

Economy and Enterprise Overview and Scrutiny Committee

31 March 2015



Refresh of the Work Programme for the Economy and Enterprise Overview and Scrutiny Committee

Report of Lorraine O'Donnell, Assistant Chief Executive

Purpose of the Report

1. The purpose of the report is to provide Members with information contained within the Council Plan 2015 – 2018, relevant to the work of the Economy and Enterprise Overview and Scrutiny Committee. This allows the opportunity for members to refresh the Committee's Work Programme to reflect the five objectives and subsequent outcomes identified within the Council Plan for the Council's "Altogether Wealthier" priority theme.

Background

2. The current Overview and Scrutiny Committee's Work Programmes focus on the priority areas identified within the context of the Council Plan, Cabinet's forward plan of key decisions, Sustainable Community Strategy, Partnership plans and strategies, performance and budgetary control data and changes in Government legislation.
3. In relation to the Economy and Enterprise Overview and Scrutiny Committee, members will recall that the Work Programme was refreshed at the Committee meeting held on the 23 June 2014, ensuring that areas of focus were in line with current and forthcoming priorities within the Committee's remit. Further areas of focus for the Committee have been added throughout 2014 to reflect changing Government policy and at the request of Members.

Council Plan 2015-2018

4. The Council Plan is the overarching high level plan for the County Council, which covers a four year period and is updated on an annual basis. The plan sets out how the Council will consider the corporate priorities for improvement and the key actions the Authority will take in delivering the long term goals in the Sustainable Community Strategy and the Council's own improvement agenda. Attached as Appendix 2 is the "Altogether Wealthier" section of the Council Plan for Members consideration.
5. Within the Council's "Altogether Wealthier" priority theme, the focus is on creating a vibrant economy and putting regeneration and economic development at the heart of all our plans.

6. To help address these issues the Council has identified 5 objectives which are set out in the Regeneration Statement together with outcomes to achieve the overarching objectives. They are set out below. Some of the outcomes have been amended to those included in the 2014 – 2017 Council Plan.

- **Thriving Durham City**

W1 – Improved retail, business, and tourism in Durham City and its immediate locality.

W2 – Increased developer interest in key sites.

W3 – Improved infrastructure to support economic growth.

- **Vibrant and successful towns**

W4 – Improved retail, business, and tourism in major town centres.

W5 – Increased developer interest in key housing sites.

W6 – Improved infrastructure to support economic growth.

- **Sustainable neighbourhoods and rural communities**

W7 – Improved quality and choice of housing across County Durham.

W8 – Improved infrastructure to support economic growth in rural areas.

- **Competitive and successful people**

W9 – Increased numbers of people in employment and training.

- **A top location for business**

W10 – Increased business creation.

W11 – Development of existing businesses and safeguarding employment.

7. Over the next four years, the Council will strive to deliver a step change in the economy of County Durham by focusing on the actions required to achieve the above objectives.

8. The Council Plan also identifies a series of actions detailing the work which needs to be undertaken by the Authority in order to deliver the areas identified above.

Current Work Programme

9. During 2014–2015 the Economy and Enterprise Overview and Scrutiny Committee has undertaken budgetary and performance monitoring, in depth Scrutiny Reviews, systematic six monthly reviews of progress against recommendations and overview presentations in relation to the following areas:

In depth Scrutiny Reviews

- Tourism marketing undertaken by Visit County Durham - Thriving Durham City W1 – Improved retail, business, and tourism in Durham City and its immediate locality – Vibrant and successful towns W4 – Improved retail, business, and tourism in major town centres.

Systematic Review

- Empty Homes – Review of recommendations – Sustainable neighbourhoods and rural communities – W7 – Improved quality and choice of housing across County Durham.
- Increasing young people’s employment opportunities (18-24) in County Durham - Review of recommendations – Competitive and successful people W9 – Increased numbers of people in employment and training.
- Impact of public sector funding changes on the economy of County Durham (Covers all objectives and actions).

Areas of Overview Activity

- Master Plans for County Durham - Vibrant and successful towns W4 – Improved retail, business and tourism in major towns.
- Gypsy and Roma Traveller sites – Sustainable neighbourhoods and rural communities W7 – Improved quality and choice of housing across County Durham.
- Family Improvement Project – Competitive and successful people W9 Increased numbers of people in employment and training.
- Housing Improvement Project – Sustainable neighbourhoods and rural communities W7 – Improved quality and choice of housing across County Durham. Competitive and successful people W9 - Increased numbers of people in employment and training.
- Homelessness Strategy – Sustainable neighbourhoods and rural communities W7 - Improved quality and choice of housing across County Durham.
- Durham Key Options - Choice Base Lettings Policy – Sustainable neighbourhoods and rural communities W7 – Improved quality and choice of housing across County Durham.

