

ECONOMY AND RESOURCES SCRUTINY COMMITTEE

Thursday, 27 June 2024

PRESENT – Councillors , Allen, Baker, Dillon, Durham, Haszeldine, Henderson, McGill, Ray and Mrs Scott

APOLOGIES – Councillors ,

ABSENT – Councillors Marshall

ALSO IN ATTENDANCE – Councillors

OFFICERS IN ATTENDANCE – Mark Ladyman (Assistant Director Economic Growth), Brett Nielsen (Assistant Director Resources), Anthony Hewitt (Assistant Director Highways and Capital Projects), Brian Robson (Head of Capital Projects), Anthony Sandys (Assistant Director - Housing and Revenues) and Olivia Hugill (Democratic Officer)

ER95 APPOINTMENT OF CHAIR FOR THE MUNICIPAL YEAR 2024/25

RESOLVED – That Councillor Baker be appointed as Chair of this Scrutiny Committee for the Municipal Year 2024/25.

ER96 APPOINTMENT OF VICE-CHAIR FOR THE MUNICIPAL YEAR 2024/25

RESOLVED – That Councillor Dillon be appointed as Vice-Chair of this Scrutiny Committee for the Municipal Year 2024/25.

ER97 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

ER98 TO CONSIDER THE TIMES OF MEETINGS OF THIS COMMITTEE FOR THE MUNICIPAL YEAR 2024/25 ON THE DATES AGREED IN THE CALENDAR OF MEETINGS BY CABINET AT MINUTE C106/FEB/24

RESOLVED – It was agreed that for the Municipal Year 2024/25, meetings of this Scrutiny Committee be held at 10.00 a.m. on the dates agreed in the Calendar of Meetings by Cabinet at Minute C106/Feb/24.

ER99 TO APPROVE THE MINUTES OF THIS SCRUTINY COMMITTEE HELD ON 11 APRIL 2024:

RESOLVED – That the Minutes of the meeting of this Scrutiny Committee held on 11 April 2024 be approved as a correct record.

ER100 PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME MONITORING OUTTURN 23/24

The Assistant Director Transport and Capital Projects and the Assistant Director Resources

submitted a report (previously circulated) updating Members on the current position in relation to the delivery of the Council's Capital Programme, the financial outturn positions as 31 March 2024 and the proposed financing of the 2023/24 capital expenditure, together with an update on the current status of all construction projects being undertaken by the Council.

It was reported that there had been significant enhancements made to the Council's assets in three major programme areas of schools, housing and transport which used mainly external funding as well as several other large scale schemes in the Borough. The investments delivered a wide range of improvements to the Council's assets and most importantly to Council services. This included refurbishments of Council homes, improved learning environments in schools, better traffic flows and opportunities for sustainable travel.

The report detailed the total capital expenditure for 2023/24 was £60.084m. The report also included that the Council currently had 27 live projects with an overall project outturn value of £158.405m. Most projects have been running to time, cost and quality expectations with no foreseeable issues.

Discussion ensued around the Skinnergate project and the delay in demolition, members wanted clarification whether the demolition had started yet. Conversation merged into Darlington Station Demolitions, whether the compensation amount has been agreed yet and if this will affect the programme itself. The report stated that the Railway Heritage Quarter had a significant amount of money still in dispute, Members wanted to understand if this would be resolved at the end of the contract.

Members wanted officers to expand on the risks and disputes as detailed in the report for the Railway Heritage Quarter, whether the risks were unusual for this type of construction project.

Members questioned why cost inflation is not reflected in Appendix 6 for the Library, officers confirmed it is factored in and will be reflected next time. Members also questioned if the replacement of electric/old gas Boilers scheme is part of the heat scheme that is used amongst other Councils.

RESOLVED – That the report be approved.

ER101 REVENUE BUDGET OUTTURN 2023/24

The Assistant Director Resources submitted a report (previously circulated), which was being considered by Cabinet at its meeting scheduled for 16th July 2024, requesting Members to consider the 2023/24 revenue outturn.

It was reported that the Council's General Fund reserves position at the 31 March 2024 is £17.667m, which is an improvement of £0.545m on the planned balances in the 2023-27 MTFP. This improvement related to the £0.484m underspend in the Council's 2022/23 financial results, £1059m projected Group overspends in the 2023/24 financial year and a £1.119m improvement in corporate resources. The report included a number of carry forward requests which will assist in the projected slippage and pressure of the coming year.

Discussion ensued around the improvements going forward and how this affects the financial situation. Members scrutinised the overspend on agency staff and how we will be able to cease this.

The report stated that the Concessionary Fares and Sustainable Transport, concessionary fare scheme by TVCA was refunded £0.103m, Members wanted clarification around what the refund will be used on. Members scrutinised the decrease on income from the crematorium and wanted to understand what has been put into effect to increase the income.

Discussion continued around the Council being subject to Artificial Intelligence, Members wanted to understand what this meant and how it will be used. Members wanted clarification around the Under Collection of Rent and Bad Debt Provision, is this is normal and how this can be resolved.

RESOLVED – That the item be approved.

ER102 WORK PROGRAMME

The Assistant Director Law and Governance submitted a report (previously circulated) requesting that consideration be given to the work programme for this Scrutiny Committee for the Municipal Year 2024/25.

Members proposed the following items be added to the Work Programme, Market Asset Management, Office Demand Study, Agile Working, Cost of Living Support, Artificial Intelligence and The Use of This, Section 106 Funding, Railway Heritage Quarter, Hopetown, Usage of the Council Building, and Procurement.

RESOLVED – That the Work Programme be noted.