

NORTHUMBERLAND COUNTY COUNCIL

At the Annual Meeting of the **Northumberland County Council** held at County Hall, Morpeth on Wednesday, 2 May 2018 at 3.00 pm.

PRESENT

Councillor P.A. Jackson
(Leader of the Council) in the Chair

MEMBERS

Armstrong, E.	Ledger, D.
Bawn, D.	Moore, R.
Beynon, J.	Murray, A.H.
Campbell, D.	Oliver, N.
Cartie, E.	Parry, K.
Cessford, T.	Pattison, W.
Clark, T.	Pidcock, B.
Crosby, B.	Purvis, M.
Dale, P.A.M.	Quinn, K.
Daley, W.	Reid, J.
Davey, J.G.	Renner-Thompson, G.
Davey, S.	Richards, M.E.
Dickinson, S.	Rickerby, L.J.
Dodd, R.R.	Riddle, J.R.
Dunbar, C.	Roughead, G.
Dunn, L.	Sanderson, H.G.H.
Flux, B.	Seymour, C.
Foster, J.D.	Sharp, A.
Gibson, R.	Simpson, E.
Gobin, J.J.	Stewart, G.
Grimshaw, L.	Stow, K.
Hepple, A.	Swinburn, M.
Hill, G.	Swithenbank, I.C.F.
Homer, C.	Thorne, T.N.
Horncastle, C.W.	Towns, D.
Hutchinson, J.I.	Wallace, R.
Jones, V.	Watson, J.G.
Kennedy, D.	Wearmouth, R.W.
Lang, J.A.	Webb, G.
Lawrie, R.	

OFFICERS

Angus, K.	Director of Human Resources
Elsdon, A.	Director of Finance
Hadfield, K.	Committee Services and Scrutiny Manager

Henry, L.
Johnston, P.
Lally, D.
Roll, J.

Legal Services Manager
Interim Executive Director, Place
Chief Executive
Democratic Services Manager

Around 15 members of the press and public were in attendance.

1. ELECTION OF BUSINESS AND DEPUTY BUSINESS CHAIR

The Leader proposed Councillor Dodd as Business Chair and Councillor Flux as Deputy Business Chair. This was seconded by Councillor Lawrie.

RESOLVED, by a substantial majority, that Councillor Dodd be elected Business Chair, and Councillor Flux Deputy be elected Deputy Business Chair for the ensuing year.

Councillor Dodd in the Chair

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bridgett, Castle, Dungworth, Gallacher, Nisbet, Robinson and Wilson.

3. APPOINTMENT OF CIVIC HEAD AND DEPUTY CIVIC HEAD

Councillor Thorne proposed Councillor Watson as civic head for the ensuing year. This was seconded by Councillor Sanderson.

RESOLVED that Councillor Watson be appointed Civic Head for the ensuing year.

Councillor Dickinson paid tribute to the outgoing Civic Head, Councillor Murray, for his outstanding efforts in the past year, travelling to all parts of the County and he wished to have it recorded that the Labour Group felt he had done a tremendous job in his role.

Councillor Murray thanked all members for their support in the previous year, which had enable himself and his wife to do many interesting things and meet many amazing people. During the year, he was pleased to report that £15,778 had been raised for MacMillan Cancer Care, which would be spent entirely in Northumberland. He hoped Councillor Watson and his consort would have as enjoyable a year as he and his wife Patricia had.

Councillor Watson thanked Councillor Murray for his kind words and presented him with a past Chairman's badge. He added that he would do his best for the County and hoped all members would support him. The Royal British Legion would be his charity, and all proceeds received during the year would be used in the Northumbria area.

He then nominated Councillor Hutchinson as Deputy Civic Head. This was seconded by Councillor Quinn.

RESOLVED that Councillor Hutchinson be appointed Deputy Civic Head for the ensuing year.

4. MINUTES

Councillor Dale queried when she was likely to receive the information on ambulance response times as she had asked for previously. The Business Chair reminded members that NEAS were to attend the Local Area Councils in May.

With regard to Minute No.80 (Medium Term Financial Plan 2018-22 and Budget 2018-19 and Council Tax 2018-19), Councillor Hutchinson referred to comments from Councillor J.G. Davey regarding post 16 transport charges being easy for wealthy rural families, who could afford to take their children to school, and he demanded that an apology be made. Councillor Davey declined to do this.

