

**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.