

ECONOMY AND RESOURCES SCRUTINY COMMITTEE

Thursday, 2 November 2023

PRESENT – Councillors Baker (Chair), Dillon, Durham, Haszeldine, Henderson, Marshall, McGill, Ray and Mrs Scott

APOLOGIES – Councillors Coe,

OFFICERS IN ATTENDANCE – Mark Ladyman (Assistant Director Economic Growth), Brett Nielsen (Assistant Director Resources), Brian Robson (Head of Capital Projects), Anthony Sandys (Assistant Director - Housing and Revenues), Michael Conway (Mayoral and Democratic Officer) and Claire Gardner-Queen (Head of Housing)

ER62 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

ER63 TO APPROVE THE MINUTES OF THE MEETING OF THIS SCRUTINY COMMITTEE HELD ON 31 AUGUST 2023

Submitted – The Minutes of the meeting of this Scrutiny Committee held on 31 August 2023

RESOLVED – That the Minutes of the meeting of this Scrutiny Committee held on 31 August 2023 be approved as a correct record.

ER64 MARKET UPDATES

A presentation was delivered by the Assistant Director of Economic Growth and the Managing Director of Market Asset Management with the aim of updating members on current strategies and projects and to bring new members up-to-speed on Darlington traders' markets.

Members were provided with details of current projects and points of note including details to refurbish the old town hall and goals to achieve "best market in Britain 2025".

It was highlighted that greater communication with Market Asset Management would be preferred with members noting that information was published in the Northern Echo before they were made aware. However, Members were assured that this was published without Market Asset Management input. Members highlighted some concern over progress which has been slow since the initial proposals from Market Asset Management, 6 years ago and were informed that many delays were due to the impact of COVID and attempts to avoid incurring greater costs. However, the number of traders at the external market has increased and the Misfit Market is now attracting around thirty independent traders, but difficulties remain in sourcing independent traders in general.

Members were assured that loan repayments would recommence after the completion of phase 3 as agreed in July 2022.

RESOLVED – That the presentation and update be noted.

ER65 ECONOMIC GROWTH STRATEGY AND IMPACT REPORTS

A presentation was delivered by the Business Growth and Investment Manager to update members on the Darlington Economic Growth Strategy, the impact of Darlington Economic Campus and an overview of the Office Demand Study.

Members were provided with an overview of the Darlington Economic Growth Strategy with an emphasis on the focus on inclusive growth driving a strong and fair local economy. It was highlighted that property is at a premium in Darlington at present with funding streams currently in a transitional period between government funding schemes and officers are looking to accelerate the delivery of funding.

Members were informed of the local impact of the Darlington Economic Campus (DEC), points of note being that investment inquiries saw a notable increase of both the speculative and serious nature with several legal firms moving to Darlington. An update was provided on the numbers of jobs created from DEC. With DEC jobs being around 80% local hires with 20% relocations from the south with wages at 15% above the Darlington average and 800 additional jobs created locally as a knock-on from the Treasury's presence.

Members were pleased to hear that we received a positive response from the Treasury after submitting the Local Impact Study.

Details were provided of the Office Demand Study which provided data to articulate the increase in office space demand and accommodation trends in Darlington. It was highlighted that in comparison to past trends, we are seeing a steep increase in demand for office space with around 15,000 square meters required over the next ten years to meet demand with recommendations to develop the Northern Echo Building and former Sports Direct site.

In relation to the Office Demand Study, members questioned as to whether the increase in DEC employees is having a negative impact currently and going forward – we were informed that DEC recruitment has recently slowed and that they are looking at reasonable locations in and around the town. The question was also raised around utilising Council office space freed up through hybrid working with assurance given that all possible useable space is being considered including DBC-owned facilities.

Discussion was held with regards to private developers looking to develop office space in town and querying whether such interested tenants all require brand new or high-level office facilities. We were informed that officers are working with several interested parties with the certainty of the Treasury giving a boost in this and with interest being shown in various forms of office space.

Members voiced their gratitude for the concise and informative insight provided by the presentation.

RESOLVED – That the presentation and updates be noted.

ER66 TOWNS FUND UPDATE

Members received an overview and progress update of the town investment plan, initially submitted 2020, delivered by the Assistant Director of Economic Growth.

Members were informed that there are currently nine projects in total being undertaken with a focus on maintaining the town's heritage aspects and interesting spaces. Early focus being placed on the yards to create space for residents to relax and the implementation of free Wi-Fi in the town centre and a £4.5m investment into the Rail Heritage Quarter.

An update was provided on the purchase and development of local buildings. In relation to the Northern Echo Building, purchase is now completed and tenders from the procurement exercise to be returned by 8 November 2023 after which, steps to develop the facility can progress, completion predicted for 2025/26

Members were also given an update on the progress to date on the acquisition of Northgate House to develop a joint commercial / residential area. In addition, members were updated on proposals for the former Pease House and d156 Northgate.

A discussion was raised with regards to placing coverings over the fascia of purchased buildings to boost cosmetic appearance and to inform public of development projections of the buildings in question. Officers agreed to make enquiries regarding this.

Members also held a discussion with regards to Northgate house development timescales with a response that development plans are to be issued in the new year 2024.

Questions were raised with regards to the developments of Skinnergate and the Yards and the current funding situation. Members were informed that if addition funding was required officers would look at underspends in other projects as a means of supporting future works.

RESOLVED – That the update be noted.

