

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 **Thursday 23 February 2017** at **9.30 am**

Present:

Councillor R Crute (Chairman)

Members of the Committee:

Councillors E Adam, J Armstrong, J Clare, T Henderson, B Kellett, J Maitland, H Nicholson, A Patterson, O Temple and A Willis

Co-opted Members:

Mr I McLaren

Apologies:

Apologies for absence were received from Councillors A Batey, J Bell, M Davinson and P Stradling

1 Apologies for Absence

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2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

The Minutes of the Special Meeting held 20 December 2016 and the meeting held 13 January 2017 were agreed as correct records and were signed by the Chairman.

The Chairman noted that in relation to Item 7, County Durham Plan Update - Government Housing White Paper, as set out in the minutes of the Special Meeting held 20 December 2016; a summary of the Housing White Paper and the Building our Industrial Strategy Green Paper had been circulated to Members of the committee for consideration. The Chairman noted the Council's Spatial Policy Manager, Mike Allum would provide further information in relation to the Housing White Paper and James Cook, Principal Spatial Policy Officer would provide detail on the Industrial Strategy Green Paper.

The Spatial Policy Manager explained that the Government had published a Housing White Paper entitled "Fixing our broken housing market" which had included a series of consultation questions, with responses sought by 2 May 2017. It set out four steps to achieving boosting housing supply to deliver between 225,000 and 275,000 homes every year nationally.

The four steps are: planning for the right homes in the right places principally via local and neighbourhood plans; building homes faster, by linking infrastructure and housing development; diversifying the housing market with a focus on, increasing the number of small and medium sized builders; and helping people now by helping to meet all of the population's diverse housing needs.

The Spatial Planning Manager added that in terms of the building the right homes in the right places element, an important factor would be the requisite national methodology in determining the number of houses required. It was added that this was not included within the White Paper and would be subject to separate consultation later in the year. Accordingly, further discussions would take place with the Department for Communities and Local Government (DCLG) and further information would be brought back to the Committee.

The Chairman thanked the Spatial Planning Manager and noted he would have expected a lot more detail included in the White Paper at this stage. Councillor Crute continued commenting that he was concerned that there is currently not the number of skilled workers in the relevant trades to deliver the numbers of housing required each year. The Principal Spatial Policy Officer commented that there is no emphasis in the White Paper regarding a skills gap.

Councillor Kellett commented that some products such as the Lifetime ISA will be of limited benefit to people on low incomes as they do not have the level of income to save.

Councillor Nicholson stated that in relation to housing development, this is driven by demand which varies across the County and that in some areas of the county there is a need for properties to be demolished and replaced by new homes of the type required locally.

Councillor Armstrong continued that the missing detail from the White Paper in relation to the national methodology for calculating the housing requirement makes it difficult to determine the possible impact on the County Durham Plan and that there is a need to determine how DCC moves forward as members are currently having to determine planning decisions based on existing local planning policies. The Spatial Planning Manager commented that Government is no longer looking for a single plan so there may be opportunities to progress the relevant policies in the plan on an individual basis for use by planning officers and members.

Councillor Crute commented that reducing the time the developer can implement permission from 3 to 2 years to reduce land banking, whilst welcomed, there is little that the authority can do to compel the developer to start work on site. The Spatial Planning Manager responded that land banking is an issue in County Durham and that currently developers only have to provide an access onto the site for it to be classed as development taking place on site.

The Chairman asked the Principal Spatial Policy Officer, James Cook to speak as regards the Government's recent Green Paper relating to the connected issue of "Building our industrial strategy".

The Principal Spatial Policy Officer explained that the Green Paper had been published on 23 January 2017 and was a consultation document which had the objective of "improving living standards and economic growth by increasing productivity and driving growth across the whole economy".

Members noted that key areas set out included: investing in science, research and innovation; developing skills; upgrading infrastructure; support business to start and grow; improving procurement; encouraging trade and inward investment; delivering affordable energy and clean growth; cultivating world leading sectors; driving growth across the whole country and creating the right institutions to bring together sectors and places.

The Principal Spatial Policy Officer added that while the Green Paper was welcomed, there was a need for further details to fully understand the implications for County Durham, with the consultation questions having a deadline of 17 April 2017.

