

NORTHUMBERLAND COUNTY COUNCIL

CABINET

At a meeting of the **Cabinet** held at County Hall, Morpeth on Tuesday, 12 December 2017 at 10.00 am.

PRESENT

Councillor W. Daley
(Deputy Leader of the Council, in the Chair)

CABINET MEMBERS

Homer, C.
Jones, V.
Oliver, N.

Riddle, J.R.
Sanderson, H.G.H.
Wearmouth, R.

OTHER MEMBERS

Bawn, D.
Cessford, C.
Davey, J.G.

Dodd, R.R.
Pidcock, B.

OFFICERS IN ATTENDANCE

Angus, K.
Aviston, S.

Elsdon, A.
Hadfield, K.

Henry, L.
Johnson, A.

Paul, G.

Turner, M.

Director of Human Resources
Head of School Organisation and
Resources
Director of Finance
Committee Services and Scrutiny
Manager
Legal Services Manager
Interim Director of Children's
Services
Service Director: Partnerships and
Devolution
Head of Property and Capital
Programming

7 members of the press and public were present.

Ch.'s Initials.....

41. APOLOGIES

Apologies were received from Councillor Jackson.

42. MINUTES

RESOLVED that the minutes of the meeting of Cabinet held on Thursday, 23 November 2017, as circulated, be confirmed as a true record and signed by the Chair.

43. DISCLOSURES OF INTEREST

Councillor Wearmouth disclosed an interest in item 7 on the agenda (Summary of New Capital Proposals) with reference to Chantry Middle School, as he had campaigned for this during the election, and advised that he would leave the room.

44. REPORTS OF THE DIRECTOR OF FINANCE

(1) Setting the Council Tax Base 2018-19

The report advised Cabinet of the tax base calculation for 2018-19 for all domestic properties liable to pay council tax. The tax base had to be set by the statutory deadline of 31 January 2018 (copy attached to the signed minutes as Appendix A, along with the report of the Corporate Services and Economic Growth OSC).

Councillor Oliver introduced the report, highlighting the main issues. Councillor Bawn presented the Scrutiny report. The Scrutiny Committee had supported the recommendations and had commended officers for their hard work.

RESOLVED unanimously that:-

- (a) the council tax base for 2018-19 be approved as detailed within Appendix A equating to 102,668.69 Band D equivalent dwellings. This is an increase of 1,520.99 Band D equivalents from 2017-18; and
- (b) the report of the Corporate Services and Economic Growth OSC be noted.

(2) Estimated Year End Collection Fund Balances 2017-18 – Council Tax and Business Rates

The report advised members of the estimated year end balances on the Collection Fund in relation to both Council Tax and Business Rates for the year ending 31 March 2018 (copy attached to the signed minutes as Appendix

B, along with the report of the Corporate Services and Economic Growth OSC).

Councillor Oliver introduced the report, highlighting the estimated surpluses and the Council's share of them. Councillor Bawn presented the Scrutiny report. Scrutiny had supported the report and welcomed the level of surpluses.

RESOLVED unanimously that:-

- (a) the overall estimated surplus on the Collection Fund for the year ending 31 March 2018 in relation to Council Tax of £3.68 million be noted; the Council's share being £3.46 million;
- (b) the overall estimated surplus on the Collection Fund for the year ending 31 March 2018 in relation to Business Rates of £2.04 million be noted; the Council's share being £1.02 million;
- (c) the distribution of the estimated Collection Fund surpluses for Council Tax and Business Rates to the relevant major precepting bodies be noted; £0.22 million to the Northumbria Police & Crime Commissioner and £1.02 million to the Secretary of State;
- (d) the inclusion of the Council's share of the estimated surpluses in the Council's budget 2018-19 and Medium Term Financial Plan 2018-22 be noted; and
- (e) the report of the Corporate Services and Economic Growth OSC be noted.

