

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 **Tuesday 23 February 2016** at **9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors E Adam, J Armstrong, A Batey, J Bell, J Clare, M Davinson, D Hall, T Henderson, B Kellett, H Nicholson, R Ormerod, O Temple and A Willis

Co-opted Members:

Mr T Batson

Also Present:

Councillor E Tomlinson

1 Apologies for Absence

Apologies for absence were received from Councillors J Maitland, A Patterson, P Stradling and S Zair.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The Minutes of the meetings held 21 December 2015 and 8 January 2016 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 see file of minutes). The articles included: Ministers told to get a “reality check” after hailing bumper job figures for the North East; a unique Auckland Castle apprenticeship academy set to plug skills gap; applications were sought for £2million LEADER programme to boost the rural economy of the North Pennine Dales; and the North East Economy having received a multi-million boost from national tourism project.

The Chairman noted a recent newspaper article had shown there were more business start-ups within one London postcode area than all of Yorkshire put together and felt this was something that should be addressed by Ministers.

Councillor J Armstrong noted the LEADER programme and asked if more information as regards the areas that could bid for funding be given to Members. The Portfolio Holder for Assets, Strategic Housing and Rural Issues, Councillor E Tomlinson noted that there was funding for the North Pennine Dales and a lesser amount in connection with the coast, however, agreed that it was important for Members to be able to understand the geography, to be informed in terms of the potential to bid for funding. Councillor J Clare agreed, noting he had discovered, somewhat surprisingly, of the potential for bidding for funding in respect of his division and noted it was worth finding out. The Chairman agreed that information in terms of the LEADER programme geography be forwarded to Members.

Resolved:

That the presentation be noted.

7 Digital Durham - Update

The Chairman introduced the Head of ICT Services, Phil Jackman who was in attendance to give an update as regards the Digital Durham Programme (for copy see file of minutes).

The Head of ICT Services thanked the Committee for the opportunity to provide an update in respect of the Digital Durham Programme and reminded Members of the 2 contracts with BT totalling £35million and the aspiration in terms of 100% coverage of superfast broadband, with download speeds in excess of 24Mbps. Councillors recalled that the overall programme involved Durham County Council (DCC) and 9 other Local Authorities in order to create the critical mass required, noting that recently North and South Tyneside Councils had joined the programme. It was added that while it would be unlikely to achieve 100% coverage, the estimate for the coverage in County Durham after the completion of the second contract with BT in July 2016 would be 96%, ahead of the government target of 90% for “Phase 1” and 95% for “Phase 2”. It was added that Contract 1 would provide fibre to cabinet (FTC) for approximately 105,000 properties, the majority in County Durham and none being within North or South Tyneside, and that to date 450 cabinets had been built, serving approximately 100,000 properties.

The Committee noted that there had been investment in promoting the take up of superfast broadband as there was an ability to have a degree of “claw back” or “gain share” once take up was above 20%. It was noted that currently the take up in County Durham was 21.84% and that eventually it was estimated that take up would be within the region of 30-35%.

Councillors noted that a budget of approximately £500,000 had been available in terms of offering satellite connection vouchers, and to date only 8 vouchers had been issued. It was added that it was not thought this solution would have a huge take up as while the voucher would help with initial installation and setup cost, individuals would still be required to pay for the service.

The Head of ICT Services explained that Contract 2 would begin in July 2016 and this would extend the fibre infrastructure to a further 29,000 properties, including North and South Tyneside. It was noted this would likely increase coverage to 98% for County Durham by the end of Contract 2 by December 2018. Members noted this would leave approximately 4,500 properties within the County not able to access superfast broadband, of a total of around 240,000 properties.

Councillors noted that through gain share and underspends it was hoped to be able to provide further access to superfast broadband, a “Phase 3”, with approximately a further 4,381 premises within the programme area, the number of which would be within County Durham not being known at this time, however equating to £1.668million for County Durham out of £2.343million for the whole programme area.

The Head of ICT Services concluded by noting the success of the programme and adding that the properties remaining after completion of Contract 2 would be the more difficult to reach, in terms of being the more isolated hamlets and remote farmsteads within the County.

The Chairman thanked the Head of ICT Services for his update and asked why the second phase only added an extra 2% in terms of properties being able to access superfast broadband. The Head of ICT noted that Digital Durham worked in parallel with BT and that where commercially viable, BT would provide the service, and where it was not, Digital Durham would then support the provision.