RESOLVED that the minutes of the following meetings of County Council, as circulated, be confirmed as a true record, signed by the Business Chair and sealed with the Common Seal of the Council:-

- (a) Wednesday, 21 February 2018 (budget)
- (b) Monday 19 March 2018

5. DISCLOSURE OF MEMBERS' INTERESTS

Councillor Dodd disclosed an interest as a governor of the Ambulance Trust Foundation Trust.

Councillor Sharp declared an interest as a governor at two first schools in the west of the County.

Councillor Roughead declared a personal interest in item 17(2) on the agenda (Annual Report of the Standards Committee) as a member of Berwick Town Council which was named in the report.

Councillor Hepple declared an interest as a non executive director of the Northumberland Health Trust.

Councillor Homer declared a personal interest in Active Northumberland generally, and a personal and prejudicial interest in item 15 on the agenda (Active Northumberland Financial Position), advising that she would withdraw from the Chamber whilst that matter was discussed.

6. APPOINTMENTS

The Leader confirmed the portfolio holders and their portfolios as follows:-

Deputy Leader and Children's Services - Councillor W. Daley

Corporate Services and Cabinet Secretary - Councillor N. Oliver

Economic Development - Councillor R. Wearmouth

Environment and Local Services - Councillor G. Sanderson

Planning, Housing and Resilience - Councillor J. Riddle

Culture, Arts, Leisure and Tourism - Councillor C. Homer

Adult Wellbeing and Health - Councillor V. Jones

RESOLVED that the portfolio holders and the portfolios be noted.

7. COMMITTEE APPOINTMENTS

(1) Election of Chairs and Vice Chairs

RESOLVED that the Chairs and Vice Chairs be elected to the Committees and Working Groups as listed in Appendix One to the rear of the agenda.

(2) Appointment of Committees

The Leader advised that the Rights of Way Committee was not to be appointed and its terms of reference would be devolved to the Local Area Councils.

RESOLVED that the Committees and Working Groups listed in Appendix One be appointed, and their terms of reference and delegated powers confirmed as detailed in the agenda.

8. APPOINTMENTS TO OUTSIDE BODIES

With regard to the Northumberland Coast AONB, Councillor Oliver advised that it was not necessary to have the portfolio holder for economic development as one of the nominees so the existing representation would remain.

Councillor Pidcock asked that consideration be given to nominating to the CAB Governing Body. The Business Chair advised that a request had previously been made to the CAB for representation in light of the £160,000 annual contribution made to them. Councillor Jones added that this had been

discussed with CAB, and they had been minded to agree to representation so this would be followed up.

RESOLVED that the following nominations be made to the outside bodies listed below:-

Organisation	Cllrs Appointed
Combined Authority - Economic Development & Regeneration Advisory Board	R. Wearmouth, N. Oliver (sub)
Combined Authority - Governance	M. Swinburn, G. Castle (sub)
Combined Authority - Leadership Board	P. Jackson, W. Daley (sub)
Combined Authority - Overview and Scrutiny	B. Flux, R. Dodd, C. Homer (sub), G. Stewart (sub)
Combined Authority - Transport NE Committee	G. Sanderson, J. Riddle. J. Watson (sub)
Env. Agency's Northumbria Regional Flood & Coastal Cttee	N. Oliver, R. Wearmouth
Kielder Water & Forest Park Development Trust	I. Hutchinson
National Park Authority	E. Cartie, J. Foster, A.H. Murray, J. Riddle, G. Sanderson, A. Sharp
Newcastle Royal Grammar School	T. Thorne
NNTS Joint Committee	To be confirmed
North of England Reserve Forces & Cadets Association	G. Castle
North Pennines AONB Partnership	C. Horncastle
Northumberland Coast AONB Partnership	E. Dunn, R. Moore, G. Renner-Thompson, J. Watson
Northumberland College Board of Governors	W. Daley
Northumberland Inshore Fisheries & Conservation Authority	E. Cartie, E. Dunn, R. Lawrie, W. Pattison, G. Renner Thompson, C. Seymour
Northumbria Police and Crime Panel	J. Riddle, S. Davey
NTC Touring Theatre Company	B. Flux
Pupil Referral Unit Management Committee	W. Daley

9. ANNOUNCEMENTS by the Business Chair, Leader or Head of Paid Service.

The Leader was pleased to report that NECA had voted in support of Northumberland, Newcastle and North Tyneside leaving the Combined Authority. The Authorities remained on good terms and would still be working together on transport and the economic partnership area. Things should start to move quickly now, with the new Authority planned to come into being on 1 July.

