

## **ECONOMY AND RESOURCES SCRUTINY COMMITTEE**

Thursday, 2 July 2026

**PRESENT** – Councillors McGill (Chair), Durham, Keir, Haszeldine, Henderson, Mahmud, Ray and Mrs Scott

**APOLOGIES** – Councillors Beckett and Coe,

**OFFICERS IN ATTENDANCE** – Brett Nielsen (Assistant Director Resources), Anthony Hewitt (Assistant Director Highways and Capital Projects), Brian Robson (Head of Capital Projects), Anthony Sandys (Assistant Director - Housing and Revenues), Olivia Hugill (Democratic Officer), Christine Booth (Private Sector Housing Manager), David Hand (Head of Service for Planning Policy, Economic Strategy and Environment) and Guy Metcalfe (Head of Service for Asset Management and Investment)

### **ER205 DECLARATIONS OF INTEREST**

There were no declarations of interest reported at the meeting.

### **ER206 TO APPROVE THE MINUTES OF THIS SCRUTINY COMMITTEE MEETING HELD ON 16 APRIL 2026**

**Submitted** -The Minutes (previously circulated) of the meeting of this Scrutiny Committee held on 16 April 2026.

**RESOLVED** – That the Minutes of the meeting of this Scrutiny Committee held on 16 April 2026 be approved as a correct record.

### **ER207 TO APPROVE THE MINUTES OF THIS SPECIAL SCRUTINY COMMITTEE MEETING ON 4 JUNE 2026**

**Submitted** -The Minutes (previously circulated) of the meeting of this Scrutiny Committee held on 4 June 2026.

**RESOLVED** – That the Minutes of the meeting of this Scrutiny Committee held on 4 June 2026 be approved as a correct record.

### **ER208 TO CONSIDER THE DATES AND TIMES OF THE MEETINGS OF THIS COMMITTEE FOR THE MUNICIPAL YEAR 2026/27**

**RESOLVED** – It was agreed that for the Municipal Year 2026/27, meetings of this Scrutiny Committee be held at 10.00 a.m. on the dates agreed in the Calendar of Meetings.

### **ER209 REVIEW OF THE HOME UPGRADE GRANT PHASE 2**

The Head of Public Protection submitted a report (previously circulated) following a request from this Committee around the review of the performance of the Home Upgrade Grant Phase 2 (HUG2). The report provided an overview of the Council's role in the Home Upgrade Scheme, procurement and partnership working. It detailed the reasons leading to the

reduction in delivery of the scheme and identifies actions to mitigate underspend.

The report explained that the HUG2 scheme outperformed the previous HUG1 scheme both locally and nationally. The report addressed how HUG2 was a complex and overly prescriptive scheme, it was too narrow in terms of both the eligibility criteria; allowable costs and flexibility allowed in allocating funds.

It was clarified that the scheme was reprofiled at the end of the year one by DESNZ, which reduced funding and administration funding available. Also, that Darlington Borough Council led a small consortium across the Tees Valley developing energy efficiency delivery to provide impartial support and assessment to deliver a bespoke energy efficiency package for each household.

The report stated that the scheme was supported by a local charity, Hartlepower, to assist with customer engagement and the support of vulnerable applicants.

Members queried whether DESNZ have conducted a moratorium or review to input into future schemes and questioned the procurement time for contractors. It was explained that the initial funding bid had a very short window, which made few contractors capable of delivering such projects.

Members questioned whether robust data tracking beyond financial aspects had been implemented following from this, it was clarified that improvements have been made with complete oversight now on initial enquiries, marketing effectiveness and reasons for properties exiting the scheme.

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

## **ER210 CLIMATE CHANGE AND NATURE RESTORATION UPDATE REPORT**

The Executive Director of Economy and Public Protection submitted a report (previously circulated) to update Members on the progress towards both the Council's net zero target and its nature recovery ambition.

The report explained that as agreed in the Climate and Nature Emergency Declaration, this is an annual report for 2025/26, and that the increase in emissions reported for 2024/25 has levelled off, although they are still awaiting final answers from the electricity supplier for issues at Allington Way.

The report described how solar generation has increased and is now available to begin measuring generation from the solar panels at the Dolphin Centre, a pie chart of where the emissions are coming from show the gas accounts for almost half of the total reported emissions.

It was explained that the Sustainability and Climate Change Lead Officer had been working with the Tees Valley Combined Authority to develop a Local Area Energy Plan, it is said that the plan will examine and cost the possible interventions needed to reach net zero.

The Committee questioned the spike at Allington way, and it was explained that it was an

electricity issue, possibly related to a meter change and it is still under investigation by the electricity supplier.

