

CORPORATE SERVICES AND ECONOMIC GROWTH OSC, 9 JULY 2019

SUMMARY OF REPORTS TO CABINET

(1) Blyth Relief Road

Stuart McNaughton, Strategic Transport Policy Officer, presented the report to the committee on 8 July 2019.

In response to questions, members were advised that the site of the recently approved planning application for residential properties at Blyth Golf Club was located to the south of the proposed route 3. Further discussions were taking place with the golf club about the possible impact, and consideration was also being given to local allotments and the farm located on the route, for which supporting costs were included within the scheme.

Members agreed that it was a good scheme. Route 3 appeared to be the most effective route and had received support during the recent consultation process. The development was welcomed and considered only beneficial to Blyth. It would address concerns about the level of traffic congestion in the town and also benefit local organisations including the Port of Blyth. Mr McNaughton and his team were thanked for their work on the proposal.

RESOLVED that the Cabinet be advised that the committee supports the recommendations in the report.

(2) Advance Northumberland Limited

Councillor Nick Oliver presented the report to the committee on 8 July 2019.

During the consideration of the report, the committee resolved to exclude the press and public in order to consider two supplemental confidential appendices in private.

During the private discussion, members raised points about the benefits of now having an operating agreement that provided a framework and accountability, matters regarding the membership of the loans review group, and the role of this committee in reviewing the arrangements in due course. It was agreed that a further session would be organised in due course to brief members on the detail of the draft operating agreement as the document had needed to be tabled at this meeting.

After the readmittance of the press and public, further discussion followed during which members noted changes to the procurement rules including the Council's increased remit over certain contracts within Advance Northumberland's development arm.

Members agreed that it was an excellent report which made the responsibilities for functions clear, and welcomed the reserved matters provisions including the prevention of Advance Northumberland from purchasing property from outside of the county.

RESOLVED that Cabinet be:

- (1) advised that the committee supports the recommendations in the report; and
- (2) requested to agree to a review process taking place within a reasonable timescale.

(3) Northumberland Lottery

Councillor Oliver introduced the report to the Corporate Services and Economic Growth OSC on 8 July.

Detailed discussion then took place (for which Cabinet is requested to consider/ note) during which the key details of questions from members and answers from officers were as follows:

- whereas the National Lottery could only pay out amounts totalling up to what was paid into it, this lottery guaranteed a £25,000 sum for six winning numbers
- numbers on winning tickets had to be in a consecutive order
- 10p per ticket sale was received by the Council, and once overheads were covered the excess would go into the Community Chest fund; the lottery would run alongside the Community Chest
- the criteria for charitable organisations to sign up had not been finalised yet but they had to be a community group based in Northumberland, not an individual, and to have a constitution and bank account
- there was no time limit for charities to apply to and remain on the approved list of eligible organisations. However this could be kept under review and this committee perhaps receive an annual report about the lottery
- other local authorities who used this lottery format had reported that community groups had positively engaged and felt it was a very good way to generate income. Northumberland could learn from their experiences
- if some small charitable organisations/causes did not have a constitution, they could be signposted to seek support from Northumberland CVA
- Gatherwell sent payments by cheque to winners. The £25,000 full prize had been won 18 times between the 80 local authorities who ran a lottery scheme. The odds of winning either £25,000, £2,000 or £250 were provided on the website
- a member expressed concern about the service possibly encouraging gambling, although another added that raffle tickets operated on the same principle. It was added the limit of spending £20 in one go did not exist elsewhere. The proposal was unlikely to contribute to the negative aspects of gambling. Individual members did not have to promote the lottery, but it was as a means for members to engage with their local communities. Officers had

fully considered such concerns about gambling whilst developing the proposal and assess how other participating local authorities overcame any challenges. The Head of Procurement Shared Services had drafted robust policies and regular reports would be provided on the project's progress

- other local authorities had reported positively on their lotteries. An annual fee was required to contribute towards helping people with gambling problems
- Gatherwell had been in operation since 2015 and had won a number of awards; further details about the organisation would be circulated to members after this meeting, following a recent article in the MJ
- regarding whether some parents might feel pressured to spend on this lottery whilst also facing financial pressures, as these tickets had to be purchased online it was more private and less pressured than being asked to buy tickets face to face. Tickets could be purchased anonymously. It would help many community and voluntary organisations with costs faced and generate an income stream which had no restriction on what it could be spent on.