ER67 PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME MONITORING - QUARTER 2 2023/24

The Head of Capital Projects provided a summary of the latest Capital resource and commitment position and an update on affordability and funding of the Council's capital programme prior to consideration on 7 November 2023 Cabinet.

Members noted the status of current projects and departmental overviews. It was also noted that the programme, including commitments remains affordable within the Medium Term Financial Plan 2023/24 – 2026/27. The Council currently has 43 live projects with an overall projected outturn value of £167.583m. The majority of projects are running to time, cost and quality expectations but are being monitored given the current pressures on resources in the construction sector nationally.

Members raised questions with regards to timeframes for completion of Eastbourne Sports Complex and were informed that only final electrical and draining work is left to be completed before sign-off. Further questions were raised as to whether penalties are present in contracts for contractors, for which there are.

RESOLVED – That the report be noted and that members considered the content of the report to satisfaction prior to its presentation on 7 November 2023 Cabinet.

ER68 COUNCIL TAX SUPPORT - SCHEME APPROVAL 2024-25

Members received the report of the Assistant Director – Housing and Revenues prior to recommendation by Cabinet on 7 November 2023 and approval by Council on 30 November 2023.

Members were given an overview of Council Tax Support (CTS) and informed that the CTS scheme is required to be set each year including considering whether any changes should be made to the current scheme. No significant changes are being proposed to the existing scheme on this occasion. The scheme is required to be published by 11 March 2024.

A question was raised as to whether there have ever been any issues with the scheme in the past and members were informed that there have been no issues previously with the scheme being subject to full public consultation at the time of establishing.

RESOLVED – That the report be noted and members considered the content of the report to satisfaction prior to its presentation on 7 November 2023 Cabinet.

ER69 PERFORMANCE INDICATORS - QUARTER 4 2022/23

The Assistant Director – Resources presented the report with the purpose of providing performance information aligned with key priorities. 22 indicators are reported to the committee, four of which are annual and eighteen on a six-monthly basis.

Members were provided with a summary including outcomes and comparisons with previous years' indicators. Some points of note included the reduction in average town centre footfall with areas for development being highlighted. A reduction in major planning applications decided within 13 weeks or within an agreed time (100% to 85%). An increase in percentage of non-major planning developments decided within 8 weeks or within agreed time (88.5% to 92.7%) and a reduction in monthly unemployment claimant count (4.57% to 4.33%).

Members raised a question with regards to current average income in Darlington and if the impact of Darlington Economic Campus is becoming visible, officers believe that the average wage has increased but this will be confirmed once new data is available.

RESOLVED – That the report be noted.

ER70 COUNCIL TAX CHANGES TO EMPTY PROPERTY PREMIUMS 2024-25

The Assistant Director – Housing and Revenues presents the report prior to presentation at Cabinet on 7 November 2023 and approval by Council on 30 November 2023 to consider proposed changes to Council Tax Empty Property Premiums for 2024-25.

Members were provided with proposals to change the Council Tax Empty Property Premiums from 2024-25 with points of note being that royal ascent has now been given. The definition of long-term empty homes has been amended to include unfurnished properties that have

been empty for one year or more and that definition will also include empty furnished homes, referred to as “second homes.

Discussions were held with points including that empty properties can potentially undermine regeneration efforts and actions to re-occupy properties should be supported. A further point being that additional income could be hoarded and not used to bring empty properties back into use.

Members raised questions regarding the definitions between furnished and unfurnished properties and the ways in which the Council finds out a property is empty for which officers provided satisfactory responses.

RESOLVED – That the report be noted and members considered the content of the report to satisfaction prior to its presentation on 7 November 2023 Cabinet.

ER71 REVENUE BUDGET MONITORING 2023/24 - QUARTER 2

The Assistant Director – Resources presents this report prior to presentation at Cabinet on 7 November 2023. The purpose of the report being to provide a forecast of the 2023/24 revenue budget outturn as part of the Council’s continuous financial management process.

Members were provided with details of the report with points of note being an update on the Council’s current reserves (£16.003m) which has shown a decline of £1.119m on the planned balances in the 2023-27 MTFP. Summaries of individual departments were provided with a £3.8m overspend in People Group being noted from increased demand and complexity of need in Children’s Services. However, it was noted that the overspend experienced in Childrens’ Social Care is an issue being experienced nationally.

Members raised questions including as to whether there will be any changes to the MTFP timetable and were informed that this will continue to follow the established timetable. A further question was raised as to whether the Council will run out of reserves and were informed by officers that in the MTFP the reserves would be used up during 2026/27 and the process for setting the 2024-28 MTFP was underway, and the reserves position is reviewed as part of this process.

RESOLVED – That the report be noted and members considered the content of the report to satisfaction prior to its presentation on 7 November 2023 Cabinet.

ER72 WORK PROGRAMME

The Assistant Director Law and Governance submitted a report (previously circulated) requesting that consideration be given to this Scrutiny Committee’s work programme and to consider any additional areas which Members would like to suggest be included in the previously approved work programme.

RESOLVED - Members agreed the following:

- (a) Economy and Resources MTFP item will be included in the Committee’s 4 January 2024 meeting.

- (b) A special meeting of the Economy and Resources Scrutiny Committee has been arranged for 11:00 Thursday 18 January 2024 at which all MTFP scrutiny responses will be considered and for which the chairs of the other committees will also be invited.