Councillor R Ormerod noted the excellent work of the programme and asked whether there was a role to play for Town and Parish Councils in terms of “hard to reach” areas to encourage take up, noting East Ridding Parish having paid for some rural broadband works. The Head of ICT Services noted that a few Local Authorities had tried to maximise their uptake of broadband services via business parks and within town centre, against advice from Digital Durham. It was added that there was a community broadband scheme to help “close the gap” in terms of rural broadband, however, and any interest in such a scheme would be useful.

The Chairman noted that there was an element of those hard to reach rural areas being those areas that would benefit most from such a superfast connection.

Councillor E Adam noted the poor take up in terms of the satellite vouchers and asked if there was any work ongoing to try and encourage people to take up this option.

The Head of ICT Services noted that there was already a viable commercial market for satellite provision, and there were some issues of performance, namely latency, that may negatively affect popular uses of broadband provision, gaming and streaming of television and video calling. It was added that the funding made available for this would not be lost, rather rolled forward into "Phase 3".

Councillor D Hall asked as regards feedback on the take up of broadband, any reasons why it had not been taken up, and what this meant in terms of paying for the investment. The Head of ICT Services noted that the model was a "gap-funding" one and on an assumption of a 20% take up to recoup investment, take up over 20% would result in a per property amount coming back to the Council with customers still paying the same price as per advertised tariffs.

Councillor J Armstrong noted the continuing situation in terms of provision in the Newton Hall and Framwellgate Moor areas, and also with slow speeds in areas within his electoral division. The Head of ICT Services explained that the Newton Hall area was one that fell within a BT Commercial area and added he believed they had experienced issues in terms of power supplies. It was added Members could contact the Digital Durham e-mail, or the Head of ICT Services, in terms of any specific issues in their area.

Councillor J Clare asked as regards the roll out of provision in rural areas, and also issues where fibre had been installed to cabinets within an area, and BT had noted there were "no free ports". Councillor J Clare asked whether this was a more general problem and gave an example he gave within his area, Ryder Court, Newton Aycliffe and whether this was not an area Digital Durham could assist with. The Head of ICT Services noted that in areas that had been enabled there was a process of leaflet drops to explain what was being provided and that people would need to pay to upgrade. It was added that once cards within cabinets were full there was an issue, with around 40 cabinets with that issue in the County. The Head of ICT Services explained that there had been some updates in this regard, and that he would look at those areas highlighted by Councillor J Clare and get back to him directly.

Councillor E Tomlinson asked the Head of ICT Services to give some further information as regards the wireless programme at Teesdale. The Head of ICT noted that the Digital Dales programme had begun 6-7 years ago, with funding via the Regional Development Fund (RDF). It had required take up of around 1,000 properties to "break even" and there had been less than 140 taking up that scheme and noted that sustainability was an issue, with the wireless programme being £45 per property in contrast to the price with BT starting at around £15. Councillor D Hall asked if there were any plans for the Council to be a provider in terms of broadband. The Head of ICT Services noted that this had been considered, however, the market was noted as being highly competitive and the focus of the Council on providing addition to GVA would be better in terms of impact on this issue. The Head of ICT Services noted that funding was capital and could only be spent providing infrastructure.

Councillor H Nicholson noted the work of the Digital Durham Programme and the serious investment that had been made, and that the overall impact of Digital Durham had been positive. The Head of ICT Services noted that while it would be unlikely to ever achieve 100% coverage, the aim was to try and provide this and work hard to maximise uptake.

Resolved:

That the report be noted.

8 Homelessness Update

The Chairman introduced the Housing Manager, Regeneration and Economic Development, Marie Smith who was in attendance to give an update as regards Homelessness (for copy see file of minutes).

The Housing Manager reminded Members of the background to the Homelessness Action Partnership (HAP), noting its inception in 2004, with several partners including statutory agencies, housing providers and third sector and voluntary agencies. It was explained that the overall aim of the HAP was linked to the Homelessness and Housing Strategies, namely:

- To prevent homelessness for all in housing need across County Durham.
- To ensure that services work in partnership to meet the holistic needs of all clients, including those with multiple, complex need and those at risk of rough sleeping.
- To ensure that sufficient, suitable and affordable accommodation is available for people who are homeless or at risk of homelessness.
- To understand legislation changes and the impact.

