

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 14 November 2011 at 10.00 am**

Present:

Councillor J Moran (Chair)

Members of the Committee:

Councillors A Naylor, J Armstrong, B Arthur, A Barker, C Carr, B Graham, P Jopling, P Stradling, M Williams and A Willis

Co-opted Members:

Mr T Batson, Mr D Lavin and Mr JB Walker

Apologies:

Apologies for absence were received from Councillor(s) J Cordon, J Hunter, C Potts, Mrs O Brown, Mrs A Harrison and Mr A Kitching

Also Present:

Councillor(s) A Cox, S Iveson and J Lethbridge

A1 Minutes of the meetings held 8 September 2011, 28 September 2011 and 6 October 2011

The Minutes of the meetings held on 8 September 2011, 28 September 2011 and 6 October 2011 were agreed by the Committee as a correct record and signed by the Chair, subject to the addition of Councillor J Hunter's apologies for the meeting held on 8 September 2011.

A2 Declarations of Interest, if any

Councillor P Jopling declared a personal interest in relation to Item 6, as a Board Member of Dale and Valley Homes.

A3 Items from Co-opted Members or Interested Parties, if any

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

A4 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 of slide, see file of minutes), namely new build houses from Dale and Valley Homes (DVH) at Crook, and drop in session relating to the County Durham Plan (CDP), with reference to the demolition of the existing Police Headquarters and Council Offices amongst other proposals.

Resolved:

That the presentation be noted.

A5 Update on the County Durham Plan:

The Chair introduced Rick Long, Principal Planning Officer (Strategic Team), Regeneration and Economic Development who was in attendance to update Members regarding the County Durham Plan (CDP) (for copy of presentation, see file of minutes).

The Principal Planning Officer (Strategic Team) explained that since the series of workshops held in July, responses from the consultation in the summer had been collated and fed into the development of the CDP. Members noted that further events had been held in October and evidence was continuing to be gathered as well as reference to emerging national policies. The Officer explained that the policy direction was to look to the needs for employment land, new housing and retail floor space for the next 20 years and then see how this would be spread across the town and villages in the County, across existing and new strategic sites.

Members learned that Durham City was an important driver, though was not the sole area for consideration, and Councillors were given information in relation to: Aykley Heads, Sniperley Park, Newton Grange, Sherburn Road as well as the potential Western and Northern Relief Roads.

The Principal Planning Officer (Strategic Team) explained that in relation to housing sites, 8 or 9 had been considered at "stage 1", with this having been reduced down to 3 at "stage 2". Members noted that now "stage 3" would look at whether all 3 sites were required and how the phasing of provision could be progressed. The overall "Preferred Options" stage would look at the amount of development need in each town and the most appropriate combination of sites.

The Committee were reminded of changing national policies with the National Planning Policy Framework being streamlined, the Infrastructure Planning Commission changing to the Major Infrastructure Planning Unit prior to the announcement of such infrastructure projects and also the Localism Bill, to be enacted within the next few days. The Principal Planning Officer (Strategic Team) explained that while Regional Spatial Strategies (RSSs) were abolished by Localism, Local Planning Authorities would have the responsibility regarding targets for housing and employment land.

Members were reminded that there would be a duty for neighbouring Local Authorities to cooperate and there would be the introduction of Neighbourhood Planning.

The Principal Planning Officer (Strategic Team) concluded by noting that the next steps were to await the outcome of the Localism Act, to continue to develop evidence, producing a Local Plan with site allocations and policies with Preferred Options around September 2012.

The Chair thanked the Principal Planning Officer (Strategic Team) for the presentation and asked the Committee if they had any questions for the Officer.

Councillors noted issues relating to options of alternative sites beyond those mentioned, the impact of the reduction of the feed-in tariff and whether there would be any potential detriment for the Council should the CDP not be in place and National Policies are changed. The Principal Planning Officer (Strategic Team) explained that other potential sites could always be addressed should a Developer submit plans and they would be considered against existing plans and saved policies and once completed the CDP itself. The Officer added that the reduction in the feed-in tariff would have an affect, though the CDP did look to the long-term, over the next 20 years to get the correct mix of wind, solar and other renewable energy sources. The Committee noted that the Council were awaiting the National Planning Policy Framework information from Government in April 2012 and would then have the opportunity to fine tune a response at the Preferred Option stage.

Issues relating to the involvement of Town and Parish Councils were raised, with Members being reminded of the ongoing work relating to the Community Governance Review for Crook and Durham City and that should Town and Parish Councils wish to express their views they should submit via their Association to the Cabinet.

Resolved:

- (i) That the report and presentation be agreed and that the comments made by the Members of the Economy and Enterprise Overview and Scrutiny Committee be noted by the Officers.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further update in relation to the progress of the County Durham Plan at the meeting on the 29 March 2012.