Members agreed to support the report going forward to the Cabinet meeting on 6 August.

RESOLVED that Cabinet be advised that the committee supports the recommendations in the report, including a preference for calling it the 'Northumberland Lottery'

COUNCILLOR DAVID BAWN

CHAIR

EXTRACTS FROM the MINUTES OF CABINET MEETING HELD ON 9 JULY 2019

REPORT OF THE INTERIM EXECUTIVE DIRECTOR OF PLACE

Blyth Relief Road

The report provided Cabinet with:

- An overview of progress to date on the development of the business case for a new relief road for Blyth;
- A recommendation for the preferred route for more detailed development based on the outcome of appraisal to date and an extensive stakeholder consultation exercise;
- An update on the emerging opportunity to fund the scheme as part of the Major Road Network (copy attached to the signed minutes as Appendix C, along with the report of the CSEG OSC circulated at the meeting).

Councillor Wearmouth presented the report highlighting the main points and the longstanding need for action to be taken. Consultation had been done on a number of options, with 59% of respondents supporting the Council's preferred route of option 3. The current cost estimate of the preferred route was £22.213m and this demonstrated very high value for money with a cost benefit ratio of 4.91. The County Council contribution was £3.332m in match funding to support the Major Road Network National Roads Fund application. He then detailed the key milestones of the programme which were contained in the report.

The Leader referred to the lack of capacity in the current transport network and the adverse effect of the congestion on economic growth and the movement of people and goods, particularly to the Port of Blyth, and also to the harmful effect on the environment of exhaust emissions. The town was a real economic powerhouse for the area and this had never been properly recognised. Planning permission had previously been granted for thousands of homes with little thought given to the effects on local infrastructure, including roads and schools. However, this was now being addressed by the Administration, and the need for the relief road had been very clearly demonstrated by the value for money assessment.

Councillor Daley echoed these comments, adding that a report in 2015 had identified the need for action but nothing had been done. The number of employees at the Port would soon be increasing from 500 to 2000 and there were other economic developments in progress. Business needed to be able to move freely around the area so that the fantastic opportunities which were available could be exploited.

Councillor Sanderson commented that Blyth had great potential but little had been done in the past to inject money or confidence into the area. The Council had a responsibility to get on with this and to make the opportunities available successful and exciting.

Councillor Oliver highlighted some of the projects which the Administration had progressed, such as the Northumberland Line, the Port of Blyth, developments in Ashington, a Future High Streets Fund application and Bedlington Town Centre regeneration. The Administration could not be accused of a lack of focus in the south east of the County.

Councillor Bawn presented the Scrutiny report. The Committee had been impressed with the work to date and had supported option 3. The Committee had acknowledged that the value for money ratio was still very high, taking into account

the difficulties which needed to be overcome. It was felt to be a great investment for Blyth and the wider area.

RESOLVED that:-

- (a) the progress of the project to date be noted;
- (b) Route 3 be confirmed as the preferred route to take forward to detailed design and planning;
- (c) the costs and programme for taking the scheme forward as detailed in paragraphs 14-19 be noted;
- (d) the proposed match funding totalling £3.332m to support the Major Road Network (MRN) National Roads Fund application be approved; and
- (e) the report of the CSEG OSC be noted.

REPORT OF THE INTERIM EXECUTIVE DIRECTOR OF FINANCE

Advance Northumberland Limited

The report updated members on the transition of the Council's wholly owned company Arch (Corporate Holdings) Ltd. to Advance Northumberland Limited and advise of progress with the operating agreement between the Council and Advance Northumberland Limited (Appendix G, along with the report of the CSEG OSC circulated at the meeting).

In accordance with Minute No. 16, Councillors Jackson and Wearmouth left the room whilst this matter was considered.

Councillor Oliver in the Chair.