- Stock Options Transfer – Sustainable neighbourhoods and rural communities W7 – Improved quality and choice of housing across County Durham.
- Performance monitoring of Durham City Homes and the 2 ALMO's Sustainable neighbourhoods and rural communities W7 – Improved quality and choice of housing across County Durham.
- Tourism - Thriving Durham City W1 - Improved retail, business, and tourism in Durham City and its immediate locality – Vibrant and successful towns W4 – Improved retail, business, and tourism in major town centres.
- Business Support – Business Durham – A top location for business W10 increased business creation W11 - Development of existing businesses and safeguarding employment.
- Youth Employment Initiative – Competitive and successful people W9 – Increased numbers of people in employment and training.
- Affordable homes – Sustainable neighbourhoods and rural communities W7 – Improved quality and choice of housing across County Durham.
- Digital Durham – A top location for business W10 – Increased business Creation W11 - Development of existing businesses and safe guarding employment.
- Housing Strategy – Sustainable neighbourhoods and rural Communities W7 – Improved quality and choice of housing across County Durham.
- Skills development and apprenticeships – Competitive and successful people W9 – Increased numbers of people in employment and training.
- Jobseekers Allowance Off-flows – Competitive and Successful people W9 – Increased numbers of people in employment and training.

Budgetary and performance monitoring

- Quarterly budgetary and performance monitoring for RED Service Grouping.

10. **The Economy and Enterprise Overview and Scrutiny has also considered the following areas which cut across all objectives within the Council Plan (Altogether Wealthier):**

- County Durham Plan – (Covers all objectives and actions).
- RED Capital Programme – (Covers all objectives of 'Altogether Wealthier') – Overview of the programme and the process.
- Combined Authority (Covers all objectives and actions).

- European Funding Programme 2014-2020 (Covers all objectives and actions).
- Overview of the work of the County Durham Economic Partnership – (Covers all objectives and actions).

Areas for consideration in the Economy and Enterprise Overview and Scrutiny work programme

11. In addition, the Altogether Wealthier section of the Council Plan for 2015 – 2018 identifies the following new high level actions which have not already been considered by committee that could be included in the 2015 – 2016 work programme:

Council Plan

Vibrant and successful towns

- Regeneration Statement – Update.

Sustainable neighbourhoods and rural communities

- Deliver the first Durham County Council market housing scheme for rent and sale - overview of scheme.

Competitive and successful people

- Adult Learning Strategy – update on strategy.

A top location for business

- NETPark – Overview of development.
- Access to finance to support County Durham businesses – Overview of programme.

Cross Cutting Themes

12. Below are areas which have cross cutting issues from other ‘Altogether’ themes that link into Altogether Wealthier.

Altogether	Objective	Outcome	Link to Altogether Wealthier
Children and Young People	Children and Young people realise and maximise their potential.	C2 Children and young people are supported to achieve and attain during school years to prepare them for adulthood.	W9 Increased numbers of people in employment and training.

		C3 Young people are supported to progress and achieve in education, employment and training to achieve their potential.	
Greener	Reduce carbon emissions and adapt to the impact of climate change.	G6 The Council homes and businesses are more energy efficient.	W7 Improved quality and choice of housing across County Durham.
Better Council	Working with our communities.	ABC 6 The effects of the Welfare Reform agenda are managed.	W9 Increased numbers of people in employment and training.

Next Steps

13. The Economy and Enterprise Overview and Scrutiny Committee is asked to consider the appropriate section from the Council Plan, Appendix 2 (copy attached) to inform the Committee's Work Programme for 2015 – 2016, reflecting on the current work programme detailed in paragraphs 9 and 10 and the new high level actions identified in paragraph 11 above.
14. Members will receive a further report at the next Economy and Enterprise Overview and Scrutiny Committee confirming/agreeing the Committee's Work Programme for 2015 – 2016 based on today's discussion.

Recommendations

15. That the Economy and Enterprise Overview and Scrutiny Committee note the information contained in Appendix 2 (copy attached).
16. That the Economy and Enterprise Overview and Scrutiny Committee refresh the Work Programme for 2015 – 2016 by discussing and considering those actions identified, under "Altogether Wealthier" priority theme of the Council Plan 2015 – 2018, Appendix 2 (copy attached) and reflected in paragraphs 9, 10 and 11 of the report.

17. That the Economy and Enterprise Overview and Scrutiny Committee at its meeting on the 23 June 2015, receives a further report detailing the Committee's Work Programme for 2015 – 2016.