The Great Northumberland programme of events would be promoted over the summer. The Great Exhibition of the North was expected to draw in around 3

million people, 1.2 million from outside the region. It was planned to build on this with the County's own programme of events, working in partnership with business and designed for all ages and all parts of the County, with a cultural event every weekend to interest everyone. The official launch had taken place at Hexham Abbey and had been very well received. A brochure and website (great.northumberland.co.uk) had been launched and he encouraged all members to get involved and engage.

The Business Chair was pleased to report that Northumberland National Park Authority had won the Countryfile best national park award.

10. MEMBER QUESTIONS

Question 1 from Councillor G. Hill to Councillor G. Sanderson

Since May 1st 2017, how many fixed notice penalties have been issued by this authority for dog fouling and what is the total amount received through fines during this period? How do these figures compare to the previous twelve months from May 1st 2016 ? Could you also provide a complete written breakdown of fines issued for offences within each electoral division since May 1st 2016?

Councillor Sanderson advised that $\frac{1}{3}$ of households in the county owned a dog, which was a lot of animals. Many owners were responsible but some were not, and measures had been taken such as the green dog walkers scheme and increasing the enforcement team, which had resulted in a 25% reduction in complaints.

A zero tolerance approach to dog fouling had been adopted through targeted enforcement action based upon complaints and local information. Robust action was taken against those owners who allowed their dogs to foul and there was no doubt that the vast majority of Northumberland residents agreed with this policy and support the Authority in this stance. Although the number of FPNs issued were reduced from the previous year, this was believed to be attributable to the success of previous years work, more public awareness and highlighting any prosecutions for this type of offence.

In addition the introduction of our Green Dog Walkers scheme had been an overwhelming success with over 1,000 residents signing up so far. Since the start of the GDW campaign last July there had been a reduction of 26.5% in dog fouling complaints made.

The environmental enforcement/animal welfare team would continue to patrol those areas where there were high levels of complaint and where this offence was prevalent.

Year	FPN issued	Total fines
May - April 17/18	87	£5240
May - April 16/17	98	£6580

Areas where FPNs issued May 2016 - April 2018

Alnmouth 3 Alnwick 4 Amble 14 Ashington 20 Bamburgh 1 Bedlington 10 Belford 1 Berwick 4 Blyth 22 Boulmer 2	Cambois 22 Cresswell 5 Cramlington 14 Druridge Bay 14 Hadston 1 Haltwhistle 4 Hexham 1 Lynemouth 2 Morpeth 4 Newbiggin 7	Pegswood 2 Prudhoe 1 Red Row 2 Seaton Delaval 6 Seaton Sluice 15 Seghill 2 Sleekburn 1 Stakeford 1
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Councillor Hill queried how many fines had been issued in Berwick upon Tweed and asked if more could be done. Councillor Sanderson responded that the figure was either 3, or 6 depending on the year. The Authority would do more if it had help and information from the public, but officers did act quickly and responsively on reports received. The figures were improving as a result of work done.

Question 2 from Councillor G. Hill to Councillor W. Daley

In light of the recent damning Ofsted report regarding Berwick Academy, which gave the lowest grading in every category, placed the school into special measures and found that pupils had been put at “risk” through serious disciplinary and safeguarding failings what steps is this authority now taking?

Councillor Daley advised that all members shared concerns about Berwick Academy. However the law made it impossible for the Authority to intervene in the affairs at the academy unless invited by the Trustees and/or the Regional schools commissioner. That did not mean that the Authority was powerless however.

To date the following actions had been taken and further actions were suggested as follows -

1. Facilitated a meeting for all the schools heads and chairs of governors in Berwick to discuss the wider issues of educational standards. We are also

going to attend a meeting in the next couple of weeks facilitated by the Diocese to attempt to come up with an agreed action plan.

2. Written to the Chair of Trustees (three times) to express our concerns and I have spoken to him several times before the inspection.I will phone him again to attempt to meet him and the new headteacher to discuss our concerns and agree a way forward.

3. Written to both the RSC and the ESFA to express our concerns about the academy, I will continue to bring these issues to their attention.

4. Investigated several safeguarding complaints at the academy and found that the academy has applied all the correct policies and procedures in relation to the individual complaints made. We will continue to investigate safeguarding matters on a case by case basis, clearly the outcomes remain confidential.

5. We have received the Ofsted report, which indicates safeguarding is satisfactory, we will continue to monitor the outcomes of Ofsted monitoring visits - the first of which should take place before the end of term.

