

ECONOMY AND RESOURCES SCRUTINY COMMITTEE

Thursday, 5 November 2020

PRESENT – Councillors Durham (Chair), Bartch, Crudass, Harker, Mrs D Jones, McEwan, Renton and Tait

APOLOGIES – Councillors L Hughes and Paley,

ABSENT – Councillor Boddy

ALSO IN ATTENDANCE – Councillors Marshall and Keir

OFFICERS IN ATTENDANCE – Elizabeth Davison (Assistant Director Resources), Mark Ladyman (Assistant Director Economic Growth), Dave Winstanley (Assistant Director Transport and Capital Projects), Brian Robson (Head of Capital Projects), Anthony Sandys (Head of Housing and Revenues), Christopher Mains (Town's Fund Programme Manager), Andrew Perkin (Business Growth and Investment Manager), Sarah Travis (Business Growth and Investment Officer) and Shirley Wright (Democratic Manager)

ER1 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

ER2 MINUTES

Submitted – The Minutes (previously circulated) of a meeting of this Scrutiny Committee held on 10 September 2020.

RESOLVED – That the Minutes be approved as a correct record.

ER3 BUSINESS WEEK 2020

The Director of Economic Growth and Neighbourhood Services submitted a report (previously circulated) outlining the activities which had taken place as part of the Council's Business Week 2020, which had taken place this year for the first time virtually due to the current pandemic and which had received positive feedback.

The submitted report outlined the aim of Business week, which brought together a number of local companies, partners and business support organisations to provide free informative and engaging sessions to help local businesses build resilience, help recover from the economic effect of the pandemic and learn how to diversify and find new opportunities, with more than 250 businesses registering for the week's events. A virtual Jobs Fair was also hosted during the week to promote the wide range of job vacancies which were available at the time and approximately 100 live vacancies had been posted during the week to the audience that were in attendance. It was reported that it was difficult to quantify how many of the 100 vacancies had been recruited to as a result of the jobs fair, however this was something which Officers could pursue.

Following a question by a Member, it was reported that numbers attending Business Week were less than in previous years, possibly due to it being a virtual event and also the focus of businesses being on other areas at the current time and it was suggested that pre-recorded sessions could be made available for a specified period of time. Discussion also ensued on the need to take any of the learning from Business Week to set up an on-going programme of support and events during the year, particularly given the pressure businesses were facing

It was also reported that unfortunately the Skills workshop had been cancelled due to the lack of appetite in taking on new recruits in the current climate, however, Officers confirmed that the bespoke training had been given to those that had registered for that event by the Darlington College and that, going forward, this more bespoke skills training, as well as other bespoke training would be more readily available as one-off events outside of Business Week.

RESOLVED – That Officers be requested to submit a report to a future meeting of this Scrutiny Committee, following the lessons learnt from this year’s events, of the proposed arrangements once next year’s planning commences.

ER4 TOWNS FUND - FORWARD FUNDING

The Towns Fund Programme Manger gave a presentation on the proposed use of the Towns Fund - Forward Funding following the receipt of accelerated funding of £1 million from the Government to fund capital projects that were in line with the Towns Fund

It was reported that the money needed to be spent this financial year with the aim of making an immediate impact to support the growth and recovery of Darlington during the pandemic.

The presentation covered the three the aims and objectives of the fund to : improve or provide new parks and green spaces and sustainable transport links, make improvements to the Town Centre, including the repurposing of empty commercial properties and demolish or undertake site remediation works where this would have immediate benefit.

Reference was made to the four projects which had been selected to be included within the overall project, which included improvements to the historic yards, town centre enhanced lighting, town centre WIFI and property acquisition in Northgate.

Discussion ensued on the need for any planting within the Yards to be low maintenance and the hope that businesses would maintain that planting and build a sense of pride within their community; the provision of additional CCTV coverage within the Yards to prevent anti-social behaviour and give reassurance to businesses; the importance of WIFI being available in the Town Centre to enable businesses to better promote their businesses electronically and assist with electronic payment systems etc. and the need to be aware of the changing picture in relation to technology; the on-going revenue implications once the projects had been completed; and the need to effectively engage with residents to communicate and consult on any plans.

RESOLVED – That the presentation be noted with thanks.

ER5 THE PROCESS FOR THE WRITE OFF OF IRRECOVERABLE DEBT

At the request of Members, the Director of Economic Growth and Neighbourhood Services submitted a report (previously circulated) outlining the statutory processes which were followed prior to the write-off of irrecoverable Council Tax, Business Rates, former tenant rent arrears and Housing Benefit overpayments.

The Head of Housing and Revenues reported that although there was a statutory framework it did give options and the Council operated within its own recovery strategy based on what it felt worked best in terms of collecting debt, with the debtor always being given the opportunity to contact and engage with the Council prior to any enforcement action being taken.