A6 Update on the Stock Option Appraisal:

The Chair introduced Marie Roe, Stock Options Appraisal (SOA) Project Manager, who was in attendance to update Members regarding the SOA (for copy of slides, see files of minutes).

The SOA Project Manager reminded Members that there had been a Special Meeting of the Committee on 28 September 2011 that looked at the options available to the Council in relation to issues of self financing and governance arrangements and that the focus of this presentation was Stakeholder Involvement, consultation outcomes and the next steps for the project.

The Committee were advised that the SOA process had been designed to be open and transparent and a Customer Working Group had been established with 3 Customers from each area, Durham City Homes (DCH), Dale and Valley Homes (DVH) and East Durham Homes (EDH) together with 1 Leaseholder, as there are only a few Leaseholders across the 3 areas. The SOA Project Manager reminded the Committee that an Independent Tenant Adviser (ITA) had been appointed and a Communication Strategy and Tenant Empowerment Statement had been developed. Members noted that a Stakeholder Steering Group had also been established with 3 County Council Portfolio Holders, 3 staff members and 10 Customer representatives. The SOA Project Manager explained that the Stakeholder Steering Group had the responsibility to oversee the progress of the SOA, to identify potential options and models and to make recommendations to the Council for decision. Councillors noted that "jury sessions" had been held looking at the potential models and options, and from the sessions it was agreed to consult on the retention of the stock and the options of a possible transfer be that by a traditional Large Scale Voluntary Transfer (LSVT) a Community owned, Council owned (CoCo) organisation or a mix of options.

The SOA Project Manager noted that consultation had been very successful and well received, with over 2000 customers engaged, and over 100 open days, meetings and events having taken place. Members noted that evidence gathered had indicated that there was an appetite for stock transfer, with the alternative transfer model of a CoCo being of particular interest to customers on the basis of retaining the customer led governance arrangements of the Council's existing housing management organisations. The SOA Project Manager reiterated that the issues of a transfer were still very complex and even with the appointment of the ITA there was a need to make the issues as clear as possible in all its communications, particularly in relation to the CoCo model and concerns regarding disparity of service and Decent Homes Standards across the 3 organisations. The Committee were also reminded that there were concerns from staff as regards any implications of the SOA on their job security, and that the current high level of customer satisfaction could be affected.

The SOA Project Manager concluded by noting that it was recommended that early negotiations took place with Government with regard to the possibility of stock transfer, the arrangements that need to be put in place to prepare for the introduction of a system of self financing and that the Committee be updated on the progress of the SOA project. Members noted the next steps were to prepare a final Cabinet report (December 2011) setting out the findings of the option appraisal and the outcomes of consultation and to devise project plans and activities for the next phase of the SOA project, including the achievement of efficiencies, reporting back to the Committee in the new year.

The Head of Housing, Glyn Hall added that a further report would be submitted to Cabinet in December regarding the issues of self financing and issues relating to the soon to be enacted Localism Bill.

The Chair thanked the SOA Project Manager for the presentation and the Head of Housing for his comment and asked the Committee if they had any questions for the Officers.

Members of the Committee raised concerns regarding proposals to change Benefits wherein under-occupancy within a rented property could result in reduce benefit payments. This in turn could severely restrict a Tenant's ability to remain in that property.

Members also noted the issue of the debt allocation for self financing and issues of group repair schemes and agreements by tenants in relation to minimum standards of upkeep for gardens.

The Head of Housing and SOA Project Manager explained that the fast pace of change in Housing Policy and developments in Welfare Reform have impacted on the option appraisal, with many customers expressing concern about their future tenure. The Head of Housing and SOA Project manager went on to explain that although the option appraisal can not address all issues and concerns the appraisal should at least account for the concerns of customers and stakeholders as the process progresses into its next stage. Members also noted that a potential increase to the debt settlement had been factored into the HRA business plan modelling. This will be revisited in early 2012 alongside a review of the value of the housing stock. The SOA Project Manager added that there were conditions within Tenancy Agreements that stipulated standards for upkeep of properties and their gardens and these are monitored by Tenancy Enforcement and Housing Officers through various methods including the estate walkabouts that often take place with Councillors.

Resolved:

- (i) That the information on the progress and next steps in relation to the Stock Options Appraisal project be noted.
- (ii) That the comments of the Economy and Enterprise Overview and Scrutiny Committee be noted prior to the consideration of the completed report at the meeting of Cabinet, 14 December 2011.
- (iii) That the Economy and Enterprise Overview and Scrutiny Committee receive at a future meeting a further update in relation to the progress of the Stock Options Appraisal process.

A7 Minutes from the meeting of the County Durham Economic Partnership, held 18 July 2011

The Minutes of the meeting of the County Durham Economic Partnership held 18 July 2011 were received by the Committee for information.