

ECONOMY AND RESOURCES SCRUTINY COMMITTEE

Thursday, 1 July 2021

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

APOLOGIES – Councillors Boddy, Paley and Wright,

ABSENT – Councillors

ALSO IN ATTENDANCE – Councillors Johnson and Marshall

OFFICERS IN ATTENDANCE – Elizabeth Davison (Group Director of Operations), Dave Winstanley (Group Director of Services), Mark Ladyman (Assistant Director Economic Growth), Brett Nielsen (Assistant Director Resources), Brian Robson (Head of Capital Projects), Andrew Perkin (Business Growth and Investment Manager) and Shirley Wright (Democratic Manager)

ER6 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

ER7 MINUTES

Submitted – The Minutes (previously circulated) of a meeting of this Scrutiny Committee held on 1 April 2021.

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

ER8 COVID-19 BUSINESS GRANTS

The Chief Executive submitted a report (previously circulated) providing a further update on the Governments various funding schemes to support local businesses during the Covid-19 pandemic.

It was reported that the Council had administered a number of support schemes on behalf of the Government throughout the pandemic and that the total value of Covid -19 financial support grants awarded to Darlington Businesses on behalf of the Government since the start of the pandemic in March 2020 was £44,101,740.

Officers reported that the vast majority of the business support grants from Government had now ceased, however, a further unknown allocation of Additional Restriction Grants would be available in the forthcoming weeks.

Following questions by Members, the criteria which had been adopted in Darlington for payments under the discretionary grant scheme was explained and it was reported that there were a substantial number of businesses who had received no support under the grant schemes and it was requested that any future update reports include more detailed

information outlining the reasons for that.

Reference was also made to the potential implications of the pandemic on the local economy and local businesses; the need to closely monitor this so that interventions could be looked at where possible; how sectors might have changed and adapted during and post pandemic and to the increase in the number of enquiries from the hospitality sector looking to locate in the Town Centre.

The submitted report also stated that there had been several fraudulent attempts to claim grants and that the majority of these had been identified as part of the process, however, there had been three cases in Darlington where funding had been granted due to fraudulent claims and these had been reported to the Government's National Anti- Fraud Networks for investigation.

RESOLVED – That the report be received and the thanks of this Scrutiny Committee be extended to the Assistant Director Economic Growth and his team on the work undertaken.

ER9 REVENUE OUTTURN 2020/21

The Group Director of Operations submitted a report (previously circulated) together with the revenue outturn 2020/21 report (also previously circulated) which was scheduled to be considered by Cabinet at its meeting on 6 July 2021.

It was reported that the Council's revenue reserves at the end of 2020/21 were £24.623 million, of which there was a risk balance of £5.350 million and a commitment to use £13.218 million to support the current four-year plan, which left a general fund reserve balance of £6.055 million. This balance assumed there would be no further pressures identified and there was no impact of Covid in future years, however, it was also reported that this was unlikely and would need to be closely monitored throughout the coming year.

Reference was made to the slippage on Concessionary Fares; funding required to clear the backlog of complaints in Adults which had been put on hold due to workload pressures around Covid; whether any comparative analysis work had been undertaken with other local authorities to ascertain the full costs of dealing with the pandemic; the level of support given by the Government and hard work of staff which had left the Council in a sound financial position.

RESOLVED – That the report be received.

ER10 REVENUE BUDGET MONITORING 2021/22 - QUARTER 1

The Group Director of Operations submitted a report (previously circulated) together with the quarter 1 revenue budget monitoring report (also previously circulated) which was scheduled to be considered by Cabinet at its meeting on 6 July 2021.

It was reported that the Council's projected revenue reserves at the end of 2021-22 were £28.562 million, £3.636 million higher than the initial 2021-25 MTFP position and included a brought forward amount of £2.317 million from 2020-21, £0.022 million of projected departmental underspend, the rebasing exercise of £0.993 million and the use of £0.304 million of Covid 19 reserves.

Of the £28.562 million projected reserves, there is a risk reserve balance of £5.350 million and a commitment to use £15.838 million to support years two to four of the current MTFP, leaving a surplus of £7.374 of unallocated reserves.

Reference was made to the significant amount of uncertainty regarding the recovery from covid 19 which did have the potential to impact on the budget position during the remainder of this financial year and the need to continue to monitor this.

Members discussed the processes surrounding budget management within the authority and were assured that regular and robust budget monitoring did take place with budget holders and that there was regular reporting through the democratic process.

RESOLVED – That the report be received.

ER11 PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME MONITORING OUTTURN 2020/21

The Group Director of Operations and the Group Director of 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 6 July 2021, 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 38 live projects currently being managed with an overall projected outturn value of £126.196 million with the majority of those projects running to time, cost and quality expectations with no foreseeable issues.

It was reported that one project was beyond tolerance due to the need to undertake drainage works at a certain point of the year for ecological reasons.

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 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.

It was suggested that a presentation on the new electronic capital project reporting system 'Project in a Box', which was currently being rolled out be given to Members.

RESOLVED – That the report be noted.

ER12 WORK PROGRAMME

The Group Director of Operations submitted a report (previously circulated) requesting that consideration be given to the work programme of this Scrutiny Committee for the Municipal Year 2021/22.

A draft work programme which had been prepared based on Officers recommendations of topics where this Scrutiny Committee could undertake work and on previous recommendations of the Committee was appended to the submitted report and Members were requested to consider this and add any additional items they wished to include.

RESOLVED – (a) That the draft work programme be approved and that the following items be added :-

- (a) Youth Unemployment – to be led by the Children and Young People Scrutiny Committee;
- (b) a review of relevant reporting performance indicators;
- (c) long-term impacts of Covid on the Economy

(b) That an all Members training session be held on the Freedom of Information Act and the storage/filing of data.