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To: Members of Improvement and Scrutiny Committee - Resources

Wednesday, 15 July 2020

Dear Councillor,

Please attend a meeting of the **Improvement and Scrutiny Committee - Resources** to be held at **10.00 am** on **Thursday, 23 July 2020**. This meeting will be held virtually. As a member of the public you can view the virtual meeting via the County Council's website. The website will provide details of how to access the meeting., the agenda for which is set out below.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'S Hobbs', written over a white background.

Simon Hobbs
Director of Legal and Democratic Services

A G E N D A

PART I - NON-EXEMPT ITEMS

1. Apologies for Absence
To receive apologies for absence (if any)
2. Declarations of Interest
To receive declarations of interest (if any)

3. Minutes (Pages 1 - 6)

To confirm the non-exempt minutes of the meeting of the Improvement and Scrutiny Committee – Resources held on 4 June 2020

4. Public Questions (30 minute maximum in total) (Pages 7 - 8)

(Questions may be submitted to be answered by the Scrutiny Committee, or Council officers who are attending the meeting as witnesses, on any item that is within the scope of the Committee. Please see the procedure for the submission of questions attached)

5. Regular Committee Update on Financial and Budgetary Position

6. Discussion with Angelique Foster - Cabinet member for Corporate Services

7. Delivering Economic Recovery in Derbyshire (Pages 9 - 18)

8. LEP Scrutiny Working Group - Update (Pages 19 - 20)

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MINUTES of a meeting of the **IMPROVEMENT AND SCRUTINY COMMITTEE – RESOURCES** held via MS Teams on 4 June 2020.

PRESENT

Councillor T A Kemp (in the Chair)

Councillors N Barker, B Bingham, J Boulton, C Moesby, C Short, J Twigg, M Wall and G Wharmby.

06/20 **MINUTES RESOLVED** that the minutes of the meeting of the Improvement and Scrutiny Committee – Resources held on 5 March 2020 be confirmed as a correct record.

07/20 **PUBLIC QUESTIONS** There were no public questions.

08/20 **DISCUSSION WITH CABINET MEMBER FOR STRATEGIC LEADERSHIP, CULTURE & TOURISM** Councillor Barry Lewis attended the meeting to discuss current issues within his portfolio. A theme running through his presentation was the Council's response to the Covid-19 pandemic. Topics included a review of the Council Plan deliverables and the associated refresh of the departmental service plans, the establishment of the Derbyshire Economic Recovery Board, effective partnership working through the Local Resilience Forum and strong cross-party liaison and support.

The communications team has played a crucial role in keeping residents informed during the pandemic. There had been a dramatic increase in the "traffic" on the Council's website and the Derbyshire Spirit Campaign had been launched. The Customer Charter was revised in April and a communications and customer review had been completed. Both these activities would support the Council's channel shift programme. The communications team had also won a national award for communications in a crisis in relation to the Whaley Bridge incident and the "Our Derbyshire" internet site, for Derbyshire County Council employees, had been rolled out

Pivotal to how Derbyshire had responded to the pandemic was the information and support that the Policy and Research team had provided to the LRF and the Community Response Unit. The team had also been instrumental in the preparation of impact assessments for emergency decisions and the development of Vision Derbyshire, the new collaborative model for local government. The more unified approach to working with districts and boroughs that had taken place recently would provide strong evidence when setting out the case for change and submitting a proposition to central government for additional resources. Work had begun on developing an ambitious set of priorities to be delivered collaboratively in areas such as

economic recovery, climate change, social mobility, economic development, tourism, transport and infrastructure and health and wellbeing.

The Enterprising Council approach was entering its second phase, following the review of HR, ITC, Procurement, Property and Libraries. The next phase would embrace new ways of working, hopefully capturing the dynamic approach to management, leadership and skills development that had been evident during the Council's response to the pandemic.

The "Tackling Climate Change Together" event in March 2020 had been a success and climate change would remain a focus when planning Derbyshire's economic recovery. The Thriving Communities approach had identified conditions that needed to be in place to bring about effective change and, in due course, would be rolled out to 13 communities.

Councillor Lewis concluded his presentation by acknowledging the hard work of officers and Elected Members and the exemplary partnership working, both locally and nationally.

