

CABINET DECISIONS ON REPORTS PREVIOUSLY CONSIDERED BY THE CORPORATE SERVICES AND ECONOMIC GROWTH OSC

The following reports were presented to the OSC on 10 April and 14 June 2018 for comment prior to determination by the Cabinet.

The following is an extract from the Cabinet minutes of 10 April:

(1) Enterprise Zone - Bates Terminal, Blyth - Infrastructure Works

The purpose of the report was to enable the Cabinet to make a formal recommendation to the County Council in respect of the Council contribution of £1.2 million towards the Port of Blyth, Bates Terminal, Enterprise Zone Infrastructure works (copy attached to the signed minutes as Appendix F, coloured pink and marked "Not for Publication" along with the report of the Corporate Services and Economic Growth OSC).

At this point, Councillor Jackson declared an interest as a member of the NELEP and left the room whilst the matter was considered. Councillor Daley took the Chair.

RESOLVED that Council be recommended to agree recommendations 1-5 as detailed in the report.

The following report was not considered by the Committee at their meeting as the Portfolio Holder and report author were not in attendance. However, members forwarded a number of questions to Councillor Oliver prior to the Cabinet meeting. Those questions and Councillor Oliver's responses were then considered by the Cabinet.

(2) Active Northumberland Financial Position 2017-18

The report provided members with an overview of the 2017-18 financial position of Active Northumberland and its impact on the charity's financial position (copy attached to the signed minutes as Appendix E, coloured pink and marked "Not for Publication").

Members had a detailed discussion about the gravity of the current situation and how it had been arrived at. Councillor Oliver highlighted the actions which had been taken to turn things around, which he was pleased to report were having a positive effect.

Members were advised that funding to a maximum of £2.635m in assistance needed to be provided or it would not be possible for the Active Northumberland Board to sign off the accounts of Active Northumberland as a going concern. It was noted that, following a decommissioning letter from the Council, with effect from 1 April 2018, Active Northumberland's remit was solely to provide leisure services.

RESOLVED that:-

- (a) the 2017-18 financial position of Active Northumberland be noted; and,
- (b) the Council provide additional funding to Active Northumberland up to a maximum of £2.635 million for the financial year 2017-18.

The following is an extract from the Cabinet minutes of 14 June:

(1) Arch Transition and Establishment of New Company

The report sought approval from Cabinet 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 (copy attached to the signed minutes as Appendix B).

Councillor Oliver reminded members of the background to the situation and the issues of concern. The report today was about the creation of a new holding company.

Councillor Bawn reported from Scrutiny, which had met immediately prior to Cabinet. The Committee had had a full debate on the issue and clarity had been sought on a number of matters. There had been some concern about matters not included in the report but reassurances had been provided regarding progress reports being brought forward. The Committee had felt it was important for reports to be made to the Local Area Councils to keep local members informed of issues in their patch.

The Committee had voted on a motion to recommend to the Cabinet that the proposals be rejected. This had been defeated by 6 votes to 3, with 1 abstention.

Members felt it was key that the new company should focus on the Council's corporate strategy and improving lives in Northumberland, and that it be open to clear scrutiny. Councillor Oliver confirmed that there would be a clear separation of responsibilities and that the Audit Committee would have full access to Advance Northumberland.

RESOLVED unanimously that:-

- (a) Cabinet approve the closure of Arch Corporate Holdings;
- (b) Cabinet approve the establishment of a replacement Holding Company to be known as Advance Northumberland and associated subsidiaries which focuses on priorities set by the Council in the Corporate Plan;
- (c) Cabinet approve the development of revised governance arrangements that will address:
 - The establishment of an Operating Agreement between the Council and the new company, setting out how the company will deliver the Council's requirements including key performance indicators

- Reserved matters for the Council
 - The arrangements for formally managing performance and governance;
- (d) Cabinet approve the appointment of the Chief Executive as the Council's shareholder representative for the new company; and
- (e) the comments from Corporate Services and Economic Growth OSC be noted.

Sean Nicholson
Scrutiny Co-ordinator

Sean.Nicholson@northumberland.gov.uk

01670 622605