Councillor Daley added that he had also spoken to the local MP and he hoped to have a further announcement after discussions with the regional schools commissioner. He assured Councillor Hill that the Authority was doing all it could within its statutory power to improve the education and life chances for those pupils attending Berwick Academy.

Councillor Hill commented that the seriousness of the safeguarding issues could not be overstated, and she asked if a meeting could be arranged between Councillor Daley, Berwick Councillors and the regional schools commissioner to discuss the issues further. **Councillor Daley agreed this could be done.**

Question 3 from Councillor G. Davey to Councillor J. Riddle

Councillor Dodd advised that he would allow the first two questions of those listed.

Since the announcement from Secretary of State Sajid Javid that the Council is now free from the fear of intervention over its removal of the core strategy from Government Inspection and that NCC have promised to complete a new local plan in record time using the costly Planning Advisory Service. (Communications press release 23 /03/2018).

On behalf of communities County-wide we need to know how the current proposals; which include a reduction in housing numbers which will see a decline in economic growth by the Administration will:

1 Deliver growth in the economy of the county and new jobs and increase the working age population

2 Deliver on the Government's priorities for increased Housing Growth.

Councillor Riddle responded that the Administration welcomed the announcement that the Secretary of State did not intend to take any further action in respect of intervention. The Authority had acted on his expectations that the Council should accelerate its plan preparation programme by up to 3 months, and provide greater clarity in the Local Development Scheme timeline as to when key milestones would be achieved.

The revised Local Development Scheme had been published on the Council's website and the timeline had been amended as follows:

Publication of the draft Local Plan (Regulation 19) in January 2019 (as opposed to late February 2019)
Submission of the Local Plan (Regulation 22) in May 2019 (as opposed to July/August 2019)
Examination Hearings in September 2019 (as opposed to December 2019);
and
Adoption of the Local Plan in March 2020 (as opposed to July 2020).

The Administration was grateful for the free advice that had been received from the Planning Advisory Service and was utilising this advice in moving forward with the preparation of the Local Plan.

The Local Plan would make provision for supporting a growing and thriving Northumberland over the plan period within the context of the Council's aspirations, National Planning Policy, and the ambitions of the North of Tyne Combined Authority.

Housing numbers in the emerging Local Plan would be sufficient to meet the needs of all communities and would reflect an ambitious growth-led target.

The Draft Local Plan was nearing completion with key decisions to be made in the coming months prior to the public consultation on the draft Plan in July 2018. The production of the Plan was occurring at pace and therefore many specific provisions were yet to be agreed by members as officers continued to develop the Local Plan which had not yet been approved by Cabinet as it was still emerging.

When the draft Local Plan was published in July for consultation it would answer in full the eight separate questions being asked. **In the meantime Councillor Riddle advised he was happy to provide written responses.**

Councillor Davey asked if the Council was going to invest in new social housing, and if so, how many social homes were expected to be developed over the remaining lifetime of the current Administration. Councillor Riddle did not have a specific number available so would have to investigate but in reference to assisting both housing associations and Council developed social housing, he responded that the Council would seek to optimise social housing as part of any North of Tyne housing deal and through the housing revenue account. The Council would also continue to work with housing associations to

provide affordable housing through S016 planning obligations and agreements.

11. CABINET MINUTES

With regard to Minute No. 65 (Consultation Exercise for Proposed Changes to Post 16 Transport Policy), Councillor J.G. Davey acknowledged that some support was being provided for those on two types of benefit, but was concerned that no protection was being offered to those on the edge of affordability. He asked how the Administration was to protect those just below the benefit level. There was a £50 charge to qualify and this would be used to create jobs.

The Leader reminded members that pupils were currently paying a £600 annual charge introduced by the Labour administration, which was extremely discriminatory and taxed the very people Councillor Davey was referring to. The charge was a £25 pa admin fee, and Councillor Oliver pointed out that this was refunded after the application process if the student did not qualify.

Councillor Davey responded that the two schemes were not comparable and the reason for the £600 charge had not been about affordability, but to address abuses of the system where pupil transport had been funded to their place of choice, regardless of where that was. Under the previous scheme, students had not been prevented from getting to their local schools, and it had allowed the expansion of local sixth forms in schools. The new scheme had some limits on its travel but it would still be to the nearest venue for the course of choice, and that could be anywhere. The Administration's proposals would have a massive cost and in the main, it was the wealthiest who would benefit from it.

