

Economy and Enterprise Overview and Scrutiny Committee

8 January 2015

Impact of Public Sector Funding and Policy Changes on the Economy of County Durham – Report of Members' Reference Group



Joint Report of Lorraine O'Donnell, Assistant Chief Executive and Ian Thompson, Corporate Director, Regeneration and Economic Development

Purpose of the Report

- 1 The report provides Members with an update on the progress made in relation to the recommendations contained within the Economy and Enterprise Overview and Scrutiny Committee Members' Reference Group (MRG) report looking at the impact of public sector funding and policy changes on the economy of County Durham.

Background

- 2 The Reference Group was established as a result of members' concern at the changes in policy and funding being introduced by Government and how these changes would impact upon the economy of County Durham. This had been highlighted as an area for inclusion in the 2012/13 work programme of the Economy and Enterprise Overview and Scrutiny Committee and it was agreed that a small members' reference group would be established to work with officers from the RED Service Grouping looking at the impact of these changes. It was decided that the group would commence activity following the May 2013 election when the membership of the group would be refreshed.
- 3 The report was considered by Cabinet at the meeting on the 7 May 2014. At that meeting Cabinet agreed the recommendations contained within the review report which included a recommendation for a six monthly update on progress against recommendations contained in the report. In addition, the review report was shared with the County Durham Economic Partnership (CDEP) at the meeting on the 3 November, 2014 and it was agreed by the CDEP Board that they would also feed into the update report. It is therefore timely that the progress update is provided to members at the January meeting of the Committee.

Terms of Reference of Review

- 4 During the review evidence was gathered in relation to the impact of changes in funding and policy on the following:
- Scale – How much is affected?
 - Theme – What is affected?
 - Geography – Where is affected?
 - Individual/Community/Business – Who is affected?
 - Interventions and support – Look at the work that is currently progressing within the Council and with partners to tackle economic issues, for example the work undertaken by Jobcentre Plus, colleges, Business Durham and the Area Action Partnerships (AAPs).
 - Opportunities – Identify opportunities which may be available to mitigate any negative impact of reductions in funding and changes in Government policy.

Recommendations of Review

- 5 The review made the following recommendations:
- That Durham County Council and partners continue to monitor the impact of changing policy and funding reductions on the economy of County Durham, identify concerns and opportunities and take these into account as part of the priority development processes.
 - That the Economy and Enterprise Overview and Scrutiny Committee receive as part of the six monthly systematic review of the recommendations contained in the Scrutiny Review report information of developments and key economic issues from the County Durham Economic Partnership Data Management Group.
 - That Durham County Council and partners consider the right balance in pursuing interventions that address need and deprivation within the County and opportunity, ensuring that any concerns influence priority actions.
 - That Durham County Council and partners undertake a coordinated approach to maximise opportunities and benefits for County Durham presented through the North East LEP, North East Strategic Economic Plan and the EU funding programme 2014-2020 (Durham €157 million as a Transition Region) for our residents, communities and businesses helping to give them the right tools and support to access employment and economic growth opportunities.
 - That the Economy and Enterprise Overview and Scrutiny Committee as part of the Committee's work programme for 2014/15 continue to receive update reports in relation to the progress of the EU funding programme 2014-2020.
 - That a review of this report and progress against recommendations will be undertaken six months after the report is considered by the Economy and Enterprise Overview and Scrutiny Committee at the meeting on the 7 April 2014.

Current position

- 6 The attached Action Plan (Appendix 2) provides information on the progress made in relation to the recommendations contained in the MRG Scrutiny review report.

Next steps

- 7 The Economy and Enterprise Overview and Scrutiny Committee as part of the systematic review process will receive a further update of progress made in relation to the recommendations contained in the MRG Scrutiny review report at a future meeting of the committee.

Recommendations

- 8 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to consider and comment upon the progress made in relation to the recommendations contained in the MRG Scrutiny review report.
- 9 That the Economy and Enterprise Overview and Scrutiny Committee receive a further report detailing progress made against the recommendations contained in the MRG Scrutiny review report at a future meeting.

Background papers:

Members' Reference Group Report.

Contact:	Stephen Gwilym, Principal Overview and Scrutiny Officer		
Tel:	03000 268 140	E-mail:	stephen.gwilym@durham.gov.uk
Author:	Diane Close, Overview and Scrutiny Officer		
Tel:	03000 268 141	E-mail:	diane.close@durham.gov.uk

Appendix 1: Implications

Finance – The report identifies the importance of Durham County Council utilising all opportunities in relation to new initiatives for funding for example the European Funding Programme 2014-2020 to ensure that the County maximises the funding opportunities currently available for the benefit of County Durham.

Staffing – None.

Risk – The RED Service Grouping will identify within the appropriate Service Plan key risks as a result of changes in Government funding and policy on the economy of County Durham.

Equality and Diversity / Public Sector Equality Duty - In accordance with its agreed Equality and Diversity strategy, the Council will undertake an Equality Impact assessment of the implications of any changes in Government funding or policy (including cuts in funding) which will impact upon the economy of County Durham.

Accommodation – None

Crime and Disorder – None

Human Rights – None

Consultation – None

Procurement – The report makes reference to the work already undertaken by DCC in relation to helping businesses in the County access contract opportunities. It also refers to the establishment of the Social Value Task Group currently looking at how the requirements of the Social Value Act can be implemented to help small businesses and social enterprises win more contract opportunities.

Disability Issues – The report identifies groups which have been most affected by the changes in Government funding and policy, on a national level those with disabilities had been identified and in relation to County Durham those reliant on benefit which would include those with disabilities. The RED Service Grouping will continue to monitor data in relation to those groups most affected.

Legal Implications - None