

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 7 April 2014** at **9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors J Bell, J Clare, C Kay, P McCourt, H Nicholson, A Patterson, M Simpson, P Stradling, O Temple and N Martin (as substitute for R Ormerod)

1 Apologies for Absence

Apologies for absence were received from Councillors E Adam, J Armstrong, A Batey, J Cordon, D Hall, J Maitland, A Willis and S Zair and Mrs O Brown and Mr P Robson (JobCentre Plus).

2 Substitute Members

Councillor N Martin substituted for Councillor R Ormerod.

3 Minutes

The Minutes of the meeting held 27 February 2014 were agreed as a correct record and were signed by the Chairman.

4 Declarations of Interest

There were no Declarations of Interest.

5 Items from Co-opted Members or Interested Parties

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

6 Media Relations

The Overview and Scrutiny Officer, 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: The County Durham Plan, the upcoming launch of the Combined Authority; Hitachi moving rail business to the UK; and the Centre for Process Innovation (CPI) at NETPark, Sedgefield being the home of £14 million of work on the material graphene.

Resolved:

That the presentation be noted.

7 Quarter 3, 2013/14 Revenue and Capital Outturn

The Chairman introduced the Principal Accountant, Resources, Ed Thompson who was in attendance on behalf of the Finance Manager, Resources, Azhar Rafiq to speak to Members in relation to the Quarter 3 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 spend being over budget by approximately £273,000 for 2013/14, based on the Quarter 3 forecast outturn, against a revised General Fund Revenue Budget of £43.212 million. Members noted the major variances 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 were informed that relating to Traffic, specifically to parking services and enforcement activities, the area continued to be over budget.

The Committee noted that the HRA for 2013/14 had no major issues; with a forecasted balanced position after using a projected surplus of £861,000 towards the Capital Programme.

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 £87.099 million split between the General Fund (£37.280 million) and HRA (£49.819 million). Members noted that the spend to the end of December 2013 had been approximately £53.377 million.

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

Councillors asked questions in respect of: the potential impact of Welfare Reform, Right to Buy (RTB) sales and void properties; promoting the quality of Council owned properties; management of the Durham Key Options (DKO) bidders lists and the ease of bidding; and traffic enforcement spend.

The Principal Accountant, Resources, John Hughes noted that RTB sales were approximately 30 above the target of 50 properties, and that a sustainability group was looking at issues of rents, council tax, with a wider group looking at the impacts of welfare reform. It was added that there was perhaps a perception that renting a property from the Authority was more difficult than the private sector, and other issues beyond the property itself, for example the nearby built environment such as car parking, can be an issue for prospective tenants. The Housing Directions Manager, Marie Roe noted that within the Stock Transfer process, issues were being looked at in respect of sustainability of the stock and the impact of welfare reform. Members noted feedback they had received from local residents, with several noting that there was a move to properties with fewer bedrooms in light of welfare reform changes. The Housing Directions Manager and the Performance and Planning Manager, Regeneration and Economic Development, Graham Tebbutt noted that further details as regards DKO statistics could be provided for the Committee.

The Principal Accountant, Resources, John Hughes explained that in relation to Traffic being over budget, specifically relating to parking services and enforcement activities, 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.

Resolved:

That the report be noted.

8 Quarter 3, 2013/14 Performance Management Report

The Chairman thanked the Performance and Planning Manager, Regeneration and Economic Development, Graham Tebbutt who was in attendance to speak to Members in relation to the Quarter 3, 2013/14 Performance Management Report (for copy see file of minutes).

The Performance and Planning Manager reminded Members of the different types of indicators reported, Tracker indicators and Target indicators.

Councillors noted that some of the key achievements in Quarter 3 included: the number of empty properties being brought back into use exceeding target; the number of private sector homes improved as a consequence of Local Authority intervention exceeding target; and the number of homes being brought up to the decent homes standard being ahead on track for the year end.

Members noted progress with Council Plan actions, such as: the delivery of Durham City projects including Freeman's Reach and North Road Bus Station; awards received in respect of Tourism projects, namely the Lindisfarne Gospels and Lumiere; the Housing Stock Transfer Project; and the renewal/refurbishment of 4 Gypsy Roma Traveller sites.