Background papers:

Council Plan 2015-18 – Cabinet report – 18 March 2015

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Appendix 1: Implications (The following implications are taken directly from the report to Cabinet on 18 March 2015, re the Council Plan and Service Plans 2015-2018.)

Finance - The Council Plan sets out the corporate priorities of the Council for the next 3 years. The Medium Term Financial Plan aligns revenue and capital investment to priorities within the Council Plan

Staffing - The Council's strategies are being aligned to achievement of the corporate priorities contained within the Council Plan.

Risk - Consideration of risk is a key element in the corporate and service planning framework with both the Council Plan and Service Plans containing sections on risk.

Equality and Diversity / Public Sector Equality Duty - Individual equality impact assessments have been prepared for each savings proposal within the Council Plan. The cumulative impact of all savings proposals in total has also been presented to Council and will be updated as savings proposals are further developed. In addition a full impact assessment has previously been undertaken for the Council Plan. The actions in the Council Plan include specific issues relating to equality and aim to improve the quality of life for those with protected characteristics. The Plan has been influenced by consultation and monitoring to include equality issues. There is no evidence of negative impact for particular groups.

Accommodation - The Council's Corporate Asset Management Plan is aligned to the corporate priorities contained within the Council Plan.

Crime and Disorder - The Altogether Safer section of the Council Plan sets out the Council's contributions to tackling crime and disorder.

Human Rights – None

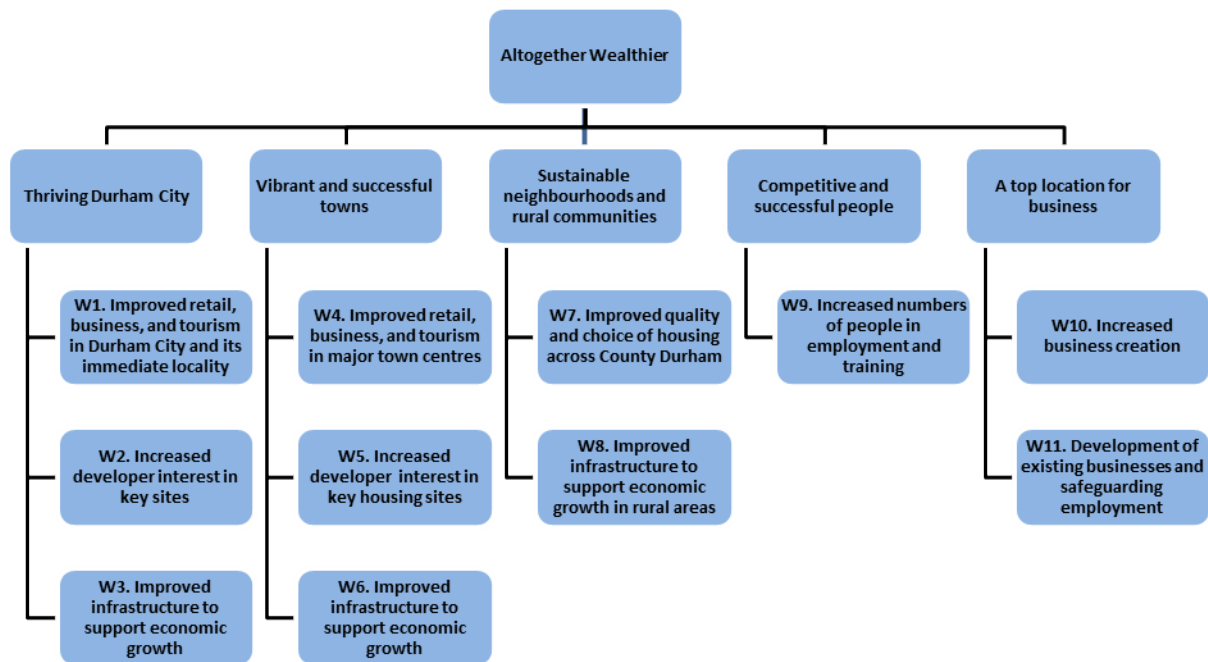
Consultation - Council and partnership priorities have been developed following an analysis of available consultation data including an extensive consultation programme carried out as part of the development of the interim Sustainable Community Strategy and this has been reaffirmed by subsequent consultation on the budget. Results have been taken into account in developing our resourcing decisions.