Members made a number of comments and asked questions which were duly noted or answered by the Cabinet Member.

The Chairman thanked Councillor Lewis for attending the meeting.

RESOLVED to note the update.

09/20 RATIONALISATION AND USE OF COUNCIL ASSETS TO MEET SUSTAINABILITY AND NET ZERO CARBON AMBITIONS Stuart Knight and Kathryn Sowerby-Warrington, Corporate Property, attended the meeting and provided a presentation to members on rationalisation and use of council assets to meet sustainability and net zero carbon ambitions.

The presentation provided details of the Strategic overview; the Council's ambitions; Corporate Property's role; and PSP (Derbyshire) LLP.

Details we given of the Environment and Climate Change Framework and the DCC Carbon Reduction Plan

In relation to Asset Rationalisation and disposal members noted the following points in relation to the Council current position:

- 4,500 land and property assets
- Asset value in excess of £2 billion
- Property running costs: £18m
- Utility costs: £4m

- Maintenance backlog: £72.5m
- Annual repairs and maintenance budget: £4.5m

In terms of drivers;

- Revenue savings
- Capital receipts
- Regeneration and economic development
- Net zero GHG emissions targets

Details were given of the asset challenge and how Climate change could be delivered through assets:

Natural Capital

- Tree planting –carbon sequestration
- Bio-mitigation measures for developers

Low carbon developments

- Land agreement
- JV
- DCC as developer

PSP (Derbyshire) LLP

- Options (promoter, active partner, developer)

Members were provide with details of the PSP (Derbyshire) LLP :

Joint Venture (JV) with Public Sector Plc

- 'Relational Partnering'
- Infinite Expertise & Access to finance
- Independent VFM assessment (CIPFA)

Outcomes

- Asset rationalisation
- Housing

- Commercial development

Members made a number of comments and asked questions which were duly noted or answered

The Chairman thanked the officers for providing an update.

RESOLVED to note the presentation.

10/20 **REGULAR COMMITTEE UPDATE ON THE FINANCIAL AND BUDGETARY POSITION** Peter Handford, Director of Finance and ICT attended the meeting to provide an update on the financial position. Members had been provided with a detailed report in advance of the meeting.

Prior to presenting his update, and in answer to an earlier question raised in the discussion with Councillor Lewis, Mr Handford confirmed that the Council contracted a number of services with the Voluntary Community Sector (VCS) and continued to provide regular payments to the VCS even if they were currently unable to provide these services.

He also explained that the Government had provided significant support, with £750m of government money and £100m from dormant bank accounts to support a range of initiatives that the VCS provided. Mr Handford agreed to provide members with details of what the government intended this funding to be used for.

The Council had nearly completed the work to finalise its accounts for 2019-20. This was expected to show a small overall underspend in line with previous budget monitoring and financial plans. The Council would also expect to report that it had a high degree of confidence that the financial position at the end of 2020-21 would be in line with previously agreed planning and that there is every expectation that compliance with the new CIPFA Financial Management Code and achievement of positive reports from Mazars (the Council's external auditors) would continue. However, Covid-19 had effectively thrown all financial planning into a state of flux and was unlikely to be clear until later in the financial year.

Councils completed their second cost pressure returns to MHCLG on potential costs of Covid-19 on the 15 May 2020. The parameters for the return were to identify costs incurred in April, projected costs in May and estimates for June and July; no costs beyond July were to be included; only the current spike in cases was to be assumed with a tail of cases; County Councils were prevented from including any Council Tax or localised Business Rates effects in their returns.

The Councils run rate of costs, income shortfall and delayed savings continued at around £10m per month, without further Government support the Council would run out of the funding made available (£37m) in mid-July.

County Councils had submitted a wide variation in funding implications of Covid-19 and Derbyshire's cost projection was currently towards the bottom end of the scale.

There were further risks and uncertainties that have yet to be quantified, in the areas of Adult Social Care, Children in Care, PPE stocks, Staffing, savings and project activity and these were detailed in the report.

