

## **ECONOMY AND RESOURCES SCRUTINY COMMITTEE**

Thursday, 3 February 2022

**PRESENT** – Councillors Renton (Chair), Crudass, Harker and McEwan

**APOLOGIES** – Councillors Bartch, Boddy, L Hughes, Mrs D Jones, Paley and Wright

**ABSENT** –

**ALSO IN ATTENDANCE** – Councillors Durham and Marshall

**OFFICERS IN ATTENDANCE** – Mark Ladyman (Assistant Director Economic Growth), Anthony Hewitt (Assistant Director Highways and Capital Projects), Peter Carrick (Finance Manager Central/Treasury Management), Brian Robson (Head of Capital Projects), Steve Pryke and Shirley Wright (Democratic Manager)

### **ER35 DECLARATIONS OF INTEREST**

There were no declarations of interest reported at the meeting.

### **ER36 TO CONSIDER THE MINUTES/NOTES OF MEETINGS OF THIS SCRUTINY COMMITTEE HELD ON**

Submitted – The Minutes/notes of meetings of this Scrutiny Committee held on 4 November 2021 and 6 and 20 January, 2022.

**RESOLVED** – That the Minutes/notes be approved as correct records.

### **ER37 CLIMATE CHANGE - UPDATE**

The Head of Highways Asset Management gave a presentation on ways in which the Highways Section had reduced and continued to reduce its carbon footprint by trialling and using alternative methods on its schemes.

It was reported that although the use of plastic had been trialled in 2019, it was not an approved material and had not been used since, however, recycling of the existing carriageways had proved effective with six schemes in the Borough being completed by this method over the last three years, with a total of 4000 tonnes of material recycled, equating to 230 wagon loads of material, which, using traditional methods of working, would have been sent to landfill.

Another scheme utilised last year was to collect and store over 2780 tons of tar bound planings from the summer maintenance programme for use on a scheme to raise the level of a road and, again, this saved 146 wagon trips with the job being completed two weeks earlier than if traditional methods had been used. Members were advised that a further scheme would also be completed in this way next year.

For road surfacing where recycling was not suitable and more traditional methods of working were required, the use of warm asphalts which were made at a much lower temperature

were specified. This requirement resulted in less gas being required, equating to a typical saving of between eight and ten per cent reduction in carbon emissions. It was reported that seven schemes had been completed last year using this method and that it would be continued into next year's schemes.

It was also reported that Co2 savings were expected in relation to a one coat system which had been used for footpaths, however, the actual savings on this had not yet been received from the contractors

In summary Members were advised that the total amount of Co2 savings over the last three years was 147 tons, which equated to driving 882,000 miles in a diesel car.

The Head of Highways Asset Management reported that discussions and feedback took place with other Tees Valley and North East Council's to discuss new products and materials which could be used and to obtain feedback on success and that all methods which were currently available to reduce the Co2 emission were being and would continue to be looked at as the technology became available.

Discussion on the culture within the service area towards achieving zero carbon emissions and in looking at the best and most cost effective ways of working, reassurance that the alternative materials being used were approved to ensure they complied and there were no detrimental effects; the programme to transfer the Council's fleet to electric vehicles, where possible and the possibility of contractors being encouraged, through contract documentation, to use electric vehicles and reduce pollution.

**RESOLVED** – That the update be noted.

### **ER38 PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME MONITORING - QUARTER 3**

The Assistant Director Transport and Capital Projects submitted a report (previously circulated) together with a report (also previously circulated) scheduled to be considered by Cabinet at its meeting held on 8 February 2022 giving a summary of the latest capital resource and commitment position to inform the monitoring of the affordability and funding of the Council's capital programme, together with an update on the current status of all construction projects which were currently being managed 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 46 live projects being managed with an overall projected outturn value of £138.928 million and that the majority of the Council's projects were running to time, cost and quality expectations, however they were being monitored given the current pressures on resources in the construction sector nationally.

Six projects which were showing variances were highlighted within the submitted report, together with an explanation as the reasons for those variances and it was reported that most of the variances were logistical issues.

Following questions by Members, it was reported that the increase and availability of

materials had not yet impacted on the current programme of works, however, it was likely to affect future projects and this would be monitored going forward.

Discussion also ensued on the reporting capability of Project in a Box, the new electronic capital project reporting system, and the level of information which could be provided to Members to enable them to compare the position from the previous quarters information.

**RESOLVED** – That the report be noted and that Officer be requested to arrange a session for Members of this Scrutiny Committee to give a demonstration of the Project in a Box system.

### **ER39 REVENUE BUDGET MONITORING - QUARTER 3**

The Assistant Resources submitted a report (previously circulated) together with a report which was being considered by Cabinet at its meeting scheduled to be held on 8 February, 2022.

It was reported that the Council's projected reserves at the end of 2021-21 were £29.773 million, a £4.847 million improvement on the initial 2021-25 MTFP position and Members were advised that this improvement in reserves, included a brought forward amount of £2.317 million from 2020/21, £0.196 million of projected departmental overspend, the rebasing exercise of £0.993 million, a £0.729 million increase in corporate resources and net £1.004 million which was required from the CV19 reserve (a total drawn down from the reserve of £1.474 m to fund the departmental CV19 costs and £0.470m to refund the shortfall in government grant for Sales, Fees and Charges in corporate resources).

The Assistant Director Resources reported that of the £29.773 million projected reserves, there was 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, which left £8.858 million of unallocated reserves.

Particular reference was made to the stronger than expected recovery of the Council's leisure and culture facilities and the intention to use the additional income to a ring fenced 2025 Rail Heritage Fund to be utilised for the refurbishment of the Loco No. 1 replica and a request from the Group Services for People to carry forward funding to cover the implementation costs of a new Education Case Management System.

In relation to both of the above, it was reported that separate reports would be submitted to Cabinet in due course.

**Resolved** – That the report be noted

### **ER40 WORK PROGRAMME**

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

**RESOLVED** – That the report be noted.