

ECONOMY AND RESOURCES SCRUTINY COMMITTEE

Thursday, 10 September 2020

PRESENT – Councillors Durham (Chair), Bartch, Boddy, Harker, L Hughes, Mrs D Jones, Paley, Renton and Tait

APOLOGIES – Councillors Crudass and McEwan

ABSENT –

ALSO IN ATTENDANCE – Councillor Johnson

OFFICERS IN ATTENDANCE – Ian Williams (Director of Economic Growth and Neighbourhood Services), Elizabeth Davison (Assistant Director Resources), Ian Miles, Assistant Director Xentrall Shared Services, David Hand (Head of Service for Planning Policy, Economic Strategy and Environment), Chris Oates (ICT Strategy and Operations Manager), Phillipa Rayner, Systems Strategy and Development Manager, Lee Downey (Complaints and Information Governance Manager) and Shirley Wright (Democratic Manager)

ER9 DECLARATIONS OF INTEREST

Councillor Durham declared an interest in Minute ER16 below as a Ward Councillor for Brinburn and Faverdale and as a resident of High Grange, Faverdale. There were no other declarations of interest reported at the meeting.

ER10 9 JULY 2020

Submitted – The Minutes of a meeting of this Scrutiny Committee held on 9 July, 2020.

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

ER11 16 JULY 2020

Submitted – The Minutes of a meeting of this Scrutiny Committee held on 16 July, 2020.

In relation to Minute ER8/Jul/20, and following a question by a Member in relation to the Government's scheme to reimburse lost income, where 75 pence of every £1 lost over and above the initial five per cent of planned income from sales, fees and charges would be covered, the Assistant Director reported that claims for the period April to July 2020 needed to be submitted to the Government by the end of September 2020 and that thereafter, quarterly claims would be submitted up to the end of the financial year. It was anticipated that the payments would be received relatively quickly following submission and that it was anticipated that the scheme would cease at the end of this financial year.

Members also questioned what impact the recently agreed 2.75 per cent pay award, which was higher than anticipated, would have on the current Medium-Term Financial Plan and it was reported that an assumption had been made in the quarter 1 monitoring report in relation to this and it had been accounted for within the MTFP.

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

ER12 DARLINGTON BOROUGH COUNCIL AND MICROSOFT 365 - PRE, DURING AND POST COVID 19

The Systems, Strategy and Development Manager and the ICT Strategy and Operational Manger, Xentrall Shared Services gave a presentation on the background to the purchase and implementation of Microsoft Office 365 within the Council.

It was reported that the information architecture plan for Microsoft 365, which put in place the building blocks and foundations for Microsoft Office 365, was developed by Xentrall Shared Services in 2018 to enable a more modern working solution to be implemented across the Council and its services. This early work had put the Council in a very strong position to react quickly to the COVID-19 pandemic by ensuring that staff were well equipped to work from home and enabling key services to be maintained and Members congratulated Officers on this.

The presentation highlighted the various components contained within 365, some of which would be familiar to staff and Members and some of which were still be rolled out; the high level requirements to underpin good information architecture; the original plan to move to 365 in a very low key and structured way during 2020 and the immediate objectives following the COVID 19 outbreak which included : mobilising staff safety and quickly, looking at gaps in business critical users, designing a desk top solution to move desktop machines, working with Chief Officers to keep key services operational and establishing a key communications channel.

The presentation also highlighted the on-going work between the Council and Xentrall Shared Services to continue to deliver the 365 programme and ensure the best value from the application.

Discussion ensued on the further roll out of the 365 application to staff and the need to ensure that a training programme/support was in place to enable them to get the best out of the application to meet their needs; the work undertaken to procure the 365 application at the significantly reduced cost; the matching of It equipment and devices to users individual needs, the work undertaken to compare 365 with other applications such as google suite and the need to continually look and consider other comparable applications to ensure the best option for the Council in the future.

Reference was made to the well-being strategies which were in place and being promoted by HR to ensure that staff were supported in working at home; the culture within the organisation to work on an outcomes/productivity basis and the supervision elements which were still in place for staff and managers to ensure that that continued

RESOLVED – That the thanks of this Scrutiny Committee be extended to the Officers for the presentation and the work undertaken.

ER13 COMPLAINTS, COMPLIMENTS AND COMMENTS - ANNUAL REPORT 2019/20

The Managing Director submitted a report (previously circulated) requesting that this Scrutiny Committee consider the 2019/20 Complaints, Compliments and Comments Annual Report (also previously circulated) and forward any views to Cabinet for consideration.

It was reported that the Council constantly strived to ensure an organisational culture in which complaints were accepted, owned and resolved as quickly as possible and one in which learning from complaints was used to improve services. It was also a statutory requirement for the Council to produce annual reports in respect of representations received under the Adult Social Care, the Children's Social Care and the Public Health Complaints, Compliments and Comments Procedures.

The submitted report gave detailed information in relation to the complaint's, compliments and comments under the different procedures which had been received during 2019/20, together with some examples of organisational learning resulting from complaints which had been implemented.

