

ECONOMY AND RESOURCES SCRUTINY COMMITTEE

Thursday, 30 June 2022

PRESENT – Councillors Boddy, Crudass, L Hughes, Mrs D Jones, Lee, McEwan, Wright and Mrs H Scott

APOLOGIES – Councillors Harker, Mills and Paley

ABSENT –

ALSO IN ATTENDANCE – Councillor Durham

OFFICERS IN ATTENDANCE – Brett Nielsen (Assistant Director Resources), Anthony Sandys (Assistant Director - Housing and Revenues), Anthony Hewitt (Assistant Director Highways and Capital Projects), Dave Coates (Head of Planning, Development and Environmental Health), David Hand (Head of Service for Planning Policy, Economic Strategy and Environment), Andrew Perkin (Business Growth and Investment Manager), Brian Robson (Head of Capital Projects), Shirley Wright (Democratic Manager) and Michael Conway

ER1 CHAIR

RESOLVED – That Councillor Mrs H Scott be appointed Chair of this Scrutiny Committee for the Municipal Year 2022/23

ER2 VICE-CHAIR

RESOLVED – That Councillor Crudass be appointed Vice-Chair of this Scrutiny Committee for the Municipal Year 2022/23

ER3 TIME OF MEETINGS

RESOLVED - That, for the Municipal Year 2022/23, 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 C100/Feb/22

ER4 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

ER5 MINUTES

RESOLVED – That the Minutes of the meeting of this Scrutiny Committee held on 28 April 2022, be taken as read and approved as a correct record.

ER6 PERFORMANCE INDICATORS QTR 4 2021/22

The relevant Assistant Directors submitted a report (previously circulated) providing Members with performance data against those performance indicators for 2021/22 at

Quarter 4 for those indicators within the remit of this Scrutiny Committee.

Particular references were made to indicators ECI 329 Average Annual Income – Darlington residents which was showing that the average income had risen for the fourth year in succession and was above the North East average and closing the gap between the England average and ECI 330 – Average Annual Income Darlington employees which was showing that the average income had fallen for the second year in succession, which was in line with the North East average but below the England average.

It was also reported that the amount of Council Tax arrears collected had exceeded the target for 2021/22, with £1.55 million compared to £1.23 million in 2020/21 and that the amount of outstanding arrears had also increased during 2021/22 from £5.6 million to £6.8 million which Scrutiny was advised was mainly due to restrictions imposed on recovery action due to the pandemic.

RESOLVED- That the report be noted and further work be undertaken in relation to those indicators which were showing performance which was not as good as the same quarter in the previous year to understand the reasons for that.

ER7 PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME MONITORING OUTTURN 2021/22

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 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 the construction projects which were currently being managed by the Council.

It was reported that the Council currently had 48 live projects being managed with an overall projected outturn value of £188.383 million, with the majority of those projects running to time, cost and quality expectations with no foreseeable issues. Further information was provided for those projects which did have variances due to delays, together with the action being taken.

Discussion ensued on 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 practice.

RESOLVED – That the report be noted.

ER8 REVENUE OUTTURN 2021/22

The Assistant Director Resources submitted a report (previously circulated), which was being considered by Cabinet at its meeting scheduled for 5 July 2022, requesting Members to consider the 2021/22 revenue outturn.

It was reported that the Council's projected revenue reserves at the end of 2021/22 were

£30.161 million, a £5.235 million improvement on the initial 2021-25 MTFP position, which included 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).

It was also reported that, of the £30.161 million projected reserves, there was 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.

In relation to the carry forward request for pressures in the 2022/23 budget, 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 were highlighted by Members and it was advised that this was a major and complex piece of work which was being jointly led by the Council's Finance and Commissioning Team. To date, £80,000 of Government funding had been received to cover some of the additional costs of this exercise.

Discussion also ensued on the processes surrounding budget management within the authority and Members were re- assured that regular and robust budget monitoring was undertaken with budget holders and that there was regular reporting through the democratic process.

RESOLVED -That the report be noted.

ER9 REVENUE BUDGET MONITORING 2022/23 - QUARTER 1

The Assistant Director Resources submitted a report (previously circulated), together with a report (also previously circulated) scheduled to be considered by Cabinet at its meeting on 5 July 2022 in relation to the quarter 1 revenue budget monitoring 2022/23.

It was reported that the Council's projected revenue reserves at the end of 2022-23 were £24.219 million, a £0.206 million improvement on the initial 2022-26 MTFP position and included 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.

It was also reported that, of the £24.219 million projected reserves, there was 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.

Members were advised that the 2022/23 MTFP 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.

RESOLVED – That the report be noted.

ER10 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 2022/23.

RESOVLED – That the draft work programme be approved.