

## **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 9 December 2013** at **9.30 am**

#### **Present:**

**Councillor R Crute (Chairman)**

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

Councillors E Adam, J Armstrong, A Batey, J Clare, J Cordon, J Maitland, H Nicholson, J Rowlandson, M Simpson, P Stradling, O Temple and A Willis

#### **Also Present:**

Councillors A Patterson and E Tomlinson

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

Apologies for absence were received from Councillors J Bell, D Hall, P McCourt, R Ormerod, S Zair and Mrs O Brown.

#### **2 Substitute Members**

No notification of Substitute Members had been received.

#### **3 Minutes**

The Minutes of the meetings held 21 October 2013 and 13 November 2013 were agreed as a correct record and were signed by the Chairman.

The Overview and Scrutiny Officer, Diane Close reminded the Committee that additional information requested by Members as regards Durham Key Options (DKO) and the Community Infrastructure Levy (CIL) had been circulated.

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

Councillor J Maitland declared an interest in Item 11 as a Board Member of East Durham Homes.

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

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

## **6 Media Relations**

The Overview and Scrutiny Officer referred Members to the recent prominent articles and news stories relating to the remit of the Economy and Enterprise Overview and Scrutiny Committee (for copy of slide see file of minutes) namely: East Durham Homes received praise from the Home Office; the Lumiere Festival attracting crowds of 175,000 people; further consultation events on the County Durham Plan (CDP); and the Leader of the Council, Councillor S Henig being chosen to lead the new Combined Authority.

### **Resolved:**

That the presentation be noted.

## **7 Quarter 2, 2013/14 Revenue and Capital Outturn**

The Chairman introduced the Principal Accountant, Resources, John Hughes who was in attendance on behalf of the Finance Manager, Resources, Azhar Rafiq to speak to Members in relation to the Quarter 2 Revenue and Capital Outturn 2013/14 (for copy see file of minutes).

The Principal Accountant reminded Members of the areas reported upon, the General Fund Revenue Account, the Housing Revenue Account (HRA) and the Capital Programme for the RED Service. Members noted the service was reporting a cash limit under spend of approximately £424,000 for 2013/14, based on the Quarter 2 forecast outturn, against a revised General Fund Revenue Budget of £43.507 million. Members noted the major predicted under spend fell within Planning and Assets, with the detailed explanations as set out within the report including an increased income due to a small number of major applications generating extra income such as the Hitachi site at Newton Aycliffe and the Dalton Park site. The Committee learned that there was continued overspend reported for Traffic, specifically related to parking services and enforcement activities, though it was anticipated that this would be partly resolved at the retendering stage as this was the final year of the current contract for the service.

The Committee noted that the HRA for 2013/14 had no major issues; with a forecasted balanced position after using a projected surplus of £931,000 towards the Capital Programme. Members noted that the projected surplus was less than reported in Quarter 1, however, there had been additional pressures in terms of void properties and the council tax implication of those properties, and an increase in Right to Buy sales, therefore a slight loss of rental income.

As regards the Capital Programme, the Principal Accountant explained that subsequent to revisions to take into account grant additions/reductions and re-profiling the budget now stood at approximately £104.578 million split between the General Fund (£48.996 million) and HRA (£55.582 million).

Members noted that the spend to the end of September 2013 had been approximately £31.080 million and the Committee was reminded that the spending profile for the Capital Programme was such that the majority of the spend was closer to the end of the financial year, and that some projects could be carried over multiple years.

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

Councillors asked questions in respect of: overspends for supported housing, traffic and Business Durham; the number of properties that made up the additional council tax charges from void properties; and the potential impact of Welfare Reform on HRA income.

Members were informed that the supported housing service was a 24 hours, 7 days a week, full-cover service and there was contingency within the budget as regards this. Councillors noted that the overspend within traffic was as set out in the report, and any additional cost as regards Lumiere and the Lindisfarne Gospel events was easily identifiable however, the additional income as generated by these events was more difficult to quantify. The Principal Accountant explained that costs as regards Business Durham had been removed from the Financial Management System and were held on the list in terms of follow up work. The Committee noted that number of properties in relation to voids and council tax costs could be obtained for the next financial monitoring report. The Principal Accountant explained that there had been some planning in respect of the impact of Welfare Reform, though it was noted that Universal Credit, paid directly to the individual unlike Housing Benefit that came directly to the Authority, had not yet come into effect.