(3) Potential Loan to Haltwhistle Social Welfare Centre

The report provided details of a potential loan facility to Haltwhistle Social Welfare Centre of up to £150,000 for the pool plant refurbishment along with an additional £10,000 to cover remedial work following pool tile survey (copy attached to the signed minutes as Appendix C, along with the report of the Corporate Services and Economic Growth OSC).

Councillor Oliver introduced the report, highlighting the key point that the risk would be underwritten by Haltwhistle Town Council and that there would be no risk to the Authority. In presenting the Scrutiny report, Councillor Bawn advised that Scrutiny had recognised the the importance of this community facility and had welcomed the nil risk to the Council.

- Councillor Sanderson referred to the proximity of Haltwhistle to assets such as the National Park and Vindolanda and welcomed the move to improve facilities in that area. Councillor Oliver advised that he would be exploring with Councillor Homer what opportunities there were for marketing this very good facility.

- Councillor Jones supported the facility as the only one in the area in which children could learn to swim.
- Councillor Homer also supported the proposal as engagement figures with Active Northumberland in the area were low, and the facility provided health and leisure benefits for local people.

RESOLVED unanimously that:-

(a) Cabinet approve the following:-

- a Loan Facility of up to £160,000 to Haltwhistle Social Welfare Centre subject to:
 - The Council's Legal Team finalising a legal agreement with Haltwhistle Social Welfare Centre in advance of any loan drawdown, containing the terms and conditions set out within this report.
 - The Council's Legal Team finalising a legal guarantee with Haltwhistle Town Council in the event of Haltwhistle Social Welfare Centre defaulting on loan repayments, in advance of any loan drawdown.
 - to approve the terms and conditions of the loan.

Only once all of these conditions have been met can the loan be drawn down; and

(b) the report of the Corporate Services and Economic Growth OSC be noted.

(4) Potential Loan to Alexa's Animal Charity

The report provided details of a potential loan facility to Alexa's Animal Charity of up to £170,000 for the purchase of Patterson Cottage for use as boarding kennels (copy attached to the signed minutes as Appendix D, along with the report of the Corporate Services and Economic Growth OSC).

Councillor Oliver advised that this was a well run charity with a high demand for its services. A very strong business case had been put forward with a minimum risk because of the proposed charge on the property, and the value of the property was well in excess of the proposed loan. He referred to a typo in the legal implications section of the report which referred to Haltwhistle Town Council in error.

Councillor Bawn advised that Scrutiny had looked at the risks and benefits, and had been satisfied with the legal charge and business plan.

RESOLVED unanimously that:-

(a) Cabinet approve the following:

- a Loan Facility of up to £170,000 to Alexa's Animal Charity subject to:
 - The Council's Legal Team finalising a legal agreement with Alexa's Animal Charity in advance of any loan drawdown, containing the terms and conditions set out within this report.
 - The Council's Legal Team receiving signed letters of confirmation from all donors to confirm the donations highlighted in the report, which are to be used as part funding to purchase the property are non repayable and have no other conditions attached other than for usage towards the purchase of the property.
 - The Council's Legal Team receiving a copy of the valuation report and all local searches that Alexa's Animals commission on the property to confirm the value of the property being purchased and that local search results are satisfactory.
 - The Council's Legal Team place a legal charge on the assets which the Charity purchase using the loan facility in advance of any loan draw down by the Trust.
- Approve the terms and conditions of the loan.

Only once all of these conditions have been met can the loan be drawn down; and

(b) the report of the Corporate Services and Economic Growth OSC be noted.

(5) Treasury Management Mid-Year Review Report for period 01 April to 30 September 2017

The report provided a mid-year review of the activities of the Treasury Management function for the period 1 April 2017 to 30 September 2017, and performance against the Treasury Management Strategy Statement (TMSS) 2017-2018 - as approved by the County Council on 22 February 2017. The report provided a review of borrowing and investment performance for the period set in the context of the general economic conditions prevailing so far during the year. It also reviewed specific Treasury Management prudential indicators defined by the (CIPFA) Treasury Management Code of Practice and CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code), and approved by the Authority in the TMSS (copy attached to the signed minutes as Appendix E).

