

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

The following reports were presented to the OSC on 3 and 24 September 2018 for comment prior to determination by the Cabinet.

The following is an extract from the Cabinet minutes of 10 September 2018:

(1) Replacement of Berwick Leisure Centre

The report sought agreement to the development of improved leisure facilities in Berwick (copy attached to the signed minutes, along with the report of the Corporate Services and Economic Growth OSC circulated at the meeting).

Introductions were made and the Leader reiterated that the Cabinet was discussing the leisure centre, not the hospital, as this was outwith the Council's remit. The Leader commented that there had been little progress for the last 42 years, with much discussion about what might be done in the area, but very little achieved. However, this was about to change.

The Leader referred to the misinformation about the proposals which had been circulating, which would be corrected at the meeting, and felt it was time for the people of Berwick to have a more optimistic view. A lot of effort was being made on initiatives which would make a difference to the community and these would be delivered. Around $\frac{1}{3}$ of the Swan Centre was currently closed due to neglect, it was being operated at a loss and there was a backlog of maintenance issues. A fresh start was needed to provide a top class facility which people could be proud of.

Full details of the services were still to be mapped out and the Council would be engaging with the community on that. Today, Cabinet was being asked to give approval to the construction and to an increase in the capital programme. The planning, consultation and engagement process would begin in due course.

The Leader referred to concerns received by email and detailed the main points and his response, in order to put right any false understanding of the situation:

- Most concerns had been about the hospital service. The Health Trust had assured the Council that there would be no change to the current services provided; in fact there would be some enhancements, more outpatient provision and a wider range of diagnostic services. The health proposals were still at outline stage and would become more detailed through time in consultation with the community.
- There were benefits to be gained from sharing a site around wellbeing and keeping people out of hospital.
- Services at the leisure centre would be maintained and enhanced where possible, and the aim was to keep the current centre open until the new one was open.

- A brand new leisure centre would be brought to Berwick, with a possible total investment of £50m. There was a lot of engagement still to do with residents of all ages. He urged the local community to work with the Council to make sure this happened.

Councillor Homer detailed some of the background to the current position. She advised that the Swan Centre was the worst performing centre in the Council's portfolio and membership was still declining, even since the recent restructure of charges. There were opportunities for the new centre to increase visitor numbers to the town through the provision of wet weather facilities and she very much welcomed the proposed investment, and was excited about the opportunities going forward.

Councillor Wearmouth referred to the increased visitor numbers and queried what could be achieved. Mr Tweedy referred to the significant investment being considered and advised that the Council would be working with the Trust to enhance facilities and services, and to open up the services to a wider group of people. The offer available needed to appeal to the tourist market to attract those people in to use the facilities as well.

Councillor Jones asked about the integration of health and leisure facilities with adult services and the support which could be provided there. Mr Tweedy advised that a progressive approach to the provision of leisure services would be taken, as was being done elsewhere in the country. This would help to support care in the community for those with health conditions eg programmes for older people to use the facilities off peak, providing social interaction. Also, the provision of bespoke affordable projects so people could have support in the community. There would also be opportunities to support those with adult learning difficulties through the provision of employment.

In terms of finance, Councillor Oliver reported that members were being asked to make a commitment within the capital programme to a maximum budget of £20m. This was something the previous Administration had promised before the election. However, there had been no real plans to deliver on this. This was a firm commitment from the Administration and he asked the public to judge members on their actions.

Councillor Watson had chaired the recent Scrutiny meeting when the hospital issue had been considered. The Committee's role was to look at the process, specifically, whether the proposals represented a substantial variation, whether the engagement process had been robust and whether the proposals would meet the health needs of the population. This had been looked at in detail and it had been accepted that there would be no diminution of services. NHS England had confirmed that the proposals did not represent a substantial variation. The Committee had accepted this, that the engagement process had been robust and that the proposals would meet the health needs of the population.

As a result of the representations which had been made, the Leader advised that the recommendations in the report had been amended. These had been circulated in the meeting. It was **RESOLVED** unanimously:

- (a) to approve the construction of a new leisure centre in Berwick as an integrated Council facility with services likely to incorporate learning disability day services;
- (b) to delegate the decision on whether the scheme will be standalone or a joint scheme with Northumbria Healthcare Trust to the Chief Executive, in consultation with the Leader, subject to a full business case;
- (c) to recommend that Council approve an increase in the capital programme allocation for the leisure centre development, to a maximum budget of £20m; and
- (d) to note the report and comments of the Corporate Services and Economic Growth OSC.