Councillor J Armstrong noted agency costs as regards the supported housing service and queried whether there could be scope for retraining Council staff displaced from other services to cover this area.

**Resolved:**

That the report be noted.

## **8 Quarter 2, 2013/14 Performance Management Report**

The Chairman thanked the Head of Strategy, Programmes and Performance, Regeneration and Economic Development, Andy Palmer who was in attendance to speak to Members in relation to the Quarter 2, 2013/14 Performance Management Report (for copy see file of minutes).

The Head of Strategy, Programmes and Performance reminded Members of the different types of indicators reported, Tracker indicators and Target indicators.

Councillors noted that some of the key achievements in Quarter 2 included: the number of apprentices at the Authority being ahead of target; the number of empty properties being brought back into use exceeding target; the number of homes being brought up to the decent homes standard by East Durham Homes being ahead of target and on track for the year end; and the number of private sector properties improved as a result of local authority interventions had also increased.

Members noted progress with Council Plan actions, such as: the delivery of Durham City projects including Freeman's Reach which had now broken ground; improved transport modelling; completion of the link road at Horden; entry into the design phase for the rail station at Horden; and ongoing consultations in respect of the CDP and the Housing Stock Transfer Project.

It was added that key performance issues going forward included: the number of affordable homes being delivered; and the number of major planning applications being determined within 13 weeks. It was added that Council Plan actions behind target included: the Regeneration Framework for Durham City being rescheduled from July 2013 to April 2014 in line with CDP; traffic management for Durham City now incorporated into the next Capital Programme; capital works relating to improving transport at Bishop Auckland rail station and at key employment sites; and physical improvements to Barnard Castle town centre.

Members noted the Tracker Indicators set out within the report including: a slight increase in the employment rate, with a continued slight decrease in the number of Job Seekers Allowance (JSA) claimants aged 18-24; and an increase of those accessing JSA for one year or more. It was added that there had been a rise in those re-housed via the Durham Key Options (DKO) scheme and there had been a slight rise in the number of statutory homeless applications.

The Chairman thanked the Head of Strategy, Programmes and Performance and asked Members for their questions on the report.

The Committee asked questions in relation to: a breakdown of employment figures in terms of part-time, full-time, temporary and zero-hour contracts; the increase in the number of people being rehoused via DKO and the increase in the number of void properties; identifying where jobs had been created as a result of apprenticeship schemes; the delay in the deadline for sustainable travel plans linked to the Hitachi development; the influence of "City Forums" on regeneration plans; whether employment rate figures included those Not in Employment, Education or Training (NEET); and why the indicator for number of tourism businesses actively engaged with by Visit County Durham (VCD) was set out as "not reported".

The Head of Strategy, Programmes and Performance noted that a lot of research at a national and regional level had been undertaken in respect of breaking down employment figures and it would be possible to bring a report to a future meeting of the Committee. It was explained that the Authority was looking at the issue of increases in rehousing and void properties and could be partially attributed to movement within the DKO system of tenants to properties with fewer bedrooms, as a result of the spare room subsidy policy of central Government.

Members learned that there were opportunities becoming available via the EU finding programme for 2014-2020, with specific funding in relation to the Youth Employment Initiative and further information could be provided to Members on where jobs have been created as a result of apprenticeships.

The Head of Strategy, Programmes and Performance noted that the date relating to sustainable travel plans had been revised following further in depth service planning discussions within the RED Service Grouping. It was noted that NEET figures were not included within the figure as reported, NEET figures were reported within the performance data that falls within the “Altogether Better for Children and Young People” and is reported at the Children and Young People’s Overview and Scrutiny Committee, though figures could be included for Members information in future reports. It was added that the “Not Reported” listed for the performance indicator relating to “tourism businesses being engaged with” was believed to be a timing issue and would be followed up with VCD.

**Resolved:**

That the report be noted.

## **9 Business Support and the Role of Business Durham**

The Chairman thanked the Managing Director, Business Durham (BD), Dr Simon Goon who was in attendance to speak to Members in relation to Business Support and the Role of Business Durham (for copy see file of minutes).

