

The following minutes were confirmed as a true record at the Corporate Services and Economic Growth OSC meeting on 4 July 2018

## NORTHUMBERLAND COUNTY COUNCIL

### CORPORATE SERVICES AND ECONOMIC GROWTH OVERVIEW AND SCRUTINY COMMITTEE

At a meeting of the **Corporate Services and Economic Growth Overview and Scrutiny Committee** held in the Chairman's Dining Room, County Hall, Morpeth on Thursday, 14 June 2018 at 4.00 p.m.

#### PRESENT

Councillor D. Bawn  
(Chairman, in the Chair)

#### COUNCILLORS

Beynon, J.	Roughead, G.
Castle, G.	Simpson
Grimshaw, L.	Swinburn, M.
Parry, K.	Wilson, T.
Robinson, M.	

#### PORTFOLIO HOLDER

Oliver, N.	Corporate Services and Cabinet Secretary
Wearmouth, R.	Economic Development

#### ALSO IN ATTENDANCE

D. Lally	Chief Executive
S. Nicholson	Scrutiny Co-ordinator

Councillors G. Davey, S. Dickinson and C. Seymour were also in attendance as observers.

#### 1. MEMBERSHIP AND TERMS OF REFERENCE

The Committee noted the following membership and terms of reference for the Corporate Services and Economic Growth OSC which were agreed by Council on 2 May 2018.

**Chairman: D. Bawn**

**Vice Chairman: L. Grimshaw**

**Quorum - 3**

<b>Beynon, J. Castle, G. Parry, K. Robinson, M.</b>	<b>Roughead, G. Simpson, E. Swinburn, M. Wilson, T.</b>
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### **Terms of Reference**

- (a) To maintain an overview of the Council's Annual Budget and Budgetary Management via the Medium Term Financial Plan.
- (b) To review the state of Northumberland and the County Council's activity in delivering its Corporate Plan.
- (c) To maintain an overview of the Council's performance management arrangements; highlighting areas of poor performance and monitoring recovery delivery plans.
- (d) To maintain an overview of the Management Agreements in place between the Council and Arch (Northumberland Development Co).
- (e) To monitor, review and make recommendations about:
  - Corporate Services: Organisational Development, Health and Safety, ICT Strategy, Corporate Governance, Financial Services, Procurement Strategy, Risk Strategy, Shared and Traded Services;
  - Partnership development co-ordination with local organisations;
  - Relationships with external bodies;
  - Regeneration and Economic Development;
  - Strategic Transport Network and Infrastructure;
  - Employability, Skills, and removing barriers to work;
  - Capital Programme and Asset Management, and
  - Support to VCS organisations and the Council's relationship with town and parish councils

## **2. MINUTES**

**RESOLVED** that the minutes of the meeting of the Corporate Services and Economic Growth OSC held on 22 March 2018, as circulated, be confirmed as a true record and signed by the Chairman.

### **3. DISCLOSURE OF MEMBERS' INTERESTS**

Councillor Gordon Castle declared a personal, but non pecuniary interest regarding item 5: Arch Transition and Establishment of a New Company, as Arch was the landlord of the Alwick Youth Hostel, of which he was a Board Member.

Councillor Gregah Roughead declared a personal, but non pecuniary interest regarding item 5: Arch Transition and Establishment of a New Company as Arch was the landlord of Berwick upon Tweed Town Council, of which he was a member.

### **4. SCRUTINY OF CABINET REPORTS**

#### **Arch Transition and Establishment of a New Company**

This report sought Cabinet approval for the planned closure of Arch Corporate Holdings and the creation of a new replacement company to be known as Advance Northumberland, together with consequential changes to subsidiary companies. (Report enclosed with the signed minutes as Appendix A).

The report was presented to the Committee by Nick Oliver, Portfolio Holder for Corporate Services and Cabinet Secretary, Richard Wearmouth, Portfolio Holder for Economic Development and Daljit Lally, Chief Executive.

The proposals were considered necessary to address a number of significant concerns the Administration had regarding the activities of Arch in recent years. Many of the issues were subject of examination by the Audit Committee and had been covered extensively in the media. However, it was acknowledged that Arch had done some positive work around town centre regeneration and business growth. The proposals therefore sort to retain and build on the positive aspects of Arch in the new company, but to cease those activities that had been identified as not compatible with the best interests of the Council or to the people living and working in Northumberland.

Following the presentation, members raised the following issues:

- the new company, to be known as Advance Northumberland, would be a Limited Company with the Council as sole shareholder, as was the case with the existing company. There would be no change in the tax position, although advice was being sought as to how efficiencies could be realised in future years;
- a Panel consisting of the Council's Chief Executive and 151 Officer, together with the Chair of Advance Northumberland would be established to oversee the company's operation. Details on the terms of reference had not been established yet, but consideration would be given to the inclusion of an opposition member to the Panel. However it was proposed that a Risk Register be established to test proposals prior to key decisions being made;
- internal/external audit would have unfettered access to the activities of Advance Northumberland;

- this OSC would monitor Advance Northumberland projects and receive regular updates as required;
- the company would look to engage with communities, including through the Local Area Councils, to ensure, as far as possible, that local projects met local needs;
- there would be a transitional period during which work would be done to ensure that a formal decision making structure was established. Other issues, such as policy, health and safety, and risk assessments would also be reviewed during that period, although it was anticipated that such issues would be aligned to Council policies;
- all current tenancies would be transferred from Arch to the new company. Tenants would all be contacted as soon as practicable to advise them of the new arrangements and to assure them that their existing rights would be fully protected, and
- although there was a suggestion that the recommendations as set out in the report should be presented to Council for determination, the Committee were advised that this was a key decision which could be agreed at Cabinet. It was noted however, that the minutes of this meeting and those of the subsequent Cabinet meeting, would be presented to Council in due course.

In addition, Councillor Grimshaw raised a number of Arch related questions which were considered by the Chairman to have been outside the purpose of the report. He therefore requested that they be forwarded to the Scrutiny Co-ordinator who would ensure that responses be provided.

On the completion of the Committee's discussion on the report, Councillor Grimshaw moved, duly seconded, that the Committee recommend to the Cabinet that the proposals contained in the report be rejected. The Committee therefore voted on the motion as follows:

For: 3  
Against: 6  
Abstention: 1

The motion was therefore defeated.

**RESOLVED** that

- the report be noted, and
- the Chairman present the comments raised by members on the report to the Cabinet when it considers this matter.

Chairman \_\_\_\_\_

Date \_\_\_\_\_