Procurement – None

Disability Issues – None

Legal Implications – None

Altogether Wealthier



Our Vision

Our ambition of shaping the County into a place where people want to live, work, invest and visit underpins the vision of an Altogether Wealthier Durham. This ambition requires commitment across public and private stakeholders along with support from residents. Placing Durham City as our key driver for growth and success will require us to capitalise on untapped potential in order to narrow the productivity and employment gap between the county, the region and the UK.

The key driver to stimulate an economic renaissance within the county is the employment rate; for improving this will increase levels of disposable income, increase the number of businesses, and should, as a result, begin to reduce the chronic levels of relative deprivation. As a county we need to aim to achieve a growth target of 30,000 jobs for Durham residents over the next 20 years, through business growth, inward investment and business creation. It is also important that we continue to invest in our human capital through skills development and by supporting our residents to access and maintain employment opportunities. We must continue to address the needs of our most vulnerable residents and mitigate the impact of welfare reform, in order to improve people's quality of life and improve economic prosperity.

To help achieve our vision Altogether Wealthier has the following high level objectives:

1. Thriving Durham City

At the heart of the North East, Durham City is a hub of economic and cultural activity that stands out as a key economic driver for the county and region. The city needs a critical mass of employment, population and visitors to build on the assets already inherent to become a city of regional, national and international significance. For these reasons, the delivery of the Durham City Regeneration Framework is a priority for us. There are a number of key projects within the framework that will be delivered over the coming years that will contribute towards boosting the economy of Durham City.

One of the key projects in the County Durham Plan is the development of the **Central Business Quarter of the city centre**, including redevelopment of Aykley Heads as a major, prestigious business park, potentially supported by the redevelopment of **Milburngate House** site. This will create significant new employment space, mixed-use space, housing and between 5,000 and 7,500 jobs within the city. The redevelopment of **North Road** will provide opportunities for food/department store as well as other retail investments, leisure facilities and franchised outlets, improved public transport/pedestrian interface and improved public realm.

The construction of a **Western Relief Road** will provide the necessary infrastructure to support the proposed additional housing and increased businesses expected following the approval of the County Durham Plan. Improvements are also planned to ease the **traffic flow in and around Durham City**. This will include the installation of variable message signs for road users, and the installation of traffic signals on Gilesgate roundabout and Leazes Bowl roundabout.

We will review operations at the **Gala Theatre, Durham Town Hall and the Durham Light Infantry museum** to improve the city's tourism offer and the experience of visitors. Our 2015/16 programme of cultural, sporting and community based events will continue to raise the profile of the county and contribute significantly to our local economy. The programme will be expanded during 2015/16, a year which will also see the return of our signature event '**Lumiere**'.

Clearly some of these elements contained within the County Durham Plan have been challenged by the interim inspection report. A key piece of work in the early stages of this plan will be to consider the planning inspector's report and establish the next stages of developing the County Durham Plan.

2. Vibrant and Successful towns

Vibrant towns are good for business: they create jobs, attract investment and generate income – they are engines for economic growth. County Durham has a dispersed settlement pattern with a large number of distinct towns, not all of which are meeting the needs of local main settlements. Through our 'Whole Town' approach we will increase the vitality and vibrancy of our main settlements.

We have prepared the draft **County Durham Plan**, which sets out the new development that is planned for the county. It contains allocations which show where development will take place and how it will be managed and also contains policies

for determining planning applications. This plan has now been through an examination in public and the interim report from the planning inspector has been received. We will be considering the planning inspector's interim report and establishing next steps in the development of the plan. A **Regeneration Framework** has been produced for each of the 12 main towns across County Durham. A number of key projects taken from the frameworks are planned for delivery over the next three years, including physical regeneration improvements in Peterlee, Seaham, Crook, Consett, Stanley, Spennymoor and Shildon town centres.

We are working under a Joint Venture Agreement with the Homes and Communities Agency to bring forward three key sites for redevelopment in Seaham, providing additional housing and a new school on the **former Seaham Colliery Site**.

We are involved in the redevelopment of the **North East Industrial Estate in Peterlee**. The site has outline planning permission for 390 new homes and work is underway to relocate the existing businesses.

The creation of a **railway station on the East Coast mainline in Horden** will help to boost the local economy and will improve access to employment for residents.

Improvements will be made to the infrastructure at **Newton Park, Newton Aycliffe** to support existing and new businesses, as well as the condition of our Industrial Unit property portfolio.

We will continue to support the **North East Combined Authority** and the **North East Local Enterprise Partnership** to deliver the Strategic Economic Plan for the North East Region. Seven councils have been brought together to create a strategic authority with powers over transport, economic development and regeneration.