In terms of recovery, the Council would need to make significant investment if it was to help stimulate the local economy as it emerged from the impact of the pandemic in the coming months. On the 13 May 2020, the Office for National Statistics published figures showing that Gross Domestic Product (GDP) is down by 2% in the three months to the end of March 2020, this being the largest economic decrease in the UK since the financial crash in 2008. GDP fell 5.8% in March compared to the previous month.

The capital programme will be reviewed which was likely to result in additional borrowing which could lead to an increase in debt repayment and interest charges of up to £5m to support capital projects.

Budget 2020 announced a third round of the Local Infrastructure Rate, a £1bn pot of discounted lending to support local authorities to deliver infrastructure projects in England. The Local Infrastructure Rate was designed to help incentivise local authorities to construct infrastructure that otherwise would not be affordable. The Government would look favourably on projects where supporting evidence was provided to demonstrate that they could begin quickly once funding is agreed. The bidding round would run from 11 April 2020 – 11 July 2020.

The Council was developing a Recovery Strategy which would examine how the Council returned to business as usual activity and seeks to adapt its operations to comply with social distancing guidelines. It was anticipated that there would be additional costs associated with recovery which were yet to be costed. A cited example across the sector were the additional costs of home to school transport as the number of passengers on buses and coaches would be limited to abide with social distancing rules. Therefore, additional transport costs would be incurred as additional buses would be needed.

MHCLG had offered some informal comments on the funding position which were detailed in the report.

The Council was in a similar position to every other council in that it was reliant on continued further support from Government to meet the costs of Covid-19, without this continued further support every council would have to consider scaling back significantly on other spending areas during the current financial year; redraft medium term financial plans; and re-examine long term reserve levels. The Government had indicated that further resources would be made available where the case was well made, it was therefore important that council's continued to lobby effectively and explain the funding position proactively.

Members made a number of comments and asked questions which were duly noted or answered.

The Chairman thanked Mr Handford for his update.

RESOLVED to note the update on the financial and budgetary positions.

11/20 **UPDATE ON SCRUTINY REVIEW** Jeanette McGarry attended the meeting to provide an update on the review of the Council's scrutiny function. The four scrutiny chairmen had established a steering group to oversee the review's progress and the work is being undertaken by the Centre for Public Scrutiny (CfPS). The CfPS team had conducted one-to-one discussions with a range of individuals including: Scrutiny Chairman and Vice Chairman, Cabinet Members, Executive Directors, Service Directors, and Scrutiny Officers. They had also held focus groups with Scrutiny Members from the three political parties, Council officers who had attend scrutiny meetings and external witnesses (including health partners). In addition, surveys had been circulated to all elected members to gain their views about the role and achievements of the Council's scrutiny function. A draft report will be available in July 2020.

RESOLVED to note the update.

Procedure for Public Questions at Improvement and Scrutiny Committee meetings

Members of the public who are on the Derbyshire County Council register of electors or are Derbyshire County Council taxpayers or non-domestic taxpayers, may ask questions of the Improvement and Scrutiny Committees, or witnesses who are attending the meeting of the Committee. The maximum period of time allowed for questions by the public at a Committee meeting shall be 30 minutes in total.

Order of Questions

Questions will be asked in the order they were received in accordance with the Notice of Questions requirements, except that the Chairman may group together similar questions.

Notice of Questions

A question may only be asked if notice has been given by delivering it in writing or by email to the Director of Legal Services no later than 12noon three working days before the Committee meeting (i.e. 12 noon on a Wednesday when the Committee meets on the following Monday). The notice must give the name and address of the questioner and the name of the person to whom the question is to be put.

Questions may be emailed to democratic.services@derbyshire.gov.uk

Number of Questions

At any meeting no person may submit more than one question, and no more than one such question may be asked on behalf of one organisation about a single topic.

Scope of Questions

The Director of Legal Services may reject a question if it:

- Exceeds 200 words in length;
- is not about a matter for which the Committee has a responsibility, or does not affect Derbyshire;
- is defamatory, frivolous or offensive;
- is substantially the same as a question which has been put at a meeting of the Committee in the past six months; or

- requires the disclosure of confidential or exempt information.

Submitting Questions at the Meeting

Questions received by the deadline (see **Notice of Question** section above) will be shared with the respondent with the request for a written response to be provided by 5pm on the last working day before the meeting (i.e. 5pm on Friday before the meeting on Monday).