The Managing Director, BD noted that report as set out within the agenda papers built upon previous reports to the Committee and noted that areas such as retail which was very dynamic, and tourism which was dealt with primarily by VCD, were not the main areas of focus for BD as it was felt a lot of effort could be expended for little visible result. Members noted that the focus of BD was on supporting private sector job creation in the areas that have the greatest benefit to the economy including sectors such: manufacturing; professional services; creative services; scientific and technical services; and production.

The Committee were informed that BD operated 3 teams that supported businesses those being:

- The Business Space Team that manages the Council’s business property, with an aim to eventually be able to fully fund the rest of the services being delivered by BD.
- The Innovation and Growth Team that oversees inward investment, strategic management, the innovation agenda and NETPark product. It was added that the “top 1%” of businesses employs 17% of all employees therefore a small change in their employment figures can have large impact.
- The Business Development Team that leads on enterprise activities for the County, working with Enterprise Agency partners in areas such as supporting Small and Medium sized Enterprises (SMEs) to expand. It was noted this was carried out in the usual East, North and South and West geographical areas of the County.

The Managing Director, BD noted that BD had 4 principle objectives: deliver financial sustainability; become more proactive in engaging with business and sector development activities; operate more effective and efficient networks within and out of the County; and establish a greater evidence base to inform strategy development and measure impact.

Councillors noted six principle areas of activity, those being:

- Encouraging a more entrepreneurial culture.
- Encouraging the growth and development of SMEs.
- Supporting larger companies.
- Attracting capital and inward investment to the County.
- Encouraging and supporting the development of innovative, technology based SMEs.
- Maximising the benefit of the County Council's stock of business property.

Members noted entrepreneurial activities included initiatives with schools, colleges and Durham University, and the Future Business Magnates (FBM) enterprise competition. It was also noted there had been support of the Peter Jones Enterprise Academy at East Durham College, and support on behalf of the County Durham Economic Partnership (CDEP) in respect of "Durham Creatives", workshops, coaching and mentoring which has resulted in 27 start-ups so far. The Committee learned that the project of support for NETPark, originally Project C, had been rebranded as NETPark Brainwave and in total, 40,000 people had been engaged, with activities including work with local school teachers regarding the science of the Lindisfarne Gospels and work with the firm Artichoke in respect of the science of light to help inspire young people.

The Managing Director, BD explained that during 2012/13 there had been: a total of 769 enquiries, with 130 being start-up enquiries passed on to Enterprise Agencies; 252 businesses being provided with assistance; and 275 businesses being engaged through specific events, projects and campaigns. Members noted that to date, the 2013/14 figures were a total of 429 enquiries; 54 start-up enquiries passed on to Enterprise Agencies; 112 businesses being provided with assistance and 139 businesses being engaged through specific events, projects and campaigns. The Committee noted that a number of business engagement groups had been established for the major industrial estates at Aycliffe, Peterlee and Consett and that a Social Value Taskforce had been established to help small businesses win more contract opportunities with this Taskforce to be chaired by Councillor N Foster. Members noted that the Social Value Taskforce included representatives from the Federation of Small Businesses (FSB), the North East Procurement Organisation (NEPO), Social Enterprise UK, Price Waterhouse Cooper and experts on social accounting.

Members were referred to a list of many large companies that had been supported by Business Durham which included: EBac, the only white goods manufacturer in the UK: Thorn where jobs were saved; and Polyphotonix a company working in connection with Organic Light Emitting Diodes (OLEDs).

The Managing Director, BD explained that there were challenges in respect of Regional Growth Fund (RGF) and there were several examples of successful bid to Round 3 of RGF including:

- Actem (UK) at Peterlee, a £5.3 million investment, £1.3 million from RGF, 40 new jobs.
- Caterpillar at Peterlee, a £11.3 million investment, £1.2 million from RGF, 25 new jobs, 175 safeguarded jobs.
- CAV Aerospace at Consett, a £8.3 million investment, £1.4 million from RGF, 78 new jobs, 105 safeguarded jobs.
- Ebac Group at Newton Aycliffe, a £7 million investment, £1 million from RGF, 100 new jobs.
- NSK Bearings Europe at Peterlee, a £23.5 million investment, £3.5 million from RGF, 40 new jobs.