Discussion ensued on whether any benchmarking in relation to complaints, compliments and comments was undertaken and it was reported that it had been done in the past across the Tees Valley and the northern region, however, it was not considered to be particularly valuable. There was some benchmarking information in the Local Government and Social Care Ombudsman's Annual letter which could be shared with Members.

Reference was also made to the work undertaken to encourage staff to better report compliments so that they could be recorded centrally, the culture within the organisation in relation to aiming to reduce the number of complaints received; the importance of complaints being analysed to determine whether there were concerns in particular areas, the diversity of the organisation and the need to put the number of complaints into the context of the high number of transactions/interactions with the public and the inclusion of historic information in the graphs in future reports.

The Chair reported that he had a number of further questions for Officers which he would submit outside of the meeting and share any response with Members.

RESOLVED – (a) That the report be received.

(b) That Officers be requested to include both contextual and historic information in future reports.

ER14 REVIEW OF COMPLAINTS MADE TO LOCAL GOVERNMENT OMBUDSMAN

The Managing Director submitted a report (previously circulated) requesting that this Scrutiny Committee consider a report (also previously circulated) which outlined the outcome of cases which had been determined by the Local Government and Social Care Ombudsman (LGSCO) and the Housing Ombudsman (HO) and forward any views to Cabinet for consideration.

It was reported that Cabinet had previously agreed to receive reports on the outcome of cases referred to the LGSCO and HO during the Municipal Year on a bi-annual basis and that the opportunity to analyse the areas of the Council's functions where

complaints had arisen was appropriate to establish whether there was any pattern to complaints received or whether there was a particular directorate affected or a type of complaint which was prevalent.

The submitted report outlined the number of cases which had been the subject of decision by the LGSCO and the HO during the period October 2019 and March 2020, and it was reported that the two cases which had been upheld by the LGSCO related to financial assessments associated with the provision of adult social care services and that actions identified to remedy the complaints would ensure that there was not a re-occurrence. It was confirmed that both of these cases related to the process and not the actions of individual staff.

Members requested information on the number of complaints which had been referred to the Ombudsman in the previous six months which had been previously reported to Cabinet and it was reported that this could be included in future reports.

RESOLVED - That the report be received.

ER15 ECONOMIC INDICATORS - IMPACT OF COVID 19 - PRESENTATION

The Director of Economic Growth and Neighbourhood Services gave a presentation on the impact of Covid-19 on the economic indicators for Darlington.

It was reported that although Darlington continued to perform well on a range of economic indices it was facing some challenges, some of which had been growing for some years and some which had recently emerged as a result of COVID 19 and the likely subsequent recession and that it was important to understand those challenges to enable a shared understanding of the emerging issues to be developed, inform the Council's activities and resources and highlight those areas which required action.

The presentation highlighted some of the headline indicators and it was reported that the recovery would be slow with long-lasting effects specifically affecting low paid workers and young people, together with the early local impacts which showed that unemployment had increased with NEETs in Darlington from just over 600 to 900, unemployment within the younger age range of 18-24 had risen from a figure of just over 600 to a thousand; that the claimant count had significantly increased since March 2020, specifically within the age group 25-49 as a result of the increase in unemployment and that town centre footfall had declined significantly between March and May 2020 and was 17.9 per cent down on the previous year.

Reference was also made to a Business Impact Survey which had been undertaken across the Tees Valley to determine the extent of the impact of the virus on local businesses, the results of which would be used to help share the regions response and economic recovery and Members were advised of the following key findings of the survey :-

- 46 per cent of businesses reported a reduction in demand for their products or services;
- over a third of businesses (36 per cent) have taken to smarter working practices;

- 83 per cent of businesses were concerned about reduced business volume or revenue over the next three to six months;
- 83 per cent of all businesses stated that they required financial support and advice, with 58 per cent needing to find new/alternative customers or market;
- over half of all businesses surveyed (52 per cent) stated that they had no plans to make redundancies or terminate sub-contractors; and
- 73 per cent of businesses did not anticipate requiring additional staff to meet demand.

In relation to the immediate and longer-term impacts of the virus on the Tees Valley economy, Members were also advised that the analysis showed that :-

- the Tees Valley saw nearly 10,000 new unemployment related claimants by mid-April;
- 32 per cent of the region's workforce had been furloughed and 16 per cent made redundant;
- 60 per cent of the total employment impacts (furloughing plus redundancies) had occurred in six sectors: retail; manufacturing; health; hospitality; education and construction;
- furloughs in the Tees Valley were disproportionately impacting men (driven by manufacturing and construction) and workers under 25's (driven by retail and leisure); and
- 13 per cent of Tees Valley workers might lose their jobs by the end of 2020.

The presentation also covered the local actions which had been taken by the Council as a result of lock down, which included inter alia an increase in the number of businesses seeking advice and support from the Council, mostly emergency financial assistance, the management and development of grant schemes to businesses on behalf of the Government, which saw 2,093 businesses receive grants of £10,000 and £25,000, business rates discounts worth £16.6 million awarded to 682 local retail, hospitality and leisure businesses providing full exemption for business rates for 2020/21 and a discretionary grant scheme being implemented.