RESOLVED unanimously that:-

(a) the report be received and the performance of the Treasury Management function from 01 April to 30 September 2017 be noted; and

(b) the report be recommended to County Council.

(6) Enterprise Zone: Business Rate Growth Income Pooling Agreement

The report recommended that Cabinet:

- approve delegated authority to enter into the overarching Enterprise Zone Pooled Business Rate Income Agreement with the North East LEP and its accountable body NECA, to the Service Director: Finance, in consultation with the Leader and Portfolio Holder for Corporate Services; and,
- to replace the existing round 1 funding agreements with new agreements consistent with the new overarching Business Rates Growth Income (BRGI) agreement, to the Service Director: Finance, in consultation with the Leader and Portfolio Holder for Corporate Services (copy attached to the signed minutes as Appendix F).

RESOLVED unanimously that:-

- (a) the Service Director: Finance be authorised, in consultation with the Leader and Portfolio Holder for Corporate Services to enter into the overarching Enterprise Zone Pooled Business Rate Income Agreement with the North East LEP and its accountable body NECA; and,
- (b) the Service Director: Finance be authorised, in consultation with the Leader and Portfolio Holder for Corporate Services to replace the existing round 1 funding agreements with new agreements consistent with the new overarching BRGI agreement.

45. REPORTS OF THE CHIEF EXECUTIVE

(1) North of Tyne Devolution - Proposed Creation of a Mayoral Combined Authority for the North of Tyne

The report provided progress on the proposed creation of a mayoral combined authority for the North of Tyne (copy attached to the signed minutes as Appendix G and G1).

Mr Geoff Paul provided members with a detailed resume of the proposals which covered the statutory process, the governance review, the potential benefits, the scheme, the consultation process and the expected timetable. The statutory steps to be undertaken were the the creation of the mayoral combined authority, the reduction in size of the existing North East Combined Authority and the creation of the Joint Transport Authority.

Member comments included:-

- Councillor Sanderson welcomed the focus on rural areas and hoped that roads and transportation would also benefit.

- Councillor Oliver commented that this was a good example of local authorities working together across political boundaries and would bring opportunities to access further funding, such as the recent broadband funding. The deal would create a strong voice for the region which would help to benefit from other opportunities, and he queried whether the 30 years funding mentioned in the report was guaranteed. Mr Paul responded that the funding came with five year gateways, which depended on the combined authority investing wisely and demonstrating economic outputs.
- Councillor Jones queried how the potential effect on areas within her portfolio, such as life expectancy, would be demonstrated. Mr Paul advised that, whilst there was nothing directly for health and social care in the deal currently, further deals where this would feature were expected together with discussions regarding this important issue would commence in due course.
- Councillor Homer welcomed the opportunities which the deal brought. The report was very thorough and she fully supported the recommendations.
- Councillor Riddle queried how the Authority ranked in terms of the division of funding based on population. Mr Paul responded that no decision had been made on the allocation of the investment fund, and there was no indication that it would be distributed based on population. The generation of economic growth was the important factor though there was an understanding that there had to be more investment in rural areas as areas to be taken special account of.

Councillor Daley commented that this was an exciting opportunity for the three authorities and demonstrated how different political parties could work together to improve the life chances of residents.