It was added that there was support offered to those businesses trying to access the “Let’s Grow” a £30 million RGF programme and noted that for an investment of £24,000 by Durham County Council (DCC) in supporting bids, £6.5 million of grant was secured, in turn creating and safeguarding 667 jobs.

Councillors noted several capital investments including the Hitachi Rail Europe project and Compound Photonics, a high value manufacturing company that specialises in video and data projection. It was noted that these investments would lead to 200 jobs being created or safeguard, with the potential for another 50 jobs to be created.

The Committee noted that innovative technology based SMEs were encouraged with the NETPark Net membership model, NETPark Net Virtual Office and a rebooted NETPark Net Innovation Academy. It was explained that the latter seen as an example of best practice, showcased at the International Association of Science Park’s conference in Tallinn, Estonia in June 2012. It was added that in July 2013 the inaugural meeting of the NETPark Investment Panel was held, to help connect companies to financiers and to assist with investor readiness. Members noted that BD was approached by the Science and Technology Facilities Council (STFC) in order to organise an event showcasing the contracts available from the European Extremely Large Telescope which is being constructed in Chile for the European Southern Observatory.

The Managing Director, BD commented that in maximising the benefit of DCC business properties the Authority had taken a more aggressive position as regards rents and debts, and with several businesses moving from DCC premises to either larger premises elsewhere or downsizing operations and working from home. It was explained that a further phase of development of the Derwentside Business Centre had just been completed at Consett Business Park, on time and to budget. Councillors noted huge successes at NETPark in terms of occupancy, with levels at 83% currently with it expected to rise to over 90% with a major letting anticipated before Christmas 2013. Members noted that NETPark was projected to make a net contribution of £315,000 to BD by the end of March 2014.

The Chairman thanked the Managing Director, BD and asked Members for their questions on the report.

Councillors asked questions relating to: how inward investment was directed since the demise of the Regional Development Agency, One North East; how young people could be engaged with to highlight the opportunities in the engineering and manufacturing sectors; why a number of enquires to BD were listed as being from “unknown”; preferred supplier lists for DCC; the wide scope of the 6 principles as set out; information as regards the make-up of the SMEs within the County; financial sustainability for BD; and measures to demonstrate delivery and impact.

The Managing Director, BD explained that investment from outside of the UK was around 50% new investment, with 50% being linked to expanding businesses. It was noted that a small number of enquires came through directly to BD via the internet and a number were directed by the UK Trade and Investment (UKTI). It was noted that with the former Managing Director of BD had a coordinating role for the Combined Authority as Investment Gateway Manager for Invest North East England a further report would come forward in respect of this in March 2014. It was noted that most investment was indigenous, with overall 20-30% being foreign investment.

Councillors noted that there were working groups looking to securing European Funding that would allow a matching service between education and businesses, with there being a need to balance education needs and the needs of businesses in terms of A-Level, apprenticeships and other types of qualifications and training. The Managing Director, BD noted that several enquires that come in from larger companies can sometimes be anonymous as not to affect share prices, but as they are usually directed via UKTI the enquiries could be viewed as genuine.

The Committee were reminded that there were procurement frameworks in place for different levels of contract, with small, medium and large contracts where local companies can be asked for expressions of interest in the smaller cases up to full Official Journal of the European Community (OJEC) for large contracts. Councillors noted that companies were encouraged to access the NEPO procurement portal to be able to tender for contracts.

The Chairman thanked the Managing Director, BD and asked Members for their questions on the report.

Councillors asked questions in relation to the broad nature of the 6 principles; information relating to business sizes and employees in the County; the timescale for financial sustainability for BD; measures in place to evidence impact against objectives; and “developing a strategic footing” at Newton Aycliffe.

The Managing Director, BD explained that the 6 principles were inherited and noted moving forward there would be greater focus on sector strategies and “targeted diversity”. It was explained that that BD was working with the FSB and Enterprise Agencies as regards data, with the Office for National Statistics (ONS) data being in some cases 18 months old. Members noted that some initial information was that of the “Top 200” businesses in County Durham, only 2 had more than 1,000 employees, around 10 had between 500 - 1,000 employees and around 20 had between 250 - 500 employees. It was explained that the rest were SMEs or microbusinesses, representing the majority of the businesses.