It is at the Chairman's discretion whether the questions and responses are read out at the meeting.

Supplementary Question

Anyone who has put a question to the meeting may also put one supplementary question in writing to the person who has replied to his/her original question. A supplementary question must arise directly out of the original question or the reply. The Chairman may reject a supplementary question on any of the grounds detailed in the **Scope of Questions** section above.

Supplementary questions must be emailed to democratic.services@derbyshire.gov.uk

Preparing for Economic Recovery in Derbyshire

Update to Improvement and Scrutiny Committee
July 2020

Developing Our Approach

❖ Framework of the five Rs:

- Rescue
- Resume
- Revive
- Regenerate
- Renewal

❖ Timescales

- Immediate/ rescue and resume** – 0 to 4 months (June to October)
- Medium term/ revive and regenerate** – 5 to 18 months (November 2020 to April 2021)
- Long term/ regenerate and renew** – 18 months onwards (April 2021 onwards)

Recovery Principles

The *Economy, Business and Transport Cell* will :

- Directly support wider objectives of the Strategic Recovery Group to secure comprehensive and coherent response.
- Ensure contribution of all key partners - local authorities, sector leads (e.g. FE, HE, VE etc), local businesses, Govt departments
- Build on existing place-based and sector-based recovery thinking
- Utilise existing networks and key agencies (e.g. Chamber, LEP, DEP) - best use of local capacity, expertise and resources
- Inform wider D2N2 discussions and liaison with Govt departments – lobbying of key issues
- Share data and intelligence working closely with the LEP
- Produce Derbyshire *Economic Recovery Strategy* (ERS)
- Develop a clear exit strategy that is sustainable and leaves a legacy of enhanced partnership working across the county
- Evaluate - to understand how well economy is recovering