In addition to delivering our 2015/16 programme of **cultural, sporting and community based events**, which will continue to raise the profile of the county and contribute significantly to our local economy; we will investigate how we can increase tourism opportunities across the county. We will be completing a feasibility study of Bishop Auckland Town Hall and its links to Auckland Castle as well as determining the feasibility of a further science museum at Shildon.

3. Sustainable neighbourhoods and rural communities

Sustainable neighbourhoods and rural communities are places where people can and want to live and are places that help to enhance the wellbeing and potential of our communities. A sustainable place provides a quality built environment, with good housing and living conditions and access to services, through appropriate infrastructure. To establish sustainable communities and improve the housing offer in County Durham a number of key projects have been identified for delivery over the next three years.

One key project is the delivery of our first **new build housing scheme for market sale and rent**. The overall project will provide over new 300 homes subject to the satisfactory completion of a pilot scheme in Newton Aycliffe, which will provide 60 homes.

The delivery of the **Digital Durham** programme will provide superfast broadband to all businesses homes and communities in the county.

We have also maintained subsidies of bus routes in rural areas in 2015/16 and operate a number of schemes to support the competitiveness of the agricultural and forestry sectors and encourage diversification of rural economies through the Rural Development Programme.

4. Competitive and successful people

The skills, abilities and attitudes of the current and future County Durham workforce are critical to the future economic success of the county and will underpin a more competitive and productive economy. One of our priorities is to increase the employment rate and prepare for a higher level skills workforce in County Durham. To enable this, key projects were identified for delivery, including the delivery of **Pre-Employment Opportunities** through a range of initiatives County-wide including skills support for the unemployed, targeted recruitment training and apprenticeship programme involving the subsidising of 350 apprenticeships to support people into work and to also sustain and improve people's employment potential.

We will also deliver **Post Employment Opportunities** through a range of initiatives County-wide including skills support for the workforce, youth employment programme and mental health trailblazer to support people into work and to also sustain and improve people's employment potential. We will deliver skills support for work with businesses with workforce development enquiries and work with the engineering and manufacturing sector to encourage skills development.

5. A top location for business

County Durham is home to a wide range of businesses from micro rural businesses to large multinationals, from small scale engineering to large scale manufacturing and from business services to internationally leading research companies. County Durham's versatile economy needs a balanced environment for innovation and growth. To enable further development of businesses, a number of key projects have been identified for delivery.

One of the projects is NETpark in Sedgefield, which celebrated its tenth birthday in 2014, is the North East's leading science, engineering and technology park and has received funding of £12.9m for the **expansion of NETPark** which will support the creation of 800 jobs over the next 3 years both at the park itself and as part of the construction

We will continue to lead the **North East Satellite Application Catapult Centre** to raise the profile of the use of technology and data satellite applications with North East businesses. The Catapult Centre offers opportunities and partnerships to unlock market opportunities within the North East which will benefit local and national economies. The centre will ensure the successful commercialisation of new technology and innovations by cementing the UK's position as a key player in the satellite technology sector.

We will also work with the North East Local Enterprise Partnership, Tees Valley Local Enterprise Partnership and the County Durham Economic Partnership to develop a £12m EU funded programme to deliver **access to finance support** targeted at County Durham businesses

Summary

<p>Going Well:</p> <ul style="list-style-type: none">• We have supported the inward investment of Atom, which has decided to locate its headquarters in Durham City. The business will create up to 400 jobs as it builds a bank serving customers across the UK.• Hitachi Rail Europe will be operational from 2015 in their new premises in Newton Aycliffe, creating over 800 jobs.• We are the first local authority nationally to refurbish all of our Gypsy Roma Traveller sites through sponsorship from the Homes and Communities Agency Programme.	<p>Look Out For:</p> <ul style="list-style-type: none">• The 'Lumiere' light festival will take place in November 2015• Completion of the Sunderland Bridge Roundabout in Durham• Implementation of the multi-operator ticketing system across the County's bus network• Old Shire Hall in Durham City will be transformed into a hotel.• We will be transferring our remaining housing stock to the Durham Housing Company
<p>Cause for Concern:</p> <ul style="list-style-type: none">• An additional piece of work will be to consider the planning inspector's interim report and establish the next stages of developing the County Durham Plan.• The approval of the EU Growth Fund programme has been delayed by the Government until summer 2015• There are some technical difficulties with the 'Real Time Traveller Information System' that will delay the installation.	<p>Did you know?</p> <ul style="list-style-type: none">• As of Q3 2014/15 2192 planning applications were received• 840 net homes were completed between April 2014 and December 2014• 817,717 visitors clicked on the 'thisisdurham' website in 2013/14• 144 empty homes have been brought back into use between April and December 2014