The Chairman thanked the Officer for a lot of information and noted reference to "continued support for Mayoral Combined Authorities" (CAs) within the paper and wondered about the possible implications for DCC. The Principal Spatial Policy Officer commented that this concern could be included in DCC's response to the Green Paper.

Councillor Crute continued by asking whether a response at a regional level would be prepared to both papers and if so would they be shared with DCC. The Spatial Planning Manager responded that DCC will have sight of the responses from neighbouring authorities in relation to the Housing White Paper and would expect the NELEP to do a response in relation to the Green Paper.

Councillor Armstrong suggested that the committee receive a copy of the response to both papers when prepared and that further updates on both papers come to a future meeting of the committee.

Members noted the issues and the Chairman thanked the Officers for their information.

4 Declarations of Interest

Councillor B Kellett declared an interest in Item 8 - Private Rented Sector.

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 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: Hitachi being “well placed” in terms of bidding for a contract to build rolling stock for High Speed Rail 2 (HS2), the company having 50 years’ experience in building high speed trains; an inventor based at NETPark having developed an illuminated lollipop design and would meet with distributors having won backing from a road safety charity; GlaxoSmithKline’s plans for expansion at their Barnard Castle plant having been approved by the Authority; and “This is Durham, Place of Light” a gathering of MPs and business leaders at an event at the House of Commons dedicated to the county, promoting the area as a great base for business and investment.

Resolved:

That the presentation be noted.

7 Digital Durham - Update

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

The Head of ICT reminded Members of the objective of having 100% of the County connected to superfast broadband and to ensure that Durham was at the forefront of digital connectivity, including fixed line broadband, wireless and mobile. It was added that the future economy would require some degree of connectivity and that there would need to be ubiquitous coverage to enable quality and consistent access to learning, healthcare, public services, entertainment and employment.

Members noted that in terms of Digital Durham, this was part of the work across 10 Local Authorities, through a number of phased contracts. It was added that Contract One represented 490 structures and 105,000 houses being 94% of premises within the contract area, and 96% within County Durham. It was explained that a take up in excess of 31% was encouraging. Members learned that Contract Two represented 200 structures and 28,000 premises with projected coverage of 97% in the contract areas and giving 98% for County Durham.

The Head of ICT noted that in terms of mobile, the Council were working with Vodafone as our supplier to then look at issues of 3G and 4G coverage within the County. Members learned that the North East Combined Authority (NECA) and Nexus were working with the 5G consortium on developing a massive test bed and also there was a bid in terms of the £26 million National Infrastructure Commission’s “Connected Future”.

The Committee noted that the work already undertaken would still leave around 5,000 premises without access to superfast broadband and that current plans may not be able to deliver for those premises.

Members noted this could be an area they could help with looking to generate community interest that could lead to fibre being used to provide a “village pump” in terms of connectivity.

The Head of ICT explained he was the Lead at NECA in terms of the Digital Skills Initiative and a Board Member of Dynamo North East. He added that skills development was a key objective in being able to ensure Durham had a skilled populace that was able to take the opportunities presented by digital technologies. The Committee learned as regards activities such as the ICT Apprentice Hub, encouraging young people to get into the technology sector and also the NECA Digital Skills Initiative in terms of providing the opportunity for learning, with over 40% of the 150 different initiatives identified being available in County Durham. Members noted related events included a “Hackathon” held at Durham University which generated 10 ideas that could be taken forward.

Councillors noted that they could help by “talking up tech”, helping young people, especially girls to understand the opportunities within the technology sector. It was added this could be within their role as Elected Members as well as other roles such as School Governors. The Head of ICT noted the increasing popularity of initiatives such as coding and “maker” clubs and that supporting these could only help to generate interest in technology as a future career for young people. Members appreciated that apprenticeships were an effective method of helping young people into employment and that the encouragement of such apprenticeships in technology roles was important, noting 10 such apprenticeships within ICT at the Council. Members noted a scheme to “loan apprentices out” to small and medium sized enterprises (SMEs), enabling SMEs to benefit from an apprentice with the Authority taking them on in the first instance.

The Head of ICT noted that there was great value in data, and that Authority itself generated and collected a great deal of useful data. It was added that there was an objective to ensure that Durham was a lead player in terms of “open data” and that there could be opportunities to use the data the Council had to create new products, new services and new value.