It was added that key performance issues going forward included the number of major planning applications being determined within 13 weeks, noting the implementation of new planning software.

It was added that Council Plan actions behind target included: the County Durham Plan (CDP), with the pre-enquiry meeting being moved from June to July 2014; works at the A167 roundabout at Chester-le-Street now to take place between April and August 2014; the revised completion of the Bishop Auckland rail station, albeit only in respect of broadband access in a passenger waiting room; and revised timescales relating to the East Durham rail station, now March 2015. It was noted that one action had been deleted in respect of traffic signals in Durham City relating to lack of grant funding.

Members noted the Tracker Indicators set out within the report including: a slight fall in the employment rate, with a continued 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 explained that there was a decrease in the number of apprenticeship starts for young people in comparison to the previous year, however, the number of starts for the 19-24 year old cohort had a small increase of 3% in comparison to the previous year. It was added that there had been a slight improvement in child poverty figures and there had been a significant increase in the number of housing completions. Members learned that homelessness figures had remained static, however the new triage process in place could be responsible for preventing figures increasing, noting 1 in 4 being prevented. The Committee noted the increase in families rehoused via DKO and the figures in relation to young people Not in Education, Employment or Training (NEETs), as also reported at the Children and Young People Overview and Scrutiny Committee.

The Performance and Planning Manager explained that new developments in relation to the "Altogether Wealthier" priority theme included: work ongoing in relation to the draft European Structural Investment Fund (ESIF) Strategy from the North East Local Enterprise Partnership (NELEP); the draft North East Strategic Economic Plan, developed by a number of partners; and the Combined Authority.

The Chairman thanked the Performance and Planning Manager and asked Members for their questions on the report.

The Committee asked questions in relation to: the reduction in the number of young people claiming JSA, were they finding work of moving to another benefit; the number of "not knowns" in relation to NEET figures; the decrease in apprenticeships and information breaking down the types of apprenticeships starts; the homelessness statistics, specifically if 1 in 4 are preventions, does it follow that 3 in 4 result in a person being homeless; information in relation to the number of people accessing food banks; and information not being available via the new planning portal.

The Performance and Planning Manager explained that destinations of young people was not always known, it may be possible to speak to JobCentre Plus as regards and data they may have and further information on "not knowns" could be sought. It was noted that there was not a decrease in the number of apprenticeships available, rather a decrease in the places being taken up and that the names of the employers that had taken on apprenticeships was known, therefore the types of apprenticeships should be able to be ascertained. It was explained that the homelessness figures related to those at risk of becoming homeless, and Councillors N Martin and J Clare noted work that had been undertaken in reducing the numbers of rough sleepers, the "no second night out" policy and the Authority not using bed and breakfast style accommodation, rather using appropriate accommodation.

The Committee noted that 3 food banks reported their figures, at Chester-le-Street, Durham City and Ferryhill and it may be possible to obtain this information for Members. The Performance and Planning Manager noted that the new planning portal was online, moving from 3 systems to the new single system, with historic data was being transferred to the new system.

Resolved:

That the report be noted.

9 Combined Authority - Update

The Chairman thanked the Spatial Policy Team Leader, Regeneration and Economic Development, Maria Antoniou who was in attendance to give a update as regards the 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 reminded Members that a requirement of the Government's consultation was to demonstrate local support. It was noted that online surveys had been set up, focus groups organised and stakeholders consulted, including the Overview and Scrutiny functions at the 7 Local Authorities involved. Members noted the responses received, with approximately 75% of respondents being supportive of the proposals. It was explained that Government consultation ran from 7 November 2013 to 2 January 2014 and the 7 Local Authorities, Tyne and Wear Integrated Transport Authority and NELEP had responded in support of a CA. Members noted the name for the CA would be publically "rebranded" from its formal technical name, similar to other CAs that had been set up in the Country, to be known as the "North East Combined Authority". It was explained that the Constitution and Operating Agreement for the CA were being drafted and discussed and Members were reminded that the North East Leadership Board was chaired by the Leader of Durham County Council, Councillor S Henig. Members were given information in relation to the Committees of the CA and noted the next steps were: for both Houses of Parliament to consider the Order to establish the CA, 7 March 2014; for the Order to be signed April 2014, the first public meeting of the CA to be held in April 2014; and Local Growth Deal negotiations to take place between April and July 2014.

