

**MINUTES** of a meeting of the **IMPROVEMENT AND SCRUTINY COMMITTEE – RESOURCES** held via MS Teams on 23 July 2020.

**PRESENT**

Councillor T A Kemp (in the Chair)

Councillors N Barker, B Bingham, J Boulton, R George (substitute member) C Short, J Twigg, M Wall and G Wharmby.

Also in attendance were Councillors A Foster, T King and P Murray

Apologies for absence were submitted on behalf of Councillor C Moesby

**12/20** **MINUTES RESOLVED** that the minutes of the meeting of the Improvement and Scrutiny Committee – Resources held on 4 June 2020 be confirmed as a correct record.

**13/20** **PUBLIC QUESTIONS** There were no public questions.

**14/20** **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.

Looking back to 2019-20 Mr Handford referred to the Outturn highlights which included,

- few Covid costs in this accounting period;
- continued pressure on Children's Social Care;
- some savings targets were not met through base measures;
- A year of emergencies – maintenance backlogs; and
- Overall underspend.

In relation to Budget Monitoring 2021 and Covid costs Mr Handford referred to, and gave updates on the

- £42m of non-ringfenced Covid funding;
- Income Guarantee;
- Funding for care homes, Track and Trace and other specific initiatives;

- High monthly run rate of costs;
- Procurement Policy Notes; and
- Council Tax and Business Rates

In terms of recovery there were several key areas, including Home to School Transport; getting back to the office; enhanced collaborative working; wider Derbyshire economy; market stability; and opportunity for transformation.

Financial sustainability would rely on Financial Planning with robust reserves and effective financial management and whilst the Chief Financial Officer had the option of a S114 Notice, Mr Handford explained that there was no intention to use this. There would also be an important role to play for MHCLG and the view of the external auditors Mazars would be received later in the year and it was hoped they would recognise the efforts the authority had made.

Mr Handford referred to threats moving forward and referred specifically to Covid costs continuing at the current level; no further government support being received; recovery costs escalating; the uncertainty of what a second wave would look like; capacity in the market; and wider financial failure.

Members made a number of comments and asked questions which were duly noted or answered by Mr Handford, who confirmed that he would keep members updated moving forward.

The Chairman thanked Mr Handford for his update.

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

**15/20**      **DISCUSSION WITH CABINET MEMBER FOR CORPORATE SERVICES** Councillor Angelique Foster attended the meeting to discuss current issues within her portfolio. Good progress was being made with the ICT Strategy prior to Covid19. The remote working component of the strategy has been accelerated. There has been an increase in the demand for and supply of hardware and software with 4000 logins from home. Derbyshire was also one of the first Councils to hold online meetings. The Health and Wellbeing Strategy now, more than ever, has become a key focus for HR supporting the mental health needs of employees as they adjust to new ways of working and living.

Property Services have been proactive in providing support in response to the impacts of Covid19. County Hall had remained open, facilities management

for schools had continued as had asset valuation and redesigned activities. Work had begun on contingency planning in preparation for the post Covid market.

The Corporate Property 2020 project had been progressed but because of the pandemic the “go live date” for the property services joint venture with Suffolk County Council had been changed from 1 April to 1 September 2020. All stakeholders had been kept informed of this change.

Members made a number of comments and asked questions regarding the Corporate Services portfolio. Cllr Wall stated that the meeting was the last opportunity for Members of the Committee to question the Cabinet Member before the “go live date” for the property services joint venture (for which the relevant Cabinet decision was taken in March 2020). Questions were asked about, DCC’s decision making capability as a shareholder owning 49% of the company, who was representing DCC on the board of directors, what was the rationale presented in the business case, and whether there are plans to move other functions into the joint venture. In particular, clarification was sought about future plans for the Disability Modification Service. On a different topic Councillor Boulton enquired about the County Councils approach to supporting employees to return to their normal places of work, given the significant increase in domestic violence during lockdown. Cllr Foster responded to these questions and undertook to provide further information regarding Derbyshire’s representation on the board of the joint venture company.

The Chairman thanked Councillor Foster for attending the meeting.

**RESOLVED** (1) to note the update on the Corporate Services portfolio; and.

(2) that the Chairman invited members to submit questions in writing to Cllr Foster and confirmed that the written response would be published. He also drew attention to the potential for members to submit written questions on specific issues in advance of the meeting which would ensure a full reply could be given (within the public meeting).

**16/20      PREPARING FOR ECONOMIC RECOVERY IN DERBYSHIRE**

Joe Battye and Alison Westray-Chapman attended the meeting and provided a presentation to members on preparing for economic recovery in Derbyshire

The presentation provided details of how the approach was being developed focusing on a framework of the 5Rs: Rescue; Resume; Revive; Regenerate; and Renewal .

In terms of timescales for the recovery:

**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)

In terms of the recovery principles, the Economy, Business and Transport Cell would :

- 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, Government 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 Government 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; and
- Evaluate -to understand how well economy is recovering

In order to build back better it was hoped to use the recovery period to redefine economic strategy and assess the changes needed for a sustainable future, and drive transformational change in the economy and communities.

The recovery and renewal process would be used 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; and
- Build resilience into the local economy and reinforce/ restore public and business confidence.

Details were given of the different aspects of the LRF Communications group and how they would deliver the recovery

In terms of the 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.

So far there had been strong progress on rescue and resume:

- 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 Government departments 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

The next steps would include:

- 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
- Continue to build up proposals for medium and long term recovery strategy Framework is starting to emerge: revive through to renewal; and
- Have a strong voice in the region

Members made a number of comments and asked questions regarding arrangements for safe travel to facilitate economic growth, the Councils response to Crosscountry Train’s decision to reduce the number of stops at Chesterfield Station, and how Active Travel and infrastructure project decisions are being made. The officers present provided reassurance that through conversations involving a wide network of transport organisations some of the commuter services at Chesterfield had been reinstated and that further discussions were ongoing. In terms of the Active Travel Projects a collaborative process had been established involving district and borough councils, parish Councils and the County Council to decide how funds will be spent.

The Chairman thanked the officers for their presentation

**RESOLVED** to note the update.

**17/20**        **UPDATE ON LEP SCRUTINY REVIEW** Members were informed of the proposed next steps of the working group established to scrutinise the activities of the D2N2 Local Enterprise Partnership (LEP).

The working group was established, in September 2019, to scrutinise the activities of the D2N2 LEP. It was 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 had 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 was 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 was given to projects must be able to evidence they had used the LGF by proving their expenditure figures on the project. Central Government had made clear the 31st March 2021 deadline still must be met and there would be no extensions to the LGF programme, which includes no further funding being made available.

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 were now back on site, social distancing and supply chain issues were causing additional cost and time pressures to projects. Projects which were near completion and had mainly indoor work left to be completed had 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 had continued to progress and some had been able to submit full business cases and come forward for approval. One project had 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 had now left the programme under programmed by £710k. The LEP were now in discussions with 2 further projects from the pipeline to see if these projects could 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 was 'contractually committed' and spend its allocation before 31<sup>st</sup> March 2021. Lobbying Government for an extension of the programme would continue as these types of projects would 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 were 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 could be met

The working group would meet again in November 2020 when the mid-year data would be available. The focus would be on the LEP's Strategic Economic Plan and how it was tailored to local need to support economic

recovery. Members had indicated that they wished to consider the local skills base, opportunities to repurpose local industry, access to learning, jobs and training and projects to boost productivity in Derbyshire.

**RESOLVED** to note the update.