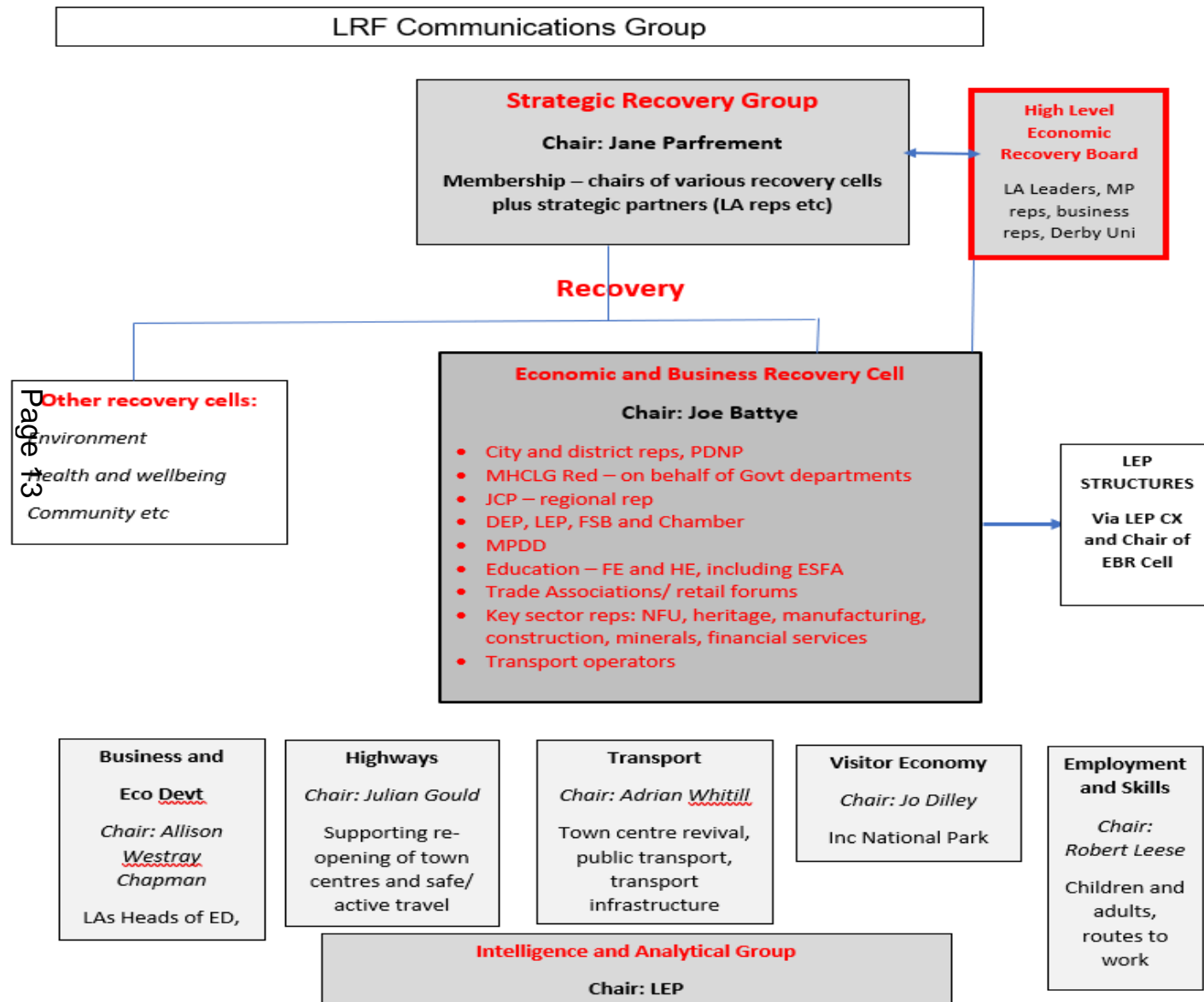
Building Back Better

- ❖ Use recovery period to redefine economic strategy and assess the changes needed for a sustainable future
- ❖ Drive transformational change – in economy and communities

Use recovery and renewal process to:

- Work towards longer-term regeneration and a more circular and distributed economy.
- ‘Level up’ key areas of economic and social disparity.
- Accelerate work to mitigate and adapt to climate change – sustainable, good growth
- Reset the economic profile of Derby and Derbyshire - maximise contribution to UK plc.
- Build resilience into the local economy and reinforce/restore public and business confidence.

Organising to Deliver



Scope of Work

- ❑ **Economic development** – support to business, development of intervention programmes
- ❑ **Transport infrastructure** – to support and encourage continued expansion of sustainable transport networks and active travel - including bus and rail infrastructure and operators
- ❑ **Highways Network** – improvements to network management, safe and active travel implementation, strategic transport development
- ❑ **Digital infrastructure** – digital capability in businesses and broadband infrastructure
- ❑ **Employment and skills** – matching supply and demand issues, routes into work, support programmes for vulnerable cohorts (young people, disabled etc), redundancy and retraining support programmes
- ❑ **Regeneration** – including major construction sites and town centre, promotion of land use development

Progress So Far

❖ Strong progress on rescue and resume

- ❑ DCC Hardship fund – immediately developed and implemented by County Council in April
- ❑ Govt business support grants – implemented by district councils in May/ June
- ❑ Discretionary business grants – developed jointly and implemented by district councils in June/ July
- ❑ Held series of support webinars open to local businesses - supported by Peak Business, MPDD, Chamber and Derby University
- ❑ Building up intelligence – public transport, parents, schools and hospitality surveys
- ❑ Re-opened countryside - June
- ❑ Re-opened town centres – June. Prepared 42 town centres for safe re-opening. Work on-going utilising the ‘Active Travel fund’ tranche 1 - £443,000 allocated, Joint approach with the districts .
- ❑ ‘Active Travel fund’ tranche 2 - £1.77m available going forward. Bid closing date August 7th. The tranche 2 focus on measures to create a safe environment for walking and cycling.
- ❑ Supported by strong communication plans – to visitors, residents and businesses – ‘protect, respect, enjoy’.