With regard to Minute No. 64(1) (Medium Term Financial Plan and Budget), Councillor Dale felt there was a need for clarity on the exact deficit and the timeframes involved as the external auditors had been very clear that it was £30m, not £65m, which covered a different timespan. She was happy to discuss this further with the Leader. The Leader did not feel that Councillor Dale understood the financial position which had been inherited, including the financial support required to Active Northumberland, the lack of dividend from Arch and no capital repayment plan for the loans. When the accounts had been examined in detail, £65m pa of savings for the next three years had been identified and he urged her to read the budget papers properly for these details. Councillor Dale responded that she would take the issue up with the external auditor as £1m of funding had been given by Arch to Active Northumberland.

Councillor Oliver felt that it was important for all members to understand the business case for loans to Arch totalling around £300m. Arch were not paying enough interest back to cover the cost of interest to the Council or to cover the cost of capital provision on those loans. A report produced in February by the

S151 officer showed a deficit of around £600,000. In addition, in the next five years, £269m of Council debt needed to be refinanced and when this happened, the cost of the debt to the Council would be higher than it currently was, so that loss of £500,000 pa would actually increase, saddling future generations with debt accrued in recent years.

With regard to Minute No. 65 (Consultation Exercise for Proposed Changes to Post 16 Transport Policy), Councillor Pidcock asked what empirical evidence there was that the post 16 transport charge had acted as a disincentive to stay in education and a strain on families. The Leader responded that there seemed to be a general lack of understanding about the effect this charge had had. The evidence he had from speaking to families was that they were relieved, especially those with two or three children in poorer areas. One of the poorest areas in the County was Berwick, and youngsters there needed to have the same access to post 16 education as anywhere else. Councillor Daley commented that it was a pity none of these points had been raised during the recent consultation on this.

Regarding Minute No. 69(a) (County Hall External Works) Councillor Reid queried the arrangements for the decant. Councillor Oliver advised that staff would be moved around within County Hall as much as possible and staff were confident that there was enough space to do this in stages.

Councillor Dickinson referred to the Leader's comments shortly after the election that his Group had inherited a strong and stable organisation, and asked whether he had been lying then, or was he lying now? The Leader responded that that statement had been made in the first week and he had believed it to be true at the time. However, after several officers had advised him that the budgets could not be delivered and he had looked at the detail, he had eventually realised the extent of the deficit.

Councillor Campbell commented that if the EMA allowance introduced by the Labour Government was still in existence then taxpayers money would not be needed to pay for transport.

Councillor Oliver again appealed to members for a debate on the County Hall refurbishment programme based on accurate information, having seen various figures on social media including a figure of £57m quoted on the Ashington Labour Party Facebook page, which was clearly not true and not helpful. Councillor Grimshaw asked that the Leader be open about the actual costs of the refurbishment programme, or the running total as the refurbishment progressed. She also asked whether it would be DDA compliant.

The Leader moved the minutes of Cabinet meetings as detailed in the agenda, and the resolutions highlighted which involved budget and policy framework matters and which required Council approval. This was seconded by Councillor Dodd. It was therefore **RESOLVED** that:-

(a) the following minutes be received:

(i) **Tuesday, 8 February 2018**

- (ii) **Tuesday, 13 February 2018**
- (iii) **Tuesday, 20 February 2018**
- (iv) **Tuesday, 13 March 2018**
- (v) **Monday, 19 March 2018**
- (vi) **Tuesday, 10 April 2018**

(b) the following resolutions be approved as they involve budget and policy framework matters requiring Council approval:-

- (i) **Minute No. 69 of the 13 February 2018** meeting relating to the new capital proposals considered by Officer Capital Strategy Group
- (ii) **Minute No. 75 of the 13 March 2018** meeting relating to the new capital proposals considered by Officer Capital Strategy Group
- (iii) **Minute No. 82 of the 10 April 2018** meeting relating to the new capital proposals considered by Officer Capital Strategy Group

12. COMMITTEE MINUTES

(1) Corporate Services and Economic Growth OSC

These were presented by Councillor Bawn.

RESOLVED that the minutes of the Corporate Services and Economic Growth OSC be received.

(2) Family and Children's Services OSC

These were presented by Councillor Renner Thompson.

RESOLVED that the minutes of the Family and Children's Services OSC be received.

(3) Communities and Place OSC

These were presented by Councillor Reid.

RESOLVED that the minutes of the Communities and Place OSC be received.

(4) Health and Wellbeing OSC

These were presented by Councillor Watson.

