

COUNCIL
14 July 2022

OVERVIEW OF ECONOMY AND RESOURCES SCRUTINY COMMITTEE

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

Performance Indicators Quarter 4 – 2021/22

2. We received performance data against those key performance indicators which were within the remit of our Scrutiny Committee as at the 2021/22 quarter 4 position.
3. Particular indicators noted were Indicator ECI 329 Average Annual Income – Darlington Residents which is showing that the average income has risen for the fourth year in succession, and is above the North East average and closing the gap between the England average and Indicator ECI330 – Average Annual Income – Darlington employees which is showing that the average income has fallen for the second year in succession, which is in line with the North Est average but below the England average.
4. The amount of Council Tax arrears collected has exceed the target for 2021/22, with £1.55 million collected compared to £1.23 million in 2020/21. The amount of outstanding arrears has also increased during 2021/22 from £5.6 million to £6.8 million which we were advised was mainly due to restrictions imposed on recovery action due to the pandemic.
5. Eleven of the indicators which are reported are showing performance which is not as good as this time last year and we have agreed that we will do some further work into the reasons why this might be

Project Position Statement and Capital Programme Monitoring Outturn 2021/22

6. We received information on the delivery of the Council's Capital Programme, the financial outturn position as at 31 March 2022 and the proposed financing of the 2021/22 capital expenditure, together with an update on the current status of all construction projects which were currently being undertaken by the Council.
7. The Council currently has 48 live projects being managed with an overall projected outturn value of £188.383 million. The majority of the projects are running to time, cost and quality expectations with no foreseeable issues.
8. We did raise questions about the impact of inflation and supply chain issues on cost and project milestones and highlighted the importance of ensuring that social value was included in contract documentation and that Framework partners were continuing to provide best value.

9. In relation to those projects which had variances due to delays, we were provided with information outlining the reasons for those delays and the action being taken.

Revenue Outturn 2021/22

10. We received the 2021/22 revenue outturn report, together with the Housing Revenue Account outturn, prior to consideration by Cabinet.
11. The Council's projected revenue reserves at the end of 2021/22 are £30.161 million, a £5.235 million improvement on the initial 2021-25 MTFP position. This improvement includes a brought forward amount of £2.317 million from 2020/21, £0.741 million of projected departmental underspends, the rebasing exercise of £0.993 million, a £0.722 million increase in corporate resources and net £0.462 million required from the Covid 19 reserve (a total drawn down from the reserve of £0.932 million to fund the departmental covid costs and £0.470 million to refund the shortfall in government grant for Sales, Fees and Charges in corporate resources).
12. Of the £30.161 million projected reserves, there is a risk reserve balance of £5.350 million leaving £24,811 for use in the 2022/23 – 2025-26 MTFP, an improvement of £0.216 million on the initial estimated position.
13. In relation to the carry forward request for pressures in the 2022/23 budget, we particularly highlighted the pressure of additional temporary staffing being required to undertake the implementation of the Government's Adult Social Care finance reforms, including the Fair Cost of Care work. This is a major and complex piece of work and is being jointly led by the Council's Finance and Commissioning Team. To date, £80,000 of Government funding has been received to cover some of the additional costs of this exercise.
14. We also 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.

Revenue Budget Monitoring 2022/23 – Quarter 1

15. We received the quarter 1 revenue budget outturn report prior to its consideration by Cabinet. This is the first revenue budget management report for 2022/23.
16. The Council's projected revenue reserves at the end of 2022-23 are £24.219 million, a £0.206 million improvement on the initial 2022-26 MTFP position and includes a brought forward amount of £0.216 million from 2021-22, £0.513 million of projected departmental overspend and a £0.503 million increase in corporate resources.
17. Of the £24.219 million projected reserves, there is a commitment to use £22.490 million to support years two to four of the current MTFP, leaving a surplus of £1.729 million of unallocated reserves.
18. We heard that the 2022/23 MTFP has assumed a three per cent pay award for staff, however, any agreement which might be reached above the three per cent would place

additional pressure on the MTFP

Work Programme

19. We have agreed our work programme for the Municipal Year 2022/23 and will continue to monitor and adapt this.
20. One area of work which we highlighted to undertake as a Task and Finish Review, was a joint piece of work with the Adults Scrutiny Committee to look at the financial pressures adult social care were facing.

Councillor Heather Scott
Chair Economy and Resources Scrutiny Committee