The Director of Economic Growth and Neighbourhood Services reported that the impact of COVID-19 on the local economy was still to be fully realised but there was an emerging picture of different impacts across the industry sector, occupation and places and that work would continue with colleagues and stakeholders across the Tees Valley to develop a Tees Valley Recovery Plan, setting out how it could form a key part of re-building the UK economy

Discussion ensued on the number of employers within the Borough who offered apprenticeships, particularly the higher-level apprenticeships which would help to deliver against the level 4 qualifications, the need to encourage employers to become living wage employers; the validity of the statistics in the Combined Authority's survey, whether employers were facing up to the pressures and challenges that were ahead and whether they and the local authority were ready for those challenges, opportunities which were being created regionally such as the Amazon developments; the skill shortage at level 4 and the need to bridge that gap; some work being undertaken by the Tees Valley Combined Authority to identify where the skills and training issues are both in the current and future growth prospect so that

there was a ready supply of skills and people when needed; and the need to continue to make Darlington a Town where people wanted to live, work and visit.

The Director of Economic Growth and Neighbourhood Services reported that businesses were concerned but did not anticipate a major downsizing of the employment base and that there appeared to be a robustness with the majority of employers.

RESOLVED – That the presentation be noted.

ER16 GREATER FAVERDALE (BURTREE GARDEN VILLAGE) - DESIGN CODE

The Director of Economic Growth and Neighbourhood Services submitted a report (previously circulated) requesting that this Scrutiny Committee consider the Greater Faverdale (Burtree Garden Village) – Design Code (also previously circulated) for the Masterplan area of Greater Faverdale and forward any views to Cabinet for consideration.

It was reported that the Design Code, which included ‘good’ and ‘bad’ design practices would ensure a comprehensive quality code which would be used to create developer- led Quality of Place and offer the Council’s development management team a clear assessment tool to be used in the planning process which would enable them to evaluate and appraise objectively forthcoming planning applications where design would be a material consideration.

The submitted report outlined the background to the site, a 178 ha mixed use site, being supported as a Garden Community by the Ministry for Housing Communities and Local Government (MHCLG) in July 2019 and its naming as Burtree Garden Village by the leading Investment Fund - opdeveloper, a collaboration of Hellens Limited and Homes England.

Reference was made to the need for all future developments where there was a mix of different developers working on the same site for the housing designs to be in harmony with each other; broadband connectivity to be a feature of any development to ensure a work/life balance and the need to balance affordability of housing with good design.

RESOLVED – That the report be noted and brought back to this Scrutiny Committee prior to its consideration by Cabinet.

ER17 INVESTMENT FUND - UPDATE

The Managing Director submitted a report (previously circulated) requesting that this Scrutiny Committee consider a report (also previously circulated) outlining the progress against the agreed investments being funded through the Investment Fund and forward any views to Cabinet for consideration.

The submitted report outlined the background to the establishment of the Investment Fund by the Council in November 2016 which was to be used for innovative investments opportunities beyond the traditional Treasury Management Strategy in order to achieve greater returns given the low returns on investments.

It was reported that the fund provision of £50 million was being used, as envisaged by Council, to include Joint Ventures (JV) vehicles and economic regeneration initiatives, with the returns of over £4 million being anticipated. The fund was also recyclable so as the life of an investment came to an end and repayment made, it would be recycled back into the Investment Fund for further utilisation, subject to a detailed business case being approved by Cabinet.

The submitted report outlined the ten uses of the fund to date, two of which had been completed and the funding recycled and it was reported that of the £50 million, there was a commitment against it of £39.47 million, leaving a balance of £10.53 million uncommitted, however, there was a paper due to be considered by Cabinet in relation to a Neasham Road Joint Venture which would call on this balance if agreed.

Discussion ensued on the current position in relation to Feethams House and the Assistant Director Economic Growth reported that Deep Ocean would be occupying one floor of the building with another tenant being secured for another half of one of the floors. Marketing was continuing to secure tenants for the remainder of the building, however, it was reported that, as a condition of the ERDF, the building was required to be let to small medium enterprises and that, in the current climate, that might prove a challenge.

RESOLVED – That the report be received.

ER18 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 2019/20.

The Chair requested an update on the current position in relation to the Broadband infrastructure 2012 -20 item and when it might be possible to received information in relation to that and the Director Economic Growth and Neighbourhood Services reported that information and clarity was still awaited, however, information on the current coverage within the Town could be supplied to Members.

The Chair also reported that, following the all Member briefing on the Towns Fund later this month, it may be useful for this Scrutiny Committee to undertake some further work thereon and that he had also requested briefing notes from Officers on the processes involved in the collection of Council Tax and Business rates and how the authority was encouraging owners to bring empty properties back into use.

Members also requested an update on the current position of the Climate Change Working Group and its status.

RESOLVED – That the report be noted.