The following is an extract from the Cabinet minutes of 11 September 2018:

(2) Budget 2019-20 and Medium Term Financial Plan 2019-22

The report provided an update on the development of the 2019-20 budget and the Medium Term Financial Plan covering the period 2019 to 2022 (copy attached to the signed minutes as Appendix A, along with the report of the Corporate Services and Economic Growth circulated at the meeting).

The Leader reported that significant progress had been made to reduce the £65m budget deficit which had been in existence when the current Administration had taken over, and the gap was now £36m. There was still a lot of work to be done but the Council was now working much more efficiently, and he reiterated the Administration's priority to maintain and improve front line services and do more with less.

Councillor Oliver stressed that the £36m deficit was not in addition to the original £65m as had been reported in social media. Savings had been identified from:

- Changes in assumptions in social care
- Changes in government funding and better information on which to forecast and budget
- Increased income from council tax and new homes bonus
- Grants revised to reflect current levels
- Reductions to the cost of servicing debt.

A more prudent approach to managing the Council's finances had resulted in savings to the revenue budget and he commended Mr Scarr and officers for the way in which they had responded to the challenge. An interim report would be made to Scrutiny soon, and when the consultation process had been completed, then a MTFP and Budget report would progress through the full process at a much earlier stage than in the past.

Councillor Sanderson endorsed these comments.

RESOLVED that:

- (a) the revisions to the assumptions within the Medium Term Financial Plan covering the period 2019-22, including, the projected budget gap of £36 million over the period 2019 to 2022 be noted;
- (b) it be noted that an additional £27 million of spending reductions are required over the period of the Medium Term Financial Plan; and
- (c) the report of the Corporate Services and Economic Growth OSC be noted.

(3) Council Tax Support

The report sought approval to carry out statutory consultation with council taxpayers, claimants and other stakeholders to reduce the level of council tax support to claimants from 1 April 2019 (copy attached to the signed minutes as Appendix B, along with the report of the Corporate Services and Economic Growth circulated at the meeting).

Councillor Oliver advised that the proposals represented an 8% reduction in the support scheme. He recognised that this would be a not insignificant amount to some, but pointed out that it would still leave the Authority as the most generous in the region, apart from Durham. However, the results of the consultation would be listened to and if appropriate, the proposals would be amended.

RESOLVED that:

- (a) approval be given to consult on the implementation of a reduction in the level of council tax support for working age claimants to 92%; and
- (b) the report of the Corporate Services and Economic Growth OSC be noted.

(4) Update on Shared Services Due Diligence

On 9 January 2018 Cabinet approved the establishment of a shared service with Newcastle City Council, subject to due diligence and appropriate consultation, including consultation with staff, and the completion of an economic impact assessment of the proposals (copy attached to the signed minutes as Appendix C, along with the report of the Corporate Services and Economic Growth circulated at the meeting).

Councillor Oliver reported that, following the last report to Cabinet, due diligence had been carried out, and as a result, a phased approach to implementation was being recommended. This would allow the systems, processes and relationships to be tested and would remove risks associated with the implementation of Universal Credit.

In response to a question from Councillor Sanderson, Mr Scarr advised that an update on the establishment could be provided in December.

RESOLVED that:

- (a) the result of the due diligence services and the significant impact that Universal Credit would have on the proposal agreed on 9 January 2018 be noted;
- (b) a revised approach be taken to the implementation of a shared service (NNTS) with Newcastle City Council;
- (c) the the following services be included in phase 1:
 - Accounts Payable
 - Income Management
 - Employee Services
- (d) it be noted that further services will be included at a later date;
- (e) it be noted that the requirement for additional accommodation and TUPE of staff is not necessary at this point;
- (f) it be noted that all other recommendations and delegations included in the Cabinet report on 9 January 2018 remain extant other than the changes set out above; and
- (g) the report of the Corporate Services and Economic Growth OSC be noted.

(5) Proposed Transfer of 5 Palace Street East, Berwick upon Tweed

The report sought approval to the Council acting in its capacity as a trustee to transfer 5 Palace Street East (including the Mansion House and Hall) to Berwick Youth Project and to appoint an additional trustee, in an administrative position, to enable the property to be transferred (copy attached to the signed minutes as Appendix D, along with the report of the Corporate Services and Economic Growth circulated at the meeting).

RESOLVED that:

- (a) the transfer of 5 Palace Street East to Berwick Youth Project (BYP) to enable the charity to offer additional services specifically to young people and the wider Berwick population through the redevelopment of this former Community Centre building be approved;
- (b) the appointment of Mike Turner, Head of Property Services and Capital Programme, as an additional trustee be approved; and
- (c) the report of the Corporate Services and Economic Growth OSC be noted.