Members noted that recent discussions had included priorities, such as: sharing national and regional updates from forums; exploring funding opportunities; looking at data and demand; implementing and understanding future policy changes; access to supported accommodation; developing new initiatives; and strengthening links to poverty, Durham Key Options (DKO) and health.

The Committee noted statistics in terms of the service, with the number of contacts with the service having increased in 2014/15 and the number of homeless applications having decreased from over 1000 in 2012/13 to just over 600 in 2014/15 and the numbers of homeless acceptances had also decreased in this period. The Housing Manager referred Members to statistics over the last 3 years in relation to the reasons for the loss of a settled home, with the main ones being a relationship breakdown or loss of assured shorthold tenancy. It was added that the main age range of applicants was those aged 22-44 and the largest proportion of household type was lone female parent with dependent children. Councillors noted the areas with the greatest number of applications were East Durham and Sedgefield, areas with the largest concentration of social housing.

The Housing Manager reminded Members of the Council's Holistic Temporary Accommodation Service (HTASS) and that this was managed for the Council by Stonham. It was added that this service had been jointly commissioned and funded in support of the Council's duties in terms of the Children's Act and Homelessness and that a Joint Protocol for 16/17 year olds had been developed, now part of HTASS. It was explained that there were changes in terms of benefits moving to Universal Credit (UC) and accordingly there was a Department of Work and Pensions (DWP) representative at the HAP meetings. Members noted other associated issues such as health, work with Homelessness Link and joint working in terms of bidding for funding.

It was noted that there was a joint approach to assessing the health needs of homeless people and pre-eviction protocols in place with landlords. Councillors were reminded of the work undertaken with housing benefits in terms of discretionary housing payment and the Rent Deposit Guarantee Scheme.

The Housing Manager noted potential future policy changes and actions, including: a DCLG inquiry into causes of homelessness and the approaches taken to tackle homelessness, which would feed into the decision making as regards the prevention of homelessness becoming a statutory function. It was added that the North East Local Authorities had agreed to submit a Combined Authority response, with Durham contribution by providing: a breakdown of causes of homelessness for households, couples and single people; step taken to tackle homelessness including the HAP, Homeless Strategy and Poverty Group; the relationship with social housing providers; and measures taken to prevent homelessness. It was added that there were also further changes in relation to welfare reform, in connection with benefit entitlement.

The Chairman thanked the Housing Manager and asked Members for their questions on the presentation, noting he was surprised that the economy had not been the main reason for loss of a settled home.

The Housing Manager noted there was a slight link of the state of the economy and that issues that emerged was not necessarily of people becoming homeless, however more owner/occupiers were in a "problem" situation having lost their jobs, although at a stage whereby they were struggling, but not yet at crisis. It was noted that some landlords were helping in terms of those renting by accepting lower rents, however, there was an issue of the lower demand areas being used by more vulnerable clients creating potential issues in terms of community.

Councillor H Nicholson noted the DWP operated very differently to how it did in 2010 and that he felt the number of sanctions in terms of benefits could be an issue. The Housing Manager noted that in the past there had not been consistent representation by the DWP, however, this was being addressed, and that there was also a link via "Work Coaches" in terms of those in receipt of UC.

Councillor E Adam noted a positive report and asked as regards data in terms of those who were not housed and reasons why; what was being done in terms of the majority of those households being lone female parents; and how Councillors could support innovation to help tackle the issue. The Housing Manager explained that the new Gateway service looked to assess and provide links to the relevant specialists to provide the support needed by clients. It was added that this also provided more information in terms of why a person may not be able to accept the help offered and also in terms of trends of household types. The Housing Manager noted that previously work was outcome based, however, it was noted that there was a role in terms of community, for example with the Officers help those impacted by Welfare Reform and the wider role of the Council in terms of job creation and tackling poverty. Members were reminded that tailored support could also involve referrals to other relevant services, for example in terms of drug and alcohol support.

Councillor M Davinson noted that the statistics as set out noted an eightfold increase in the numbers of homeless applications in East Durham from 2012/13 to 2013/14 and also a large increase in the Dale and Valley area in that period, albeit returning to previously levels in the current year. Councillor M Davinson asked if there was any further information in terms of these variations, and asked if it was linked to people not wishing to take up an offer of a 3-bedroom property. The Housing Manager noted she would look into the issues further, and note if there were any lessons to learn from the Dale and Valley area in terms of tackling the issue.