RESOLVED unanimously that:-

- (a) the content of the report and the attached governance review report (appendix 2) be noted;
- (b) Cabinet agree with the findings of that report, namely:
 - under section 109 of the 2009 Act) the proposed creation of a new mayoral combined authority for the North of Tyne area will improve the exercise of statutory functions in that area; and
 - under section 112 of the 2009 Act) the proposed amendment of the boundaries of NECA will improve the exercise of statutory functions across the existing NECA area.
- (c) Cabinet agree that the NT authorities shall publish a composite scheme for the proposed amendment of the boundaries of NECA and the proposed creation of a new mayoral combined authority for the North of Tyne area (the current draft of which scheme is attached at appendix 3);

- (d) Cabinet agree that the NT authorities undertake public consultation in connection with the proposals contained in the composite scheme beginning on Thursday 14 December 2017 and ending on Monday 5 February 2017;
- (e) Cabinet agree that engagement with NECA and the other constituent authorities within NECA should progress as described in the report;
- (f) Cabinet note that this matter will be reported to Council in February and that further reports will be brought to Cabinet on the progress of these proposals in due course; and
- (g) Cabinet agree that the Chief Executive, in consultation with the Leader of Council, be authorised to take all steps necessary to implement the above proposals, including (but not limited to) making amendments to the scheme prior to its publication for consultation purposes; and
- (h) Cabinet agree that any decisions taken in respect of this matter are to be considered to be urgent, given the timeframe now envisaged for the necessary statutory processes.

(2) Setting the Transport Levy for the North East Combined Authority Budget

Cabinet was asked to approve the Council's budget for 2018/19 with regard to Supported Bus Services and Concessionary Travel to subsequently define the transport levy for Northumberland to be incorporated into the Combined Authority's budget for 2018/19 (copy attached to the signed minutes as Appendix H).

RESOLVED unanimously that the Northumberland Transport Budget and Levy be agreed, and it be incorporated into the Combined Authority's Budget for 2018/19

(3) Local Government Ombudsman investigation into a complaint against Northumberland Council

The report informed Cabinet about the outcome of a Local Government Ombudsman (LGO) investigation into a complaint against Northumberland Council children's social care (copy attached to the signed minutes as Appendix I, along with the report of the Family and Children's Services OSC).

The report of the FACS OSC was presented by Councillor Cessford.

RESOLVED unanimously that:-

- (a) the content of the report be noted; and

- (b) the report of the Family and Children's Services OSC be noted.

46. REPORTS OF THE INTERIM DIRECTOR OF CHILDREN'S SERVICES

(1) Outcome of Consultations on Proposals for Education in Belford

The report set out the results and analysis of the informal consultation process undertaken by the Council on the proposal to reorganise the system of education in Belford. This consultation was carried out at the request of the Governing Bodies of St Mary's CE Middle School, Belford and Belford First School. The report also included a request to Cabinet to permit the publication of a Statutory Proposal (copy attached to the signed minutes as Appendix J, along with the report of the Family and Children's Services OSC circulated at the meeting).

The report of the FACS OSC was presented by Councillor Cessford.

RESOLVED unanimously that:-

- (a) the analysis of the consultation, which took place between 13 September and 1 November 2017, be noted. Cabinet also noted this had led Council officers to recommend an education model in Belford that supported the views of the Governing Bodies of St Mary's CE Middle School and Belford First School, and of the majority of the respondees to the consultation;
- (b) in the light of this report and recommendations from the Family and Children's Services Overview and Scrutiny Committee, approval be given to the publication of a statutory proposal setting out the intention of the County Council to implement the proposals as follows:
 - a. Close St Mary's CE Middle School with effect from 31 August 2018;
 - b. Extend the age range of Belford First School from an age 2 to 9 First School to an age 2 to 11 Primary School with effect from 1 September 2018;
- (c) the implications for Home to School Transport set out in the report be noted;
- (d) the outcomes of the consultation following publication of the Statutory Proposal be brought back to Cabinet in February 2018 for a final decision; and
- (e) the report of the Family and Children's Services OSC be noted.

(2) Education Infrastructure Planning Policy Contribution

The report requested approval for the adoption of a policy in relation to securing housing developer funding contributions for education infrastructure, to ensure the Council continued to meet its statutory obligations in relation to pupil place planning (copy attached to the signed minutes as Appendix K, along with the report of the Family and Children's Services OSC).