Progress So Far

- ❑ Supported bus companies with continued payment of contracts and rescheduling around key routes to work.
- ❑ Survey of bus users to assess confidence and level of patronage/ future use
- ❑ Lobbying and dialogue with Govt depts e.g. Cross Country rail services, public transport, visitor economy
- ❑ Supporting re-opening of key economic sectors - hospitality sector opening
- ❑ Adopted and marketed Industry Standards for Hospitality ‘we are good to go’ and undertaken consumer and business surveys
- ❑ Repurposed ERDF projects to focus on business survival e.g. in hospitality sector and completed 3 business surveys and 1 consumer survey.
- ❑ Shopappy – to support local retailers online
- ❑ Footfall count – in town centres, preparing for bidding
- ❑ And a whole lot more

Next Steps

- ❑ Continue to build up local intelligence – use direct discussions with businesses and visitors and national/regional information from LEP and Chamber etc
- ❑ Monitoring health and economic impact of COVID on businesses and communities
- ❑ Production of DEP Economic Recovery Strategy and Employment and Skills Plan started
- ❑ Build up support packages for businesses and labour market in the short term: **rescue and resume** → **revive**
- ❑ Continue to build up proposals for medium and long term recovery strategy. Framework is starting to emerge: **revive** → **renewal**
- ❑ Have a strong voice in the region

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Agenda Item 8

DERBYSHIRE COUNTY COUNCIL

IMPROVEMENT AND SCRUTINY COMMITTEE – RESOURCES

23 July 2020

Report of the Chairman of the Committee

Local Enterprise Partnership Scrutiny Working Group – Update

1. Purpose of the Report

To inform the Committee of the proposed next steps of the working group established to scrutinise the activities of the D2N2 Local Enterprise Partnership (LEP).

2. Background Information

The working group was established, in September 2019, to scrutinise the activities of the D2N2 LEP. It is made up of Members from this Committee and a representative from each of the following councils: Bassetlaw District Council, Chesterfield Borough Council and Nottingham City Council. The meetings held to date have considered delivery of the Local Growth Fund programme, because, the LEP's delivery progress was considered to "require improvement" in the 2019 Annual Performance Review (APR). Now in 2020, following the most recent APR delivery is rated as "Good".

The 2020/21 Financial Year is the final year of the 6-year LGF programme, all funding for the entirety of the programme must be spent by 31st March 2021. Any grant that is given to projects must be able to evidence they have used the LGF by proving their expenditure figures on the project. Central Government have made clear the 31st March 2021 deadline still must be met and there will be no extensions to the LGF programme, which includes no further funding being made available.

3. Update

On 3 June 2020 Sajeeda Rose (Chief Executive, D2N2 LEP) and Tom Goshawk (Head of Capital Programmes, D2N2 LEP) attend a working group meeting. Their presentation focused on the impact of the Covid-19 pandemic on the delivery of Local Growth Fund (LGF) programme.

Lockdown conditions from the Covid-19 pandemic had an initial impact on projects which were on site, whilst all those projects are now back on site, social

distancing and supply chain issues are causing additional cost and time pressures to projects. Projects which are near completion and have mainly indoor work left to be completed have been hardest hit. The LEP is working closely with projects to look at what flexibilities are possible and review the situation around costs once full assessments can be carried out to understand the extent of price increases to the projects across the whole programme.

Most projects yet to be finally approved have continued to progress and some have been able to submit full business cases and come forward for approval. One project has now been withdrawn from the programme as the Local Authority promoter did not want to commit to any additional borrowing in the current climate to fund the project. This has now left the programme under programmed by £710k. The LEP are now in discussions with 2 further projects from the pipeline to see if these projects can be brought forward onto the programme. These must be able to do two things, be compliant with the Local Assurance Framework as quickly as possible to ensure it is 'contractually committed' and spend its allocation before 31st March 2021.

Lobbying Government for an extension of the programme will continue as these types of projects will play a vital role in the recovery from the pandemic with new jobs being created, jobs being safeguarded, new homes being built, and new learners engaged.

Some projects are rethinking the delivery of their project and presenting different ways of bringing them forward, for example re-phasing them in a different order to ensure the deadline can be met

4. Next Steps

The working group will meet again in November 2020 when the mid-year data will be available. The focus will be on the LEP's Strategic Economic Plan and how it is tailored to local need to support economic recovery. Members have indicated that they wish to consider the local skills base, opportunities to repurpose local industry, access to learning, jobs and training and projects to boost productivity in Derbyshire.

5. Officer's Recommendations

The Committee notes this progress report.

Cllr Tony Kemp

Chairman of the Improvement and Scrutiny Committee - Resources