Members noted that to be able to mine the data and realise the value, the data would need to be released into the market. Councillors noted information relating to: an open data project, with 35 data sets live on Data Mill North, with support from the Federation of Small Business (FSB), the Durham Business Improvement District (BID) and the Digital and Satellite Catapults, and the previously mentioned “Hackathon” event having utilised these data sets.

Councillors noted the NECA Digital Leads Group was looking to map all data initiatives and also “internet of things” IoT initiatives across the region. Members noted projects at an early stage included the “Smart City” in Durham and also the Smart Stanley project, with a website and provision of wifi connectivity on the Front Street.

The Head of ICT concluded by noting that there was a number of ways Members could help in terms of open data and understanding the value of the data the Council has and in encouraging young people as regards the value of developing skills to work with data as a great many jobs will be created within this area.

The Chairman thanked the Head of ICT and asked Members for any questions.

Councillor A Patterson noted and welcomed the Smart Stanley project and asked as regards wider rolling out of wifi provision in public spaces. The Head of ICT noted several activities in terms of wifi provision, with moves for provision within Council buildings and added that if any Member had a specific project in mind to speak to him to see what may be possible.

The Chairman noted the 5,000 premises that were not likely to gain broadband via the Phase 1 and 2 contracts and asked how those people could be reached. The Head of ICT explained that for BT Openreach, the supplier, some smaller schemes would not be commercially viable and therefore there was a need to look at other solutions, as mentioned for an area to decide upon a place where fibre connectivity could be provided to, and also as regards the existing voucher scheme, though with a need to coalesce the demand for this scheme.

Councillor J Armstrong noted issues in terms of rural areas, the Head of ICT noted he, or a member of the Digital Durham team would be more than happy to speak to any groups wishing to learn as regards what options may be available.

Councillor O Temple noted that issues of connectivity were not confined to rural areas, citing a specific example in his Division, within the middle of Consett where a number of houses within a modern estate were unable to access superfast broadband, with the relevant cabinet or box being "full". Councillor J Clare added he had similar experiences in his area, with the "cards" within those cabinets being full and BT Openreach not being able to provide further connections. Councillor J Clare asked how many cabinets were "full" and were there options other than BT Openreach, for example if another provider such as Virgin decided to supply services in an area. The Head of ICT noted that it was an enormously complex project and reiterated that the aim was for 100% coverage in County Durham. Councillors noted 14 full cabinets and Members were reminded of the take up that was required for a return upon investment, 20% and that the scheme had reached 32% equating to £1.5 million back on investment. The Head of ICT noted Members could speak to him as regards individual cases and he could then look to follow these matters up. The Head of ICT noted he would welcome any additional provision that could come from other commercial companies, such as Virgin mentioned by Members.

Councillor J Armstrong welcomed the information as regards open data, however asked if there had been discussions with the Police, Crime and Victims' Commissioner (PCVC), noting the issue of cybercrime. The Head of ICT noted there were a number of groups looking at the issue, including via the NECA and Soctim North East, with representation from the Police and Sunderland University.

It was explained that cybercrime and cyber security were taken very seriously and the Head of ICT would be happy to give further information as appropriate.

Resolved:

That the report and presentation be noted.

8 Private Sector Housing - Update

The Chairman introduced the Strategic Lead for Housing, Lynn Hall, Strategic Lead for Housing, Regeneration and Local Services who was in attendance to give an update as regards Private Sector Housing (for copy see file of minutes).

The Strategic Lead for Housing reminded Members that the Private Sector Landlord Team was part of the Housing Solutions service and provided or worked with: homelessness advice and prevention; worked with the Home Improvement Agency; worked with the Gypsy, Roma and Traveller community; Durham Key Options (DKO); regeneration and warmer homes; and Family Intervention support.

In terms of the Private Rented Sector, it was explained that around 14% of households within the County privately rented and that this represented a rise of 78% between 2001 and 2011. It was added that this was mainly in areas of deprivation and that the private rented sector provided much needed accommodation, although there were around 4,000 long term empty properties. The Strategic Lead for Housing noted the vast majority of private landlords were very good; however there was a minority of landlords that caused issues. Members noted a proactive approach in terms of advice and information, such as: landlord obligations; negotiation/mediation; requisite documentation; sign posting; and support for Tenants.

