

DURHAM COUNTY COUNCIL

Environment and Sustainable Communities Overview and Scrutiny Committee

At a **meeting** of the **Environment and Sustainable Communities Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Monday 27 March 2023** at **9.30 am**

Present:

Councillor B Coult (Chair)

Members of the Committee:

Councillors J Elmer (Vice-Chair), E Adam, P Atkinson, L Brown, L Fenwick, C Lines, I MacLean, R Manchester, C Martin, D Nicholls, R Potts, J Purvis, J Quinn and D Sutton-Lloyd

Co-opted Members:

Mr T Cramond

Also in attendance:

Councillor K Robson

1 Apologies

Apologies were received from Councillors J Charlton, G Hutchinson, C Kay, I McAloon, T Stubbs and from Mr P Walton.

2 Substitute Members

No substitute members were in attendance.

3 Minutes

The minutes of the meeting held on 20 January 2023 and the Special meeting held on 24 February 2023 were agreed as correct records and signed by the Chair.

4 Declarations of Interest

There were no declarations of interest.

5 Items from Co-opted Members and other Interested Parties

There were no items reported.

6 Quarter Three Revenue and Capital Outturn Report 2022/23

The Committee received a joint report of the Corporate Director of Resources and the Corporate Director of Neighbourhoods and Climate Change which provided details of the forecast outturn budget based on the position to the end of December 2022 (for copy of report see file of minutes).

The Finance Manager highlighted information on the budgets and forecast outturn position for Neighbourhoods and Climate Change and Culture, Sport and Tourism. The position showed a forecast limit overspend for Neighbourhoods and Climate Change of £0.543 million, against a revised budget of £116.184 million with Culture and Sport in a breakeven position. In addition, £2.7 million inflation related items treated outside of the cash limit included costs relating to pay awards, energy and fuel inflation and these were partially offset by waste contract underspends and higher income from power generation. The inflation figure of £1.25 million for Culture, Sport and Tourism related, in the main, to leisure centre energy costs. A breakdown of the revenue position and variances across heads of service areas were outlined in the report. The cash limit reserve position for Neighbourhoods and Climate Change stood at £0.134 million, providing a level of flexibility to deal with unbudgeted expenditure. The Committee noted the outturn also took account of a contribution to earmarked reserves of £5.7 million and the net drawdown from reserves of £7.1 million in Culture, Sport and Tourism related to the buy-out of Competition Line contracts.

The capital budget for Neighbourhoods and Climate Change was almost £33 million, with key areas of spend being highways and bridges and environmental schemes. Expenditure for Culture, Sport and Tourism amounted to £12.7 million at the end of quarter three.

Councillor Elmer referred to energy costs and asked what steps were being taken to transition from oil and gas heating to other energy sources and to improve energy efficiency in leisure centres and other Council buildings via prioritising insulation. The Finance Manager highlighted initiatives such as the geothermal project at the Louisa Centre and he added that he would request information on the insulation of buildings from colleagues in Corporate Property and Land, for a full response to be circulated to the Committee.

Councillor Adam referred to £2.7 million required to support budgets and he asked where the funding would come from.

The Finance Manager explained it will be met from corporate contingencies and in respect of the £1.25 million required for Culture Sport and Tourism, this was an additional cost relating to energy costs for leisure centres which had been built into the budget at a corporate level.

Councillor Adam then asked for an explanation of the underachievement of income in respect of the Clean and Green service. The Finance Manager highlighted that there had been a reduction in demand for the service, partly as a result of the academisation of schools and steps were being taken to address the issue with the service proactively seeking new business.

The Finance Manager clarified figures for the highways services non-trading overspends, £1.294k and £1.251k were typographical errors and the figures were millions, not thousands. He also clarified that figures shown in red denoted underspends. Councillor Quinn asked whether it would be possible for future quarterly budget reports to denote overspends in red as this tended to be the normal practice particularly in relation to school accounts.

Councillor Nicholls referred to the underspends in Appendix 3 and expressed concern that staffing vacancies may be a contributing factor. The Finance Manager agreed that there had been some issues relating to recruitment, therefore, improvements were being made with regard to the advertising of vacancies.

Responding to a question from Councillor Martin on the drawdown from reserves of £7.1 million relating to the buyout of Competition Line contracts, the Finance Manager confirmed that the cost of the buyout had been budgeted for.

Resolved:

That the report be noted.