relation to the lack of further consultation arrangements on the White Paper. The Principal Regeneration Policy Analyst noted that the Industrial Strategy did not sit in isolation.

Councillor P Sexton agreed with Councillor R Crute but he was hopeful that Officers at the Council would be able to look at the Strategy and move forward. The Principal Regeneration Policy Analyst noted the Government honouring “EU Funding” up to 2020 was welcomed.

Councillor J Clare noted the Transport for the North Plan stated £47 billion was required, however, only £31 million was being mentioned, he asked whether there had been any communication. The Principal Regeneration Policy Analyst noted Transport for the North had been mentioned within the Industrial Strategy, however, there were no further details. Councillor J Clare noted the Government were focusing on the South East of England.

Resolved:

- (i) That the Economy and Enterprise Overview and Scrutiny Committee note the report.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee express its concern to the Cabinet Portfolio Holder about the lack of opportunity to respond to the Industrial Strategy White Paper.