Members queried the practicality of principle 4 with mandates a 10% BNG for 30 years, whether Council resources would be available for this.

It was asked if areas for nature restoration targets had been identified and if Councillors would be consulted, it was explained that the Local Nature Restoration Plan is ongoing and that the Ecologist could communicate with Members to identify ward-specific areas for restoration.

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

#### **ER211 COLLECTION OF COUNCIL TAX, BUSINESS RATES AND RENT 2025-26**

The Assistant Director of Housing and Revenues submitted a report (previously circulated) which provided Members with an update on the collection of Council Tax, Business Rates and Council rents during 2025-26 and consider the write-off debts over £1,000 that are irrecoverable before approval by Cabinet on the 13 July 2026.

The report explained that the Collection of Council Tax, Business Rates and Council rents during 2025-26 had continued to be a significant challenge in the current economic climate. However, the report explained that despite the challenges a total of £150.56m had been collected for 2025-26, £84.21m of Council Tax, £36.15m of Business Rates and £30.20m of Council rents.

The report stated that approval is to be sought to write-off a total of £1,215,433 of debts in respect to individual cases exceeding £1,000 for the financial year 2025-26. The report explained that it had become apparent that no further steps can be taken to recover the following sums, £450,061 of Council Tax, £319,619 of Business Rates, £155,674 of former Council tenant arrears, £51,087 of Housing Benefit overpayments, £238,992 of sundry debts.

Members noted an increase in business rates arrears; it was questioned if this trend would worsen following closures like Binns and the impacts of empty buildings.

Members acknowledged the reduction in debt write-off but questioned the 99% target which had not been met since 2012/13, we questioned whether there had been any discussions to review this target. Members also questioned the nature of the sundry debts included in the report.

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

#### **ER212 PROJECT POSITION AND CAPITAL PROGRAMME MONITORING - OUTTURN 2025/26**

The Executive Director of Resources and Governance and the Executive Director of Environment, Highways and Community Services submitted a report (previously circulated) to update Members on the current position in relation to the delivery of the Council's Capital Programme, the financial outturn positions as 31 March 2026 and the proposed financing of

the 2025/26 capital expenditure, together with an update on the current status of all construction projects being undertaken by the Council.

It was reported that there had been significant enhancements made to the Council's assets in three major programme areas of schools, housing and transport which used mainly external funding as well as several other largescale schemes in the Borough. The investments delivered a wide range of improvements to the Council's assets and most importantly to Council services. This included refurbishment of Council homes, improved learning environments in schools, better traffic flows and opportunities for sustainable travel.

The report detailed the total capital expenditure for 2025/26 was £48.073m. The report also included that the Council currently had 19 live projects with an overall project outturn value of £151.564m. Most projects have been running to time, cost and quality expectations with no foreseeable issues.

Members queried whether there was any update to Hopetown situation, officers explained that there was no resolution yet as the Council is still awaiting additional information from Network Rail.

The Committee questioned the completion status of the Skinnergate development, it was explained that demolition is substantially complete, a new contractor has been appointed to finish the remaining demolition work.

**RESOLVED** – That Members noted the contents of the report.

## **ER213 REVENUE BUDGET MONITORING OUTTURN 2025/26**

The Executive Director of Resources and Governance submitted a report (previously circulated) which was being considered by Cabinet at its meeting scheduled for 13 July 2026, requesting Members to consider the 2025/26 revenue outturn.

It was reported that the Council's General Fund reserves position at the 31 March 2026 is £10.324m, which is an increase of £1.935m on the planned balances in the 2025-29 MTFP. This improvement related to the £1.489m underspend in the Council's 2024/25 financial results, £1.495m projected departmental underspends in the 2025/26 financial year and a £1.049m decrease in corporate resources.

Members questioned the £50,000 carry forward for the full tree survey, as normally such surveys are typically factored in.

The Committee raised concerns on the overspends on ICT infrastructure and software, we questioned whether contract prices were fixed. It was explained that significant increases have occurred recently and teams are exploring options for systems coming out of contracts shortly.

The improved performance of the Dolphine Centre, Eastbourne Sports Complex was acknowledged. Members noted the Hopetown's reliance on weather and suggested promotion, indoor event utilisation and linkage with town centre events.

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

**ER214 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 2026/27.

Various items were previously added to the work programme through the Annual Briefing of the Economy and Resources Scrutiny Committee which took place on the 4 June 2026.

Members agreed the draft Work Programme and accepted the amendments suggested by the Monitoring and Coordination Group on 11 June 2026, which included an additional item 'Town Centre Strategy' and the 'Hopetown Business Plan'.

**RESOLVED** – That the Work Programme be approved.