The Managing Director, BD noted that it was hoped that the financial sustainability for BD would be bottomed out over the next 4-5 years and that the data sets demonstrating the impact of improvements, growth and EU funding would also be developed over the next few years. The Committee noted that the CDP set out the spatial elements as regards growth and it was added that BD worked with Private Sector Boards as regards making sure Agreements were in place.

**Resolved:**

That the report be noted.

**10 North East Leadership Board - Secretary of State Statutory Consultation on Proposals**

The Chairman thanked the Spatial Policy Team Leader, Regeneration and Economic Development, Maria Antoniou who was in attendance to give a presentation in relation to the North East Leadership Board, Proposals for a Combined Authority for the North East (for copy see file of minutes).

The Spatial Policy Team Leader reminded Members that she had attended the Committee previously to explain the proposals for a Combined Authority (CA) and it was noted that the consultation from the Secretary of State (SoS) for Local Communities and Local Government on proposals had included a few additional questions and requirements than initially indicated.

Members noted that the context for a CA was for 7 Local Authorities working together and collaborating, and it was reiterated that a Combined Authority was not a “Super Authority” or “regional government by the back door”. It was explained that a key question would be how the North East Local Enterprise Partnership (LEP) and the CA would work together on their shared agenda, building upon the robust evidence base gathered through the North East Independent Economic Review (NEIER). It was added that there would be also opportunities to work with the Tees Valley LEP on shared issues including access to finance and transport.

The Committee noted that the consultation document from the SoS was published 7 November 2013 seeking views on the proposed CA with the 7 Local Authorities and the Tyne and Wear Integrated Transport Authority being statutory consultees. It was explained that the consultation ran until 2 January 2014, meaning that timescales were tight in getting responses through the committees of the constituent Authorities in order to have a single Local Authority response. Councillors noted that the 7 Local Authorities’ relevant Executive Committees/Cabinets would look to approve a response during the week commencing 16 December 2013 and to have a single response that was agreed by the North East Leadership Board (NELB) of the CA by 20 December 2013.

Members learned that the SoS consultation asked specific questions on: local support for establishing the CA; if the CA would improve the provision of transport, economic development; regeneration and the economic conditions in the area; the impact of the CA on local communities; the constitutional arrangements and functions for the CA; and how the North East LEP and CA would work together.

The Committee noted the consultation undertaken by the NELB and Local Authority with local stakeholders including: County Durham Partnership Board; Visit County Durham Board; Business Durham Advisory Board; Area Action Partnership (AAP) Chairs; and the County Durham Association of Local Councils (CDALC). It was added that the Local Authorities had online surveys to feed into the process and a number of focus group meetings were being held in the DCC area in Durham City, Crook and Murton.

The Spatial Policy Team Leader explained that the Local Authority response would include governance arrangements, with a North East Partnership Framework and set out a clear scope for the CA centred on transport, skills, inward investment and strategic funding. Members noted that the response would provide evidence of local support from residents, businesses, partners and the voluntary sector and details as regards changes to the draft Order.

It was reiterated that the NEIER supported the case for a CA and that the transport footprint of the Tyne and Wear Integrated Transport Authority would be mirrored by that of the CA.

Councillors were reminded that the CA existed in shadow form, with the Leader of the Council, Councillor S Henig being Chairman of the shadow Leadership Board, and noted the consultation was still ongoing with the single response from the Local Authorities being submitted in December 2013. It was added that the consultation closed in January 2014; the Parliamentary debate commenced in February 2014; with the proposed establishment of a CA, alongside CAs for South Yorkshire, West Yorkshire and Merseyside on 1 April 2014.

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

Councillors noted issues and asked questions in relation to: who would be providing the response regarding scrutiny arrangements for the CA; concern as regards public perception with the CA already operating in shadow form; who would be involved in the focus group meetings regarding the consultation; the geographical extent of the CA; and to what extent DCC could provide influence within the CA.

