

NORTHUMBERLAND COUNTY COUNCIL

CORPORATE RESOURCES AND REGIONAL AFFAIRS OVERVIEW AND SCRUTINY COMMITTEE

At a meeting of the **Corporate Resources and Regional Affairs Overview and Scrutiny Committee** held in Committee Room 1, County Hall, Morpeth on Thursday, 6 April 2017 at 2.00 p.m.

PRESENT

Councillor I. Lindley
(Chairman, in the Chair)

MEMBERS

Davey, S.
Purvis, M

Woodman, J.

CABINET MEMBER

Davey, G.

Leader

OFFICERS IN ATTENDANCE

Eldson, Mrs A.

Director of Corporate
Resources

Bennett, A.

Technical Accountant

Bennett, Mrs L.M.

Senior Democratic
Services Officer/Scrutiny
Officer

45. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J. Foster and A. Tebbutt.

46. MINUTES

Minutes of the meetings of the Corporate Resources and Regional Affairs Overview and Scrutiny Committee, held on 26 January 2017, and 2 February 2017, as circulated, to be confirmed as a true record and signed by the Chair.

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47. FORWARD PLAN OF KEY DECISIONS

Members considered the latest Forward Plan of key decisions for April to July 2017. (Forward Plan filed with the signed minutes as **Appendix A**).

RESOLVED that the Forward Plan of key decision be noted.

REPORTS TO BE CONSIDERED BY CABINET

REPORT OF THE CHIEF EXECUTIVE

48. Potential Loan to Alnwick Town Council

Members received a report providing details of a potential loan facility to Alnwick Town Council for £190,000. (Report filed with the signed minutes as **Appendix B**).

Alison Elsdon, Director of Corporate Resources, informed Members that Alnwick Town Juniors Football Club had already secured the majority of the funding for a scheme to provide a full sized all weather floodlit artificial pitch, changing facilities and car parking. In order to meet a £190,000 shortfall in funding the Club had approached Alnwick Town Council who had, in turn, approached Northumberland County Council for a loan facility of up to £190,000.

The Risk Appraisal Panel had considered the loan request at its meeting on 30 March 2017 and had supported the proposal subject to appropriate terms and conditions as outlined in the report. The Committee noted that the loan repayments would be deducted from the Town Council's annual precept amount and so presented minimal risk to the County Council.

Members considered the report and welcomed the proposal.

RESOLVED that the Cabinet be recommended to make the following recommendations to Council:-

- (1) Approve a Loan Facility of up to £190,000 to Alnwick Town Council subject to: The Council receiving;
 - Alnwick Town Council's Secretary of State approval to borrow,
 - Final project costs, and
 - A signed copy of the legal agreement between Alnwick Town Council and Alnwick Town Juniors Football Club.
- (2) A signed copy of the new lease agreement between Northumberland Estates and Alnwick Town Juniors Football Club to be supplied to the Council prior to any loan draw down.
- (3) The Council's Legal Team agree a legal agreement with Alnwick Town

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Council in advance of any loan draw down by the Town Council, containing the terms and conditions set out within the report.

49. Potential Loan to North East Equality and Diversity (NEED) Ltd.

Members received a report providing details of a proposed loan facility to North East Equality and Diversity (NEED) Ltd of £450,000 for the purchase of the former Fire Station at South Road, Alnwick; along with a short term advance for up to 4 months of £90,000 to cover VAT associated cash flow implications. (Report filed with the signed minutes as **Appendix C**)

Alistair Bennett, Technical Accountant, presented the report which had already been considered and approved by the Risk Appraisal Panel on 30 March 2017 subject to the terms and conditions outlined in the report. NEED had operated from the site and garaged its vehicles there for a number of years and was proposing to purchase the site. 60% of the organisation's income came from school transport contracts, however, it would not be known until at least July 2017 whether it would successfully retain these contracts due to school re-organisation in the area. NEED was operating very competitively and had grown its business considerably over the last six months. NEED was projecting a surplus of £100,000 and expected to rent out space in the building and so the loan should be easily affordable.

A further short term loan facility of £90,000 had also been requested to cover the organisation until VAT paid could be recovered.

Members welcomed the proposal which was essentially risk free to Northumberland County Council.

RESOLVED that the Cabinet be recommended to make the following recommendation to Council:-

- (1) Approve the two Loan Facilities of £450,000 and £90,000 to North East Equality and Diversity (NEED) Ltd subject to the following;
 - The Council's Legal Team to agree a legal agreement with North East Equality and Diversity (NEED) Ltd in advance of any loan draw down by the organisation, containing the terms and conditions set out within the report.
 - The Council's Legal Team to place a legal charge on the asset which the organisation purchase using the loan facility in advance of any loan draw down by the organisation.

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REPORT OF THE SCRUTINY OFFICER

50. Corporate Resources and Regional Affairs Overview and Scrutiny Committee Work Programme

Members considered the Corporate Resources and Regional Affairs Overview and Scrutiny Committee Work Programme. (Work Programme filed with the signed minutes as **Appendix D**).

RESOLVED that the Work Programme, be noted.

INFORMATION REPORT

The following report was for information only. If a member of the Committee would like further explanation of the report, or has questions they wish to put to the relevant Cabinet Member, he/she should contact Democratic Services Section in order that appropriate arrangements can be made.

51. Policy Digest

The report, available on the County Council’s website, gave details of the latest policy briefings, government announcements and ministerial speeches that may be of interest to Members.

The report can be accessed through the County Council’s website at www.northumberland.gov.uk.

RESOLVED that the report, be noted.

CHAIRMAN _____

DATE _____

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