It was reported that the collection of these rents and taxes were important to provide the Council with the resources it needed to provide essential services to residents and businesses and that Officers were diligent in following the processes both in terms of collecting debt and in supporting those who were not paying due to financial difficulties, however, as part of the collection process and the large sums of money involved, £119.2 million last year, it was inevitable that some debts were irrecoverable and had to be written-off.

Following a question by a Member, clarification was given that the significant increase in Former Tenant Rent Arrears which had been deemed unrecoverable and written-off this year had been due to a tidying up exercise after all recovery methods had been exhausted, with £400k of the £607k being before 2019 and some going back to the 1990's.

Reference was made to the in-year and target collection rates, the list of priority debts offset by the DWP, the need to balance the collection of debt between those that won't pay and those that genuinely have serious financial difficulties, the staffing resource within the Team, the collection of business rates which was slightly higher than the previous year and the possible reasons for that, the levels of former tenant arrears and the additional work the team had been doing following the Covid-19 outbreak to maintain collection rates and in processing £24 million of business support grants.

RESOLVED – That the report be received.

ER6 PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME MONITORING - QUARTER 2

The Director of Economic Growth and Neighbourhood Services submitted a report (previously circulated) together with a report (also previously circulated) which was being considered by Cabinet at its meeting to be held on 10 November 2020, giving a summary of the latest capital resource and commitment position to inform monitoring of the affordability and funding of the Council's capital programme, together with an update on the current status of all the significant construction projects which were currently being undertaken by the Council.

It was reported that the Council had a substantial annual construction programme of work which was delivering a wide range of improvements to the Council's assets and more critically to Council services and that there were currently 39 live projects currently being managed with an overall projected outturn value of £126 million with the majority of those projects running to time, cost and quality expectations with no foreseeable issues.

Attached to the report was a project position statement which was required to be completed by all project managers for all projects over £75,000 and which brought together details of the current live construction projects up to the end of August 2020 by delivery area and provided details on the numbers, the current status position on each project with regards to budget and completion and any comments on current issues.

Further to previous comments made by Members in relation to the information contained in the project position statement, it was reported that the Project in a Box system was now in the delivery phase and the testing and implementation plans were being developed to enable better reporting to be achieved.

Members requested updates on a number of the projects namely the West Cemetery and the Rise Carr and Red Hall SEND projects and whether there were any cost implications due to any delays as a result of Covid 19 and the Officers gave appropriate responses thereon.

RESOLVED – That the report be received.

ER7 REVENUE BUDGET MONITORING - QUARTER 2

The Managing Director submitted a report (previously circulated) together with the quarter 2 revenue budget outturn report (also previously circulated) which was due to be considered by Cabinet at its meeting on 10 November, 2020.

It was reported that the Council's projected reserves at the end of 2020 were £20.506 million, £1,143 million higher than the initial 2020-24 MTFP position and included a brought forward amount of £0.274 million from 2019-20 and the rebasing exercise of £0.897 million

The Assistant Director Resources, reported that of the £20.506 million projected reserves, there was a risk reserve balance of £4.350 million and a commitment to use £11.330 million to support years two to four of the current MTFP, leaving a surplus of £4.826 million, subject to no further pressures being identified and no impact of Covid-19 in future years.

Specifically in relation to impact of Covid-19 on the Council's finances, it was reported that it was estimated that the cost to the year-end would be £13.7 million, however the Council had received £8.7 million of Government grant to date and approximately £4 million was anticipated from the sales, fees and charges income recompense scheme which would leave a Covid-19 gap of £875,000.

Members asked questions in relation to whether any additional funding would be provided to the Council as part of the second national lock down which was due to

come into effect shortly, and it was reported that further funding was not expected, however, additional financial impacts to those already planned for within the budget were not anticipated as it had been expected that some services would not revert back to the usual income levels during this period and that this had been accounted for in the budget.

Discussion also ensued on the cost and implications to the Council of the support contract which it had in place following the provision of laptops by the Government to children, the position following a grant from government for troubled families which it was indicated would go into reserves and car parking income.

RESOLVED – That the report be received.

ER8 WORK PROGRAMME

The Managing Director submitted a report (previously circulated) requesting that consideration be given to the work programme of this Scrutiny Committee for the Municipal Year 2020/21.

Discussion ensued on the possibility of Scrutiny undertaking a piece to look at the impact of staff working from home in terms of both well-being and productivity and the Chair suggested that he consult with other Scrutiny Chairs on the possibility of a joint review being undertaken across all Scrutiny Committees. In addition, it was also suggested that an item be included on the work programme in relation to youth unemployment and that a quad of aims would be submitted.

RESOLVED – That the report be received.