Councillor Oliver provided some background to the current position and advised that this report was the final part of setting revised arrangements in place which would bring things in order. Decisions were now being made separately, the Advance Board structure had changed to include a wider range of skills and expertise, and a Loan Review Group had been set up. A very detailed Operating Agreement set out clearly the respective roles and the reserved matters. The advice was that Advance could operate as a Teckal company. Appropriate safeguards and restrictions were built into the arrangements, and it would be able to take advantage of the regeneration opportunities available. Any loans would have to be properly and clearly determined. He commended the report to members.

Councillor Bawn reported that the Scrutiny Committee had welcomed the amount of work which had gone into this. The provision of an operating agreement had corrected a big gap in the previous governance arrangements. There had been some concern that the confidential draft operating agreement and appendices had only been circulated at the meeting. However, it had been agreed that the Scrutiny

Committee would have a briefing in more detail on the issue and could feed back any comments to the S151 Officer or Head of Paid Service. The Committee had also been keen to ensure that a review process was implemented so that they could input into that where necessary.

Councillor Riddle felt the recommendations from Scrutiny were sound and agreed on the need to be open and transparent. He felt that any Teckal contracts should go through Scrutiny. Councillor Oliver responded that he would take advice on this.

RESOLVED that:-

- (a) the report be noted;
- (b) the Draft Operating Agreement between the Council and Advance Northumberland Limited shown at Appendix A to the report be noted;
- (c) the Chief Executive as the Head of Paid Service, be authorised in conjunction with the Council's Section 151 Officer to finalise the operating agreement;
- (d) the Council's Chief Executive, as the Head of Paid Service, be authorised to sign the Operating Agreement on behalf of the Council;
- (e) it be noted that Advance Northumberland (Developments) Limited will be run on the basis of a Teckal company;
- (f) the changes to the operation of the loans working group be noted;
- (g) the following delegated limits for approval of individual loans to Advance Northumberland Limited or any of its subsidiaries, which are within the Council's budget be agreed:
 - Up to £1 million - Section 151 Officer (or Deputy) in conjunction with the Portfolio Holder for Corporate Services (or Deputy Leader)
 - Above £1 million and up to £5 million - Chief Executive (or Deputy) in conjunction with the Deputy Leader of the Council
 - Above £5 million - Cabinet
- (h) it be noted that if the loans requested exceed the annual allocation in the Council's budget, then a report will be produced for Cabinet;
- (i) the next steps be noted; and
- (j) the report and recommendations of the CSEG OSC be approved.

EXTRACT FROM the MINUTES OF CABINET MEETING HELD ON 6 AUGUST
2019

**REPORT OF THE EXECUTIVE DIRECTOR OF HR/OD AND DEPUTY CHIEF
EXECUTIVE**

Northumberland Lottery

The report provided an overview of the proposal to implement a Northumberland Lottery. The lottery would be open to both members of the public and staff, and would support local charities and good causes with its proceeds (copy attached to the signed minutes as Appendix D, along with the report of the Corporate Services and Economic Growth OSC).

The report was presented by Councillor Oliver who referred to the Administration's desire for local engagement, accountability and democracy. This proposal would supplement the already very successful community chest scheme and would promote engagement with communities, who would benefit directly from it. The player could identify which good causes they wished to support and the proposal was based on a proven successful model with an experienced supplier. He hoped members would support the initiative and promote it to their local community groups.

Councillor Jones commented that, initially she had had some concerns that this would encourage gambling, and she noted that this point had also been picked up by Scrutiny. However, she had been reassured by the safeguards which were in place. Councillor Homer commented that the community and voluntary sector were behind this, and taking into account the safeguards which were in place, she felt she could support it. Councillor Oliver advised that the arrangements would be kept under review.

With regard to the report from Scrutiny and the recommendation that the lottery be called "The Northumberland Lottery", members supported this.

RESOLVED that:-

- (a) Cabinet approval be given to proceed with implementation;
- (b) "The Northumberland Lottery" brand be used; and
- (c) the report of the Corporate Services and Economic Growth OSC be noted, and its view regarding the naming of the brand be supported.