Councillor A Batey noted coverage in the media and a lot of activity on social media in terms of the difficult experienced by ex-service personnel in being able to access social housing. The Housing Manager noted she was not aware of an issue in terms of ex-service personnel and homelessness in County Durham, however, she would double check. In terms of application via DKO, there was a system in place in terms of such applications. Councillor J Clare noted he felt the issue was being used by some on social media to further their own agendas, and not necessarily based upon facts. Councillor J Clare added that there could be many complex issues being faced by any clients accessing DKO, including ex-service personnel and therefore there could be a great many reasons why an individual may not be able to secure a property. Councillor J Clare asked if there was any further information in terms of the geography of the issue, noting Sedgefield as an area that had been highlighted. The Housing Manager reiterated that Sedgefield and East Durham areas were those areas that had previously had the most amount of the council housing stock and most amount of social housing.

Councillor J Clare noted the main reasons cited for the loss of a settled home, and was surprise there was not a higher amount in terms of the impact of drug and alcohol misuse or mental health issues as he felt these could be underlying issues. The Housing Manager noted the statistics gave a high level view, however, looking with some more detail then issues as described could be identified and that appropriate referrals, for example in terms of Family Intervention Project (FIP), would be made.

Councillor D Hall asked as regards cases of new housing developments there being scope to have monies in lieu of affordable housing provision. The Housing Manager noted that the Council's Strategic Housing Market Assessment (SHMA) at the very high level and work between the Housing Manager and Planners in terms of where there may be a need for as specific type of property, and for the HAP to then look for gaps.

Resolved:

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee, as part of the refresh of the Work Programme for 2016/17 receive a further update report on homelessness in County Durham.

9 Durham Key Options (DKO) - Update

The Chairman asked the Housing Manager, Regeneration and Economic Development, Marie Smith to give an update as regards Durham Key Options (DKO) (for copy see file of minutes).

The Housing Manager reminded Members of the background to the DKO choice based lettings scheme adding that currently there was a 5 band system in operation, with Government having set out a number of reasonable preference groups that must be awarded priority under any lettings scheme. Councillors noted statistics in terms of the number of applicants on the DKO register, with the trend of reducing numbers being in part from an improved re-registration process to ensure those applicants registered still require housing and were suitable.

The Committee noted that in terms of housing need and the reasonable preference/statutory priority groups, the County Durham percentage of 42% of applicants being from within those groups was in line with the national average of 43%. Members noted other statistic showed there was not an issue in terms of overcrowding for those in County Durham. It was added that while nationally around 1 in 5 applicants from the reasonable preference groups were assessed as having their housing need as a result of a medical or welfare issue, the statistic for County Durham was around 4 in 5 for those priority groups.

The Housing Manager noted approaches taken by other Local Authorities, citing an example in Manchester where those in employment would be prioritised, and added this would be looked at in terms of the next review of the DKO Policy in 2016. Councillors noted statistics in terms of the income bracket of applicants to DKO and numbers from those brackets. Members also noted statistics in terms of bidding for properties via DKO with an average reduction in bids across all properties types being around 25-30% since 2013, across the various providers.

Councillors learned of the split of property types in terms of lettings for the first 9 months of 2015/16: 22 1-bedroom; 52 2-bedroom; 25 3 bedroom; and 1 4-bedroom. The Committee noted that nationally the percentage of lets to single applicants with no children was around 13%, however, the percentage for County Durham for the same 2014/15 period was 42%. It was noted this was likely to be due to differences in lettings policies across the country, where many schemes do not allow under-occupation, namely singles would be expected to accept 1-bedroom properties only.

With reference to a question to the previous agenda item, Members were referred to paragraph 44 of the report that noted that of 79 applications from those with an armed forces connection in the last 5 years, 49% had been housed, 39 applicants. It was added that of those 39 applicants, 36 had been housed since the amended Policy from April 2013 which awarded armed forces applicants with Band C, instead of Band D.

In terms of termination of tenancies, the Housing Manager noted that this had greatly reduced in 2015, and Members were reminded of the Private Landlord Accreditation Scheme and how this linked to DKO.

The Housing Manager concluded by noting the priorities agreed by the DKO Board for 2016 were: low demand areas; to simplify the policy, partnership review; and to improve the marketing of DKO.

The Chairman thanked the Housing Manager and asked Members for their questions, and asked whether the move to online applications had been an issue for those bidding for properties.