The Spatial Policy Team Leader explained that the focus group at Crook would comprise of the local Citizens' Panel and with AAP Coordinators liaising with public representatives. It was reiterated that the "local support" element had only been added at the last moment to the SoS consultation. The Principal Overview and Scrutiny Officer, Stephen Gwilym commented on the tight timescales in order to get an Overview and Scrutiny response to Cabinet and summarised members comments as: there was broad support by the members of the Committee for the principle of the Combined Authority; in relation to the consultation process it was felt that the consultation period was too short (a very tight timescale as it included the Christmas and New Year holiday periods); due to the tight timescale and timing of the consultation it was felt that this has resulted in a somewhat restricted engagement activity considering the proposed remit of the Combined Authority and in relation to governance arrangements, it was felt that to ensure openness and transparency in the decision making process, there was a need for robust and fit for purpose scrutiny arrangements. The Spatial Policy Team Leader noted that the Committee's comments could be shared with Cabinet.

Several Members noted that they felt it was important to have a strong County Durham voice within any CA and having Councillor S Henig as Chairman of the Leadership Board in shadow form was a positive step for the County. Members noted that many of the issues faced by Local Authorities in the region could be addressed better at that level, including economic development and growth.

**Resolved:**

- (i) That the information within the report and presentation be noted, with the comments from the Committee shared with Cabinet.
- (ii) That the Committee receive further updates on the development of the Combined Authority at future meetings of the Committee.

## **11 Housing Stock Transfer Project - Update**

The Chairman thanked the Stock Transfer Project Manager, Marie Roe who was in attendance to give an update presentation in relation to the Housing Stock Transfer Project (for copy see file of minutes).

The Stock Transfer Project Manager noted that since the last update provided to the Committee in September there had been significant progress with DCC Cabinet having agreed on 30 October 2013 to: apply to the Homes and Communities Agency (HCA) to transfer homes; to establish a shadow Parent Board; and to maintain an alternative plan should transfer not be possible. It was explained that Portfolio Holders for Housing and Finance and the Corporate Director of Regeneration and Economic Development were delegated to develop the application to the HCA and that Members had been made aware of the pressing timescales as regards moving forward. It was explained that the application had been submitted on 3 December 2014, with an expected date of notification of consent to proceed to formal consultation being March 2014. The Stock Transfer Project Manager set out the timescales that would lead up to a transfer, with: formal consultation ending in a ballot in Summer 2014; a temporary Managing Director being appointed to start to shape the shadow group of landlords; recruitment to the shadow Parent Board; and stock transfer would take place by 31 March 2015, subject to the approval of Government and Tenants. It was noted that should approval for stock transfer not be forthcoming from Government or Tenants, the alternative would be for a single Arms-Length Management Organisation (ALMO) for all of the Council's homes.

The Committee noted that the shadow "Parent" Board would operate such that it was overarching to the three existing landlords of Durham City Homes (DCH), Dale and Valley Homes (DVH) and East Durham Homes (EDH), which would become "Child" Boards, bound by legal agreements to ensure fair and equal treatment for all Council Tenants across the County. Members noted the requirement of all organisations to become landlords, or "Registered Providers", and for each organisation's Board to be registered with the HCA. It was added that to ensure this, robust governance arrangements were essential and existing Boards would be tested against regulatory requirements to ensure they were suitable for registration.

Councillors learned that the Parent Board would not be responsible for day-to-day running of the housing stock, however it would be responsible for:

- Determining the overall strategy of the Group.
- Monitoring and managing financial information and overall performance against plans and strategies.
- Systems of internal control, audit and risk management.
- Appointing and removing subsidiary board members, to show a formal relationship and overall control of the Group.

It was explained that the shadow Parent Board would be responsible for shaping the new Group of landlords, supporting transfer and taking decisions and that recruitment began in November 2013, based upon the skills required to lead and to satisfy the HCA and banks/potential lenders. The Stock Transfer Project Manager noted the shadow Parent Board would comprise of 13 members: 4 independents; 3 Tenants from across the County; 3 Council nominees; and the Chairs of DCH, DVH and EDH.

It was added that the shadow Parent Board would, subject to stock transfer, eventually become the registered Parent Board, and the inaugural meeting of the shadow Parent Board was scheduled for January 2014.

