

**COUNCIL**  
**15 JULY 2021**

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**OVERVIEW OF ECONOMY AND RESOURCES SCRUTINY COMMITTEE**

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1. Since the last meeting of the Council, the following are the main areas of work the Economy and Resources Scrutiny Committee has undertaken.

**'Call-In' - Corporate Rebranding**

2. A report was submitted to a Special Meeting of the Committee on 22 June 2021, following the receipt of a 'call-in' in relation to Cabinet's decision in respect of the Corporate Rebranding on 1 June (Minute C10(2)/Jun/21). Members submitting the 'call-in' sought clarification of the full costs of the rebranding, both in terms of preparatory work and implementation of Stage 1 and 2 of the rebrand, confirmation of the likely duration and costs in terms of Stage 3 and to receive more details of the intended colour palette.
3. A robust discussion with the Cabinet Member for Stronger Communities took place in relation to the projected costs, the rationale and evidence-base for change, the work impact, the return on investment and the financial consequences, particularly in relation to larger costs, such as the rebranding of prominent assets.
4. Having heard and considered all the information presented to the meeting, as a Scrutiny Committee, we were satisfied with the decision of Cabinet, and no further action in relation to the 'call-in' was requested.

**COVID 19 – Business Grants**

5. Scrutiny received a further update on the Governments various funding schemes to support local businesses during the Covid-19 pandemic. 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 is £44,101,740.
6. The Council has administered a number of support schemes on behalf of the Government throughout the pandemic and we gave our thanks to the Officers involved for the work undertaken.
7. As part of the delivery of the funding, there have been several fraudulent attempts to claim grants and it is pleasing to note that the majority of these were identified as part of the process. There have been three cases in Darlington where funding has been granted due to fraudulent claims and these have been reported to the Government's National Anti- Fraud Networks for investigation.
8. The vast majority of the business support grants from Government have now stopped. The discretionary Additional Restrictions Grants (ARG) is still available but the majority of this grant has been allocated. A further allocation of ARG will be available from Government in the forthcoming weeks but we Officers are unable to confirm the amount at this stage.

9. We discussed the potential implications of the pandemic on the local economy and local businesses and the need to closely monitor this so that interventions could be looked at where possible. We will be particularly interested to see information highlighting how the sectors have changed and adapted during and post pandemic and the reasons why some businesses, which were declined funding as they did not meet the agreed criteria of the various schemes.

### **Revenue Outturn 2020/21**

10. We received the 2020/21 revenue outturn report, together with the Collection Fund and the Housing Revenue Account outturn.
11. We heard it had been a challenging year with the financial landscape changing on a week by week basis and the team had done a great job keeping on top of the plethora of government grants distributed and the continuous cycle of paying, reporting, auditing and claiming against the grants. Overall the government grants received have covered the Covid-19 pressure for 2020/21.
12. The Council's revenue reserves at the end of 2020/21 are £24.623 million, of which there is a risk reserve balance of £5.350 million and a commitment to use £13.218 million to support the current plan four year plan, this leaves a general fund reserve balance of £6.055 million. The balance assumes no further pressures are identified and there is no impact of Covid 19 in future years, however, we were advised that this was unlikely and would need to be closely monitored throughout the coming year.

### **Project Position Statement and Capital Programme Monitoring Outturn 2020/21**

13. We received information on the delivery of the Council's Capital Programme, the financial outturn position as at 31 March 2021 and the proposed financing of the 2020/21 capital expenditure, together with an update on the current status of all construction projects which were currently being undertaken by the Council.
14. The Council currently has 38 live projects being managed with an overall projected outturn value of £126.196 million.
15. We were advised that the only project which was outside the tolerance set was Ingenium Park which was due to a time delay and the need to undertake drainage works at a certain point of the year for ecological reasons and that work continues to review the project position and the work needed to complete the current phase.
16. It is pleasing to note that the new electronic capital project reporting system is currently being rolled out and we will be having a presentation to demonstrate how it works and the benefits it will give in terms of improved reporting. It will take time to migrate project management across the new system.

### **Revenue Budget Monitoring 2021/22 – Quarter 1**

17. We received the quarter 1 revenue budget outturn report prior to its consideration by Cabinet. This is the first revenue budget management report for 2021/22.
18. The Council's projected revenue reserves at the end of 2021-22 are £28.562 million, £3.636 million higher than the initial 2021-25 MTFP position and includes 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.

19. 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.
20. There remains a significant amount of uncertainty regarding the recovery from Covid 19 which does have the potential to impact on the budget position during the remainder of this financial year and this is something we will continue to monitor.
21. The Government has supported local authorities with funding to assist with the impacts of Covid 19, there is £2.958 million of grant and £0.616 million of income from the Sales Fees and Charges scheme, built into the 2021/22 budget. If any further grants are received, it will offset any additional expenditure not currently identified in the budget or will be transferred into the earmarked Covid 19 reserve to fund any on-going pressures in future years.
22. We discussed the processes surrounding budget management within the authority and we were assured that regular and robust budget monitoring does take place with budget holders and there is regular reporting through the democratic process.

### **Work Programme**

23. We have considered and agreed our work programme for the next Municipal Year taking into account the views of Officers and the Committee itself.
24. The work programme is a rolling programme and will be updated during the year as and when issues arise which we may wish to add to our agreed programme.

**Councillor Mike Renton**  
**Chair Economy and Resources Scrutiny Committee**