In terms of empty homes, it was explained there was a matrix of properties and that the Team would look to identify properties owners and negotiate and persuade them to bring a property back into use for rent or perhaps sell if appropriate. Members noted interest free loans that could be utilised to help bring properties back into use, no longer the grant scheme previously used, but a loan. It was added there was still a small fund in terms of "move in grants".

The Strategic Lead for Housing reminded Members of Selective Licensing and that this was being looked at externally in terms of effectiveness. Members also learned as regards targeted activities to look at specific issues in an area, utilising a multi-agency approach with regular walkabouts and a willingness to undertake enforcement action where necessary.

In terms of the Landlord Accreditation Scheme, Members were reminded that this was a voluntary scheme, landlords needed to sign up to a Code of Practice, and it was a prerequisite for properties to be advertised via DKO. It was added that tenants needed to be referenced and that support was put in place where needed. Members noted 111 landlords were accredited via the scheme, representing 2,326 properties, with 149 currently listed via DKO. It was added that 150 such properties had been let via DKO and that ongoing inspections would take place, 436 having been carried out to date. Members noted a renewal rate of around 48%.

The Strategic Lead for Housing noted a press release in terms of the milestone of 100 members to the Accreditation Scheme as well as other achievements and successes: newsletters and forums; discounts from local businesses; discounts for pest control services; free training sessions and assistance in preparing documentation.

The Strategic Lead for Housing noted that challenges in the private rented sector included: limited powers in management standards and empty homes; absentee landlords; Registered Providers disposing of stock; the impacts from the Housing and Planning Act 2016 and the Reducing Homelessness Bill. The Strategic Lead for Housing concluded by noting that a forward plan for the Private Sector Housing Team included: promotion of the service; enhancing DKO; more events; improving links to existing forums; the development of courses; tenant schemes; greater links with partner agencies; and aligning organisational priorities.

The Chairman thanked the Strategic Lead for Housing and asked Members for any questions.

Councillor H Nicholson noted an example of a Registered Provider selling off properties and the Strategic Lead for Housing explained that the Provider had approached the Homes and Communities Agency as regards permission to sell off properties. Councillor H Nicholson noted some excellent work that had been undertaken in his local area, however, the sheer number of empty properties meant that in some cases a little investment could make a property rentable or in some areas the clearing of old stock to encourage new development may be preferable. The Strategic Lead for Housing noted that in cases with minor disrepair there often were not the powers available for DCC to intervene, adding she understood how this could be frustrating for Members and residents.

Councillor E Adam noted the excellent work in his area carried out in connection with absentee landlords and noted information as regards the regular estate walkabouts adding that Members would have a lot of beneficial information in terms of issues, as would local residents' associations and suggested that local members should be invited to attend the walkabouts undertaken by the Housing Solutions Team. The Chairman reiterated that Members were a valuable source of information for Officers in terms of their Divisions. The Strategic Lead for Housing commented that arrangements would be made for local members to receive the detail of future walkabouts for them to attend should they wish to do so.

Councillor A Patterson noted there was a cost involved in terms of joining the accreditation scheme and asked what the cost was to the authority of providing the accreditation scheme. The Strategic Lead for Housing noted that there was effectively 1.5 staff (full time equivalent) operating the scheme and that the scheme generates income of approximately £18,000 a year for the authority. However, some of the smaller landlords drop out of the DKO scheme as they often do not have a problem renting their property and therefore cannot see the benefits of the scheme. Work was ongoing in terms of drafting an Action Plan for accreditation and this would be shared with Members of the Committee once it was complete.

Councillor H Nicholson asked whether the interest free loans required landlords to be accredited via our scheme to then be eligible. The Strategic Lead for Housing noted this was the case.

The Chair suggested that the committee receive a further update on work undertaken with the private rented sector at a future meeting.

The Chairman thanked the Strategic Lead for Housing and the Team for their hard work, with Members adding their appreciation for the work being carried out in their areas.

Resolved:

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee receive a further update on the work undertaken with the private rented sector at a future meeting of the Committee.