(6) Hexham Business Improvement District (BID) Termination (Part 1)

Cabinet was asked to confirm the recommended approach to terminate the Hexham Business Improvement District (BID) in line with legislative requirements outlined in the report (copy attached to the signed minutes as Appendix E, along with the report of the Corporate Services and Economic Growth circulated at the meeting).

Councillor Wearmouth advised that the 10th Sept marked the end of the 28 day notice period and the termination process could now begin involving the return of levy funds to NCC and the refund process. This would take around 4-6 months and was governed by a somewhat complicated legal process due to the early closure of the BID company.

Councillor Homer felt it was important to move the town on positively and quickly to other projects, and to not hold up the process any more than was required by regulation.

RESOLVED that:

- (a) the approach and process to terminate the Hexham BID arrangements be agreed;
- (b) approval of key decisions relating to the termination process be delegated to the Chief Executive, in consultation with the Leader;
- (c) a final report on completion of the process outlined, summarising the actions taken and key decisions made during the termination process be made to Cabinet in due course; and
- (d) the report of the Corporate Services and Economic Growth OSC be noted.

The following is an extract from the Cabinet minutes of 25 September 2018:

(7) Borderlands Inclusive Growth Deal

The report outlined the content of the Borderlands Inclusive Growth Deal to be submitted to both the UK and Scottish Governments as the basis for negotiating a significant, transformative programme of investment for the Borderlands area (copy attached to the signed minutes, along with the report of the Corporate Services and Economic Growth OSC circulated at the meeting).

The Leader advised that this had been well received by Scrutiny the previous day, and a public statement had been circulated setting out the proposal, which was the first cross-Border collaboration of its kind. This was an ambitious ask of the Government and would be subject to intense negotiation with Treasury officials to confirm the investment level of the Deal. There were two points he wanted to highlight:-

- There had been real value in the cross-Border discussions, which had never really taken place before between the Authorities involved.
- The proposed projects which had been included in the Deal were outside the normal funding envelope and included 100% 4G mobile phone coverage, the aim to be at the forefront of the UK's shift to low carbon sources, a place based fund to revitalise forgotten communities, work to strengthen the area's national and international profile by working together on tourism, establishing a network of knowledge exchange hubs, investment in key business sites and a major investment in Berwick to kick start a cultural transformation of the town.

Members welcomed the report and a number of comments were made:

- There was great potential in the deal for significant benefits to the area and the work of officers was commended.
- A member queried what impact Scottish Devolution could have. The Leader advised that, whatever the outcome of that, the Scottish Government would be signed up for ten years.
- Many of the projects were already in the Council's Corporate Plan so should be welcomed. Action was essential to reverse the population trends and improve resilience in rural areas.
- A member queried whether this deal, as with NoT, would provide opportunities for funding not included in the headline figures. Members were advised that the opportunities were significant, and that the region was trying to position itself as a rural area of the UK which governments should invest in beyond the Deal.
- The digital connectivity part of the deal was immensely important for rural areas as it opened up opportunities for businesses to locate to the area. However, there was still a need to be mindful of the practicalities such as the potential for conflict between timber lorries and cyclists in Kielder Forest on narrow roads. This issue had been addressed north of the border.

The Leader advised that a meeting would be held with Ministers on 15 October and hopefully, and the aim is to seek confirmation of the Deal in the Chancellor's Budget Statement. A meeting would also be held on 15 October to brief all Borderlands MPs, with a similar meeting for Scottish Borderlands MSPs planned for 25 October.

The report from Corporate Services and Economic Growth OSC had referred to consultation with town and parish councils, which would be done. Once the Deal was approved, work would continue on how the details of the projects would be applied, and whilst the comments regarding the membership of the Governance Board were noted, it was acknowledged that the Government would have some requirements about the inclusion of business in its membership.

RESOLVED that:

- (a) the submission of the overarching Deal document attached to the report and supporting Strategic Outline Business Cases (SOBCs) to the UK and Scottish governments be approved as the basis for negotiating a significant, transformative programme of investment for the Borderlands area;

- (b) authority be delegated to the Chief Executive in consultation with the Leader to complete the negotiations required to achieve the optimum Deal Heads of Terms for the Borderlands area;
- (c) the proposed governance structure as detailed in the overarching Deal document attached to the report be agreed and the subsequent preparation of an appropriate Partnership Agreement to protect the interests of the participating authorities;
- (d) authority be delegated to the Chief Executive in consultation with the Leader, to sign the agreed Borderlands Partnership Agreement as advised by the Council's Monitoring Officer;
- (e) the Council act as the accountable body for the funding awarded by the UK Government to the English Local Authorities; and
- (f) the report of the Corporate Services and Economic Growth OSC be endorsed.

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