The Housing Manager noted there had not been a change in the proportion received online, and noted that the ability to apply via a hardcopy form was still available, though would check and report back to Members on this issue.

Councillor J Clare noted the reference to the Manchester model prioritising those in employment and also at paragraph 62 with reference to stricter criteria in terms of arrears and asked whether there was a move from a need model to a market model. Councillor J Clare added that he felt there could be a risk that if tenants perceived as being “problematic” were not supported that they could become victim to the poorer quality private landlords if they were the only people that would offer them a property. The Housing Manager noted there was a number of products that could be offered, within the constraints of Government policy, and that the Council had to address both need and issues raised by providers. It was added that there was a number of services we did offer to help support people, and that the Authority would be bound in terms of its statutory duties.

Councillor M Davinson noted that Paragraph 5 of the report explained Accent were no longer part of DKO as it was too expensive, however at Appendix 3 to the report Accent were listed within the table of information on partners. Councillor M Davinson asked questions in terms of: a view as regards the income brackets of those applying via DKO; the Private Landlord Accreditation Scheme (PLAS) and DKO, was 50 an upper limit; of 153 referenced PLAS applicants, 87 were “red”, 50 “amber” and 15 “green” and asked whether this had an impact in terms of forcing people to choose private landlords, dispersing people. Councillor H Nicholson noted concern as regards the social impact of people being dispersed and the cumulative impact upon communities.

The Housing Manager noted further information on the Private Landlords may be available via Shirley Janes, the Council’s Private Sector Housing Manager and that in terms of Accent, they had been a 100% DKO partner, however, had now moved to be a 50% partner. It was added that the number of private landlords within DKO was 50 at this time.

Councillor R Ormerod noted the table setting out the areas with the highest percentages of Band E lets and added that it would be useful for the Committee to have the associated numbers in addition to be able to give some perspective. Councillor O Temple noted that the reference to simplification of the DKO policy would be welcomed, and asked what the end of quotas would mean in real terms and also whether the inability to access the internet was a barrier in terms of the use of DKO. The Housing Manager noted that quotas had been in place within the bands for around 10 years, adopted and adapted from successful models elsewhere in the country in order to give a balance so that those that did not necessarily have the greatest need still had a chance to bid successfully for a property. It was added that as the housing market had changed, there may be a move to 4 Bands, though Members would be consulted on any changes.

Resolved:

- (i) That the report be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee, receive a further report at a future meeting on the proposed changes to DKO Lettings Policy together with the new DKO Application Form.

10 Skills Development Scrutiny Review - Update

The Chairman asked the Overview and Scrutiny Officer to give an update as regards the ongoing Skills Development Scrutiny Review (for copy see file of minutes).

The Overview and Scrutiny Officer noted that there had been 3 meetings of the Working Group to date, with information having been received in terms of: the current approach to skills development nationally, regionally and locally; key strategies and policies; funding structures, in light of the Comprehensive Spending Review (CSR); employment trends, performance data; the role of the Council in terms of both Regeneration and Economic Development and Children and Adults Services; the work of the AAPs; partnership arrangements at local, regional and national levels; and examples of various initiatives and projects, with input from 3 local Colleges at the last meeting.

Members noted that emerging issues included: the importance of quality information, advice and guidance (IAG) being provided for young people; the value of being able to offer work experience and the current offer within County Durham; the engagement with the business community in County Durham; how to engage with Universities to help retain graduates within the County; how employers were made aware of the apprenticeship support offered by the Council; a need to maximise the opportunities available via the Youth Employment Initiative (YEI) DurhamWorks programme and monitor performance; and to continue the dialogue between CAS and the AAPs in relation to successful AAP schemes which could be included in initiatives funded by YEI. It was noted that future meetings of the Working Group would look at skills support provided by the County Durham Economic Partnership (CDEP) and activities undertaken by private companies and that in addition, visits would be arranged to see skills training at colleges and specialist providers.

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

Councillor J Armstrong asked whether there was a list of training providers in terms of YEI and their targets, in order to be able to judge value for money. Councillor M Davinson added there needed to be evidence linking the training to a need for such skills. It was confirmed that the Strategic Manager, Progression and Learning, Linda Bailey would be attending the meeting of the review group on 23 March and would be providing Members with further information on YEI, including the information requested by Members today.

Resolved:

That the report be noted.