Members were advised that the clear policy proposed would provide more clarity and equity to the system, and officers had already been operating on the calculations for the last six months. The figures would be used to grow school capacity as contributions were received by the Authority from developers.

Members very much welcomed the proposals. Councillor Wearmouth asked for further information on what action was proposed for areas of particular pressure including Bedlington and Blyth. Members were advised that a report would be presented to February's Cabinet on the School Organisation Plan which would include that information.

The report of the FACS OSC was presented by Councillor Cessford.

RESOLVED unanimously that:-

- (a) the Education Infrastructure Planning Policy contained at Appendix 1 to the report be adopted;
- (b) the contents of the policy and the methodology and criteria used when requesting developer contributions to support the Council in fulfilling its statutory duty in relation to pupil place planning be noted;
- (c) the report of the Family and Children's Services OSC be noted.

In accordance with MInute No.43 above, Councillor Wearmouth left the room at this point.

47. REPORT OF THE HEAD OF PROPERTY AND CAPITAL PROGRAMMING

Summary of New Capital Proposals considered by Officer Capital Strategy Group

The report summarised proposed amendments to the Capital Programme considered by the officer Capital Strategy Group at its meeting held on 10 November 2017 (copy attached to the signed minutes as Appendix L).

RESOLVED unanimously that Council be recommended to agree as follows:-

- **Retained Fire Stations Ground Source Heat Pumps:** Approve the new budget requirements for Haltwhistle (£79,305) and Wooler (£88,407) retained fire stations; and,
- **Basic Need Grant:** Approve the proposals to use £4,491,406 of the grant for increasing pupil number capacity at New Delaval Primary (£1,049,473), Horton Grange Primary (£2,058,451), Whytrig Middle (£672,457) and, Chantry Middle (£711,025).

Councillor Wearmouth returned.

48. URGENT BUSINESS

The Chair agreed that the following matter could be considered as urgent business on the basis that £415,000 of DfE funding needed to be formally accepted before the next meeting of Cabinet (copy of report attached to the signed minutes).

Kyloe House New Library and Courtyard Works

Mr Turner advised that the business case had been endorsed by the Capital Strategy Group, and the recommendation made that the DfE grant should be accepted to improve the courtyard area and deliver the library, which had been identified as a recommendation in the 2014-15 Ofsted inspection. Contractors were already on site and a variation to the existing contract could be quickly issued.

Members welcomed the funding and its proposed use.

RESOLVED unanimously that the £415,021.80 DfE grant be accepted from government and used for the development of the new courtyard and library works at Kyloe House, as detailed in the business case.

49. EXCLUSION OF PRESS AND PUBLIC

RESOLVED

(a) That under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following items on the Agenda as they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the 1972 Act, and

(b) That the public interest in maintaining the exemption outweighs the public interest in disclosure for the following reasons:-

Agenda Item Paragraph of Part I of Schedule 12A

10 3 - Information relating to the financial or business affairs of any particular person (including the Council).

The public interest in maintaining the exemption outweighs the interest in disclosure because the report contains information on the financial obligations of a third party.

50. REPORT OF THE INTERIM DIRECTOR OF CHILDREN'S SERVICES

Proposal to Support Nunnykirk School in the form of a Financial Guarantee

The report set out the background to a request received from Nunnykirk Centre for Dyslexia for the Council to provide a financial guarantee (copy attached to the signed minutes as Appendix M, coloured pink and marked not for publication, along with the report of the Corporate Services and Economic Growth OSC).

Mr Johnson set out the background to the current position for members, and the ongoing work which was being done with the school.

Members felt it was important for the local authority to have a presence on the governing body going forward, and to have regular update reports on the situation.

RESOLVED that:-

- (a) recommendations (1) and (2) as detailed in the report, be agreed;
- (b) discussions be held with the school regarding an appropriate representative of the Authority to sit on the Governing Body and regular update reports be received; and
- (c) the report of the Corporate Services and Economic Growth OSC be noted.

CHAIR.....

DATE.....