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

Councillors asked questions in relation to the risk in relation to the Integrated Transport Authority boundaries; and the constitution for the CA.

The Spatial Policy Team Leader noted that in respect of transport delivery, it was complex issue, though the risk in relation to liabilities such as the Tyne Tunnel and the Metro had been mitigated as changes to transport arrangements would require a unanimous vote by the CA. It was added that the Order was being considered by Parliament and was the starting point for a CA, noting that other CAs already established had then developed their constitutions accordingly.

It was added that the appropriate Legal Officers relating to the CA would be contacted as regards further information. The Chairman referred Members to the recommendations within the report, noting they were to note progress and receive further information on the CA at future meetings of the Committee.

Resolved:

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

10 Housing Stock Transfer Project - Update

The Chairman thanked the Housing Directions 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 the application to Government had been submitted in December 2013, taking into account the Homes and Communities Agency (HCA) guidance that had been published 12 November 2013. It was noted that the Council received notification on 24 March 2014 that the Department for Communities and Local Government (DCLG) had approved the application for stock transfer and Government would inform the Council as regards the formal consultation stage involving all tenants. It was added that this would be a two stage process, firstly to issue an "offer document" to tenants, then to conduct a ballot of all tenants. Councillors noted that the timescale for completing the transfer was challenging, by the end of March 2015. It was explained the offer document was being developed with the Parent Board for the new group of landlords being established in shadow form, named the County Durham Housing Group, and the formal consultation would commence Summer 2014.

Resolved:

That the report be noted.

11 Members' Reference Group Report

The Overview and Scrutiny Officer referred Members to the update report as regards the Members' Reference Group (MRG) looking at the implications of changes in Government funding and policy on the economy of County Durham (for copy see file of minutes).

Members were referred to the draft report of the Members' Reference Group which had incorporated the comments made by the Committee at the last meeting. It was added that the response from the Regeneration and Economic Development service grouping and therefore the Committee were asked for any final comments prior to submission of the report to Cabinet.

Resolved:

- (i) That the Economy and Enterprise Overview and Scrutiny Committee agreed the report of the Members' Reference Group.
- (ii) That the report of the Members' Reference Group be submitted to Cabinet for consideration.

12 Council Plan 2014-2017 - Refresh of the Work Programme

The Overview and Scrutiny Officer referred Members to the report relating to the Council Plan 2014-2017 - Refresh of the Work Programme for the Economy and Enterprise Overview and Scrutiny Committee (for copy see file of minutes).

The Overview and Scrutiny Officer explained that the report was the first stage in the usual annual process of setting the work programme for the Committee, in the context of the "Altogether Wealthier" priority theme as set out in the Council Plan 2014-2017. Members were reminded that the next meeting of the Committee would consider a draft work programme and project plan, based upon the comments from Members brought forward at the meeting today. Councillors were informed that the meeting of Council, 2 April 2014 had considered and approved the refresh of the Sustainable Community Strategy and Council Plan with the "Altogether Wealthier" section attached at Appendix 2 to the report in the agenda pack.

The Committee noted that the work undertaken by the Committee over the last year was set out within the report and it was for Members to suggest topics for further investigation, taking on board issues raised from performance reporting, upcoming legislation and issues discussed at the Committee.

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

The Chairman noted the issue of the Strategic Economic Plan for the NELEP and Councillor P Stradling reminded Members of the need to keep in mind the implications of Medium Term Financial Plan savings that were required and to consider the resources and capacity available in order to carry out reviews.

Resolved:

- (i) That the content of the report be noted.
- (ii) That the Committee receive a further report detailing the Committee's work programme for 2014-2015 at the meeting on the 23 June 2014.