

Thursday, 6 June 2024

GROWTH SCRUTINY & IMPROVEMENT COMMITTEE

A meeting of the Growth Scrutiny & Improvement Committee was held on Thursday, 6 June 2024 at the Civic Centre, Ridley Street, Redcar, Yorkshire, TS10 1TD.

PRESENT Councillor I Hart (Chair)
Councillors P Berry, C Cawley, R Clark, J Lavan,
M O'Donoghue, V Rider, D Taylor, L White,
C Curr and M Head.

OFFICIALS L Anderson, A Carter and A Lynch-Brown

IN ATTENDANCE Councillor L Pallister.

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors C Jones (Vice-Chair), I Attwood, W Davies and J Thompson.

9 **TO CONFIRM THE MINUTES OF THE MEETING HELD ON 14 MARCH 2024 AND NOTE THE ATTENDANCE MATRIX**

RESOLVED that the minutes of the Growth Scrutiny & Improvement Committee held on Thursday 25 April 2024 be confirmed and signed by the Chair as a correct record, and the attendance matrix.

10 **DECLARATIONS OF INTEREST**

There were no declarations of interest; **NOTED**.

11 **RELEVANT CABINET REPORTS**

There were no relevant Cabinet reports to discuss; **NOTED**.

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12 **INFLATION IMPACT ON GROWTH AREA PLANS**

The Head of Place Development and Investment provided an update on the impact of the inflationary pressures and market forces which are impacting all capital construction projects that the Council is currently delivering.

Areas highlighted within the report included:

- Unprecedented increases in construction costs initially due to series of global factors such as Covid, and conflicts on the world stage.
- Global issues exacerbated by insolvency of three major contractors in the North-East.
- Risk mitigation actions put in place such as including an inflationary allowance in plans, implementing gateway reviews, and offset from other funding streams.
- Decreasing inflation still means higher prices than when initial bids submitted.
- The Tier 2 contractor market in the North East has capacity issues and there is also a lack of appetite from contractors, even for the construction market's preferred procurement route of two stage design and build.
- The Redcar Town Deal board undertook a value engineering exercise and also removed projects in order to meet the budget.

As part of the ensuing discussion the following questions/comments were made:

- A member asked what survey had been provided to contractors. Officers advised that surveys are provided although cost issues can arise once work commences.
- A member asked about the impact on projects in Guisborough. Officers advised that an element of inflation had been accounted for but issues in the Red Sea added to costs. A healthy contingency was in place. Further feedback will be given at the Regeneration Group.
- A member asked why the contractor design and build approach was not being used in Guisborough. Officers advised that it was necessary to work with the market and consider risk.
- A member asked who decided what projects were cut and how the decisions were arrived at. Officers advised that the decision making was dependent on the relevant governance arrangements in place. Benefit/cost ratios and outputs/outcomes were assessed to inform decisions.
- A member asked why the renovation of Redcar railway station building was not being managed in the same way as projects in Middlesbrough and Darlington. Officers advised that the projects in those towns were Tier 1 with much larger budgets and run by

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TVCA. Redcar is not a transport scheme project whereas those in Middlesbrough and Darlington are.

- A member asked why future income, such as that due to be received from business rates, are not factored in. Officers advised that in order to do this the council would need to borrow and subsequently service a debt with an impact on revenue costs. Some project funding was subject to time constraints set by government. Future income was not assured as Valuation Office decisions were yet to be made and there was a wide spectrum of outcomes.
- The chair reminded members of the budget proposal meetings that are under way.

RESOLVED that the information in the report be noted.

13 **BRIEFING UPDATE: DECEMBER 2023 OFSTED INSPECTION**

The Assistant Director for Growth and Enterprise provided an update on the remedial actions undertaken following the Ofsted inspection in 2023.

Areas highlighted within the report included:

- The work of the Adult Learning service funded through a contract with the TVCA.
- A breakdown of the Ofsted outcome grades.
- Impacts to the service including DfE confirming termination of Apprenticeships Agreement and TVCA review of Further Education Commissioner visit.
- Update on the approach taken by the Further Education Commissioner.
- Next steps identified including outcome of Further Education Commissioner visit, Ofsted monitoring visits, and implementation of post-Ofsted interventions.

As part of the ensuing discussion the following questions/comments were made:

- A member asked how Ofsted arrived at their decision when the service had recently won an apprenticeships award. Officers advised that the Ofsted inspection was a snapshot but reassured members that attendances did not slip, and apprentices continued to obtain their qualifications.
- A member asked if time lost due to curriculum delivery issues could be made up. Officers advised that delivery approach meant this time was made up.
- A member asked if the council would be prohibited from taking apprentices. Officers advised that provision was being picked up and apprentices would continue to be taken on by the council.

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- The chair advised that a working group was in place to get the position back to 'Good'. The cabinet member advised that a governance group would be set up going forward.
- Members asked if the council offered SEND and Care Leaver apprenticeships. Officers advised that the council did offer apprenticeships to SEND and Care Leavers.

RESOLVED that:

- The Ofsted Inspection Working Group provide feedback to this committee.
- The information in the report be noted.

14 **BRIEFING UPDATE: REDCAR AND ESTON TOWN DEALS**

The Head of Place Development and Investment provided an update from the Levelling Up Funding within the borough.

Areas highlighted within the report included:

- A breakdown of the funds in place: Redcar Town Deal (£25m), South Middlesbrough & East Cleveland Levelling Up Fund (£20m), Greater Eston Levelling Up Fund (£20m), Levelling Up Partnership (£20m), Long Term Plan for Towns (£20m).
- Governance structures.
- The LUF bidding process and the rationale for the Long Term Plan for Towns allocation.
- Projects in place with costs and summary information.

As part of the ensuing discussion the following questions/comments were made:

- A member asked about the methodology for calculating benefit–cost ratio (BCR). Officers advised that a consultancy is used to assess outputs, outcomes, and benefits to summarise the overall value for money.
- A member asked if CCTV was fit for purpose. Officers advised that although there was no statutory obligation the use of CCTV had an effect on deterring antisocial behaviour. The infrastructure was being upgraded to future proof the existing system.
- Members and officers further discussed progress around the Eston retail and commercial regeneration approach.

RESOLVED that the information in the report be noted.

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15 **PLACE INVESTMENT TEAM PROGRESS UPDATE**

The Head of Place Development and Investment provided an update on the current Place Investment Projects – **NOTED**.

16 **OUTSIDE BODIES UPDATE**

The Chair invited updates from Members who had attended meetings of Outside Bodies that were relevant to the Growth Scrutiny & Improvement Committee.

TVCA are currently reviewing the outcome of the Teesworks Review report.

RESOLVED that:

- The Council Leader, as a Cabinet member of TVCA and Board member of STDC, provide outside body feedback to this committee.
- An item on the Teesworks Review be presented at the July meeting of this committee and that members of the Corporate Resources & Governance Scrutiny & Improvement Committee are invited to attend.

17 **WORK PROGRAMME 2024/25**

The work programme was updated following feedback from members. The schedule for 2024/25 to be finalised through discussion between chair, vice-chair, relevant cabinet members and officers – **NOTED**.

18 **ACTION UPDATE**

Officers provided an update to the action plan – **NOTED**.

19 **ANY ITEMS THE CHAIR CERTIFIES AS URGENT**

The Q4 performance report due to have been presented to this committee held over to the July meeting.