Members noted that informal consultation would build upon that undertaken in summer 2013 and a transfer project “Your Home, Your Future, Your Choice” had been launched with newsletters to all Tenants, a dedicated stakeholder newsletter, and an internet “micro-site”. It was explained that home visits to all Tenants had taken place throughout November 2013 and that the information from the 58% of the total amount of Tenants that had responded indicated that 73% were reasonable positive about the proposal, 4% reasonably negative and 23% remained uncertain. The Stock Transfer Project Manager noted that while this was very encouraging, there was no place for complacency and key issues in moving to formal consultation would be to highlight the need for more money to invest in neighbourhoods, new services, new homes and localism. It was noted that the response robustness would be tested via telemarketing and that regular contact with existing Tenants’ and Residents’ Panels would continue. Councillors noted that the Customer Working Group had been extended, now including 30 members from across the County and that an Employee Focus Group had been established including all organisations and plans to expand. Members learned that further communication and consultation was planned will all stakeholder groups including: more information being made available in a variety of formats; briefing sessions; Board and interim Managing Director road shows; and more home visits.

The Stock Transfer Project Manager informed Members of the information that was required to go into the Transfer Proposal, namely:

- Transfer offers, as part of the consultation and ballot process.
- Setting out what Tenants could expect if a transfer was to take place in comparison to if the Council remained as landlord.
- Information on key issues determined during the informal consultation.
- Governance arrangements.

Members noted that if the process moved forward to a ballot, the a “Stage 1” notice would be issued first, to be followed by Ballot Papers issued separately, and independently of the Authority.

The Stock Transfer Project Manager explained that the next steps would be: to await the response to the application from Government, expected in March 2014; to provide update letters to all Tenants and Stakeholders in January 2014; for the shadow Parent Board to hold its inaugural meeting in January 2014; for a number of “meet the gang” roadshows to take place during January and February 2014; to continue to develop offer documents; and for the shadow Group of landlords to continue to take shape in terms of proposed structures and purpose.

The Chairman thanked the Stock Transfer Project Manager and asked Members for their questions on the report and presentation.

Councillors asked what the composition of the board would be, what the role of the local Councillors would be, and who had been appointed as interim Managing Director.

The Stock Transfer Project Manager explained that the Council could nominate an Officer, ex-Councillor or Resident, however most Local Authorities had nominated Councillors as they had a democratic mandate to act in the interests of local people, the environment and economy. Members noted that the temporary Managing Director was Mr Bill Fullen, a former Director at Gateshead Council and former Chief Executive of The Gateshead Housing Company, one of only “3\*” rated housing organisations.

**Resolved:**

- (i) That the information within the report and presentation be noted.
- (ii) That the Committee continue to receive further updates in relation to the development, impact and delivery of new arrangements.

## **12 The County Durham Community Infrastructure Levy (CIL)**

The Overview and Scrutiny Officer referred the Committee to the report relating to the County Durham Community Infrastructure Levy highlighting the draft response from Overview and Scrutiny based upon the comments from Members when this issue was considered at the meeting on the 21 October 2013. It was confirmed that the response had been signed off by the Chair and vice-chair of the Economy and Enterprise Overview and Scrutiny Committee and shared with the members of the committee for accuracy. The Committee was asked to receive the report, not its content and endorse the submission as the formal response of Overview and Scrutiny.

**Resolved:**

That the response as set out within the report be endorsed as the formal response of Overview and Scrutiny to the Community Infrastructure Levy.

### **13 County Durham Plan - Pre-submission Draft Consultation**

The Principal Overview and Scrutiny Officer asked Members to recall the recent Overview and Scrutiny Workshop looking at the Pre-submission draft of the County Durham Plan. Councillors were reminded that facilitated discussions on the topics of: housing; the economy, including transport, the Environment; and General Strategy had taken place at the workshop, with the feedback having been collated and circulated to Members for any additional comments. It was added that subject to the comments from Members, and in consultation with the Chairman and Vice-Chairman, the final response had been submitted to Regeneration and Economic Development. Members were referred to Appendix 2 to the report which set out the response from Overview and Scrutiny for information. The Committee was asked to receive the report, note its content and endorse the submission as the formal response of Overview and scrutiny to the County Durham Plan Pre-submission draft.

#### **Resolved:**

That the response as set out within the report be endorsed as the formal response of Overview and Scrutiny to the County Durham Plan Pre-submission draft consultation.

### **14 Minutes of the County Durham Economic Partnership**

The Minutes of the meeting of the County Durham Economic Partnership held 4 November 2013 were received by the Committee for information.