RESOLVED that the minutes of the Health and Wellbeing OSC be received.

(5) Health and Wellbeing Board

These were presented by Councillor Dodd.

RESOLVED that the minutes of the Health and Wellbeing Board be received.

(6) Audit Committee

These were presented by Councillor Hill.

Councillor Hill referred to the Annual Governance Statement report (Minute No. 41(1)) which had been deferred so it could be given more detailed consideration, and welcomed input from any member on this issue. She also referred to Minute No. 38 (Arch Group Board Matters of Concern) and the concerns about abuse of hospitality which had received media attention at the meeting. She thanked members and officers for attending a busy and lengthy meeting.

With regard to resolution number five of that minute, Councillor Towns asked if there was any update on the position. Councillor Hill advised that a complaint had now formally been made to the Monitoring Officer following the Committee's decision.

Councillor Swinburn asked for further explanation of the reference to audit being used as a consultancy. Councillor Hill advised that the Audit Committee had previously been given reports to view i.e they had been told which areas to audit, and there had also been flaws in the membership of Arch's internal audit team.

Councillor Grimshaw asked if the Arch Board had agreed the content of the report to the Audit Committee, and had they agreed that it could be made available to the public? Councillor Wearmouth advised that the Board had considered it, noted the content and referred the report to the Audit Committee. He did not think that a position had been formed either way as to agreeing the content. That had been a decision for the Council. **Councillor Grimshaw asked if this could be established for clarification and Councillor Wearmouth agreed that it would.**

Councillor Pidcock asked how the press and public could have been invited to make comments on such a subject matter, when he as an elected member had been asked to leave a meeting of the Audit Committee. He asked if this was double standards or discrimination on the grounds of political affiliation, or both. The Business Chair replied that the meeting in question had been considering confidential matters and other non-committee members had also been asked to leave. He had sought clarification of his own position at that meeting, and had been permitted to stay in his role as Business Chair, for which there was precedent.

Councillor Dale commented that all Arch Board members should all have signed up to a S206 agreement under the Companies Act 2006. She then referred to a previous FOI request about Councillor Jackson in his position as an Arch Board member. The Business Chair, having taken advice from the Monitoring Officer, advised Councillor Dale that she should not proceed any further with this line of comment. Councillor Dale advised that in that case, she

would make a formal complaint to Audit about the 2006 Act and the Board of Directors.

With regard to the Annual Governance Statement report (Minute No. 41(1)), Councillor Dale felt that the withdrawal of the core strategy should be referenced as a high risk in the AGS. She felt that all of the relevant information on this issue should be shared with the external auditors as, in her opinion, members had been misled. **The Business Chair noted these comments and advised that they would be considered.** Councillor Hill welcomed members' comments on the AGS.

RESOLVED that the minutes of the Audit Committee be received.

(7) Devolution Working Group

These were presented by the Leader.

RESOLVED that the minutes of the Devolution Working Group be received.

13. DELEGATED DECISIONS

RESOLVED that the delegated decisions be noted.

In accordance with Minute No.5 above, Councillor Homer left the meeting at this point.

14. REPORT OF THE DIRECTOR OF FINANCE

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. The report requested that additional funding up to a maximum of £2.635 million be made available from Council balances to fund the 2017-18 projected deficit for Active Northumberland. Comments from the Active Northumberland Board had been circulated to members (copy attached to the sealed minutes).

Councillor Oliver drew attention to what members were being asked to do and set out some of the background to the current position:-

- An inadequate and unrealistic budget
- No clear focus for Active Northumberland
- No clear lines of responsibility between the Council and the Board
- Board not kept properly informed

- No proper management information shared
- Political interference by officers and members
- No proper business plan
- Culture of fear in the organisation and proper recruitment procedures not followed
- Capital investment made on a whim
- Major issues not dealt with in a timely way

Councillor Oliver then outlined the actions which had been put in place since May including the appointment of a new Chief Executive, a clear operating agreement with the Council being developed, and a clear business plan had been put in place along with detailed financial forecasts. The Administration was determined to ensure that leisure services were properly provided in Northumberland and he moved the report's recommendations.

This was seconded by Councillor J.G. Davey who supported the continuation of Active Northumberland, but wished to challenge some of Councillor Oliver's comments. A review into the organisation in 2015 had resulted in a risk assessment and business plan being completed. Problems had been identified and therefore some of the burden had been reduced by taking £891,000 worth of work back to the Council and a further £2,574 was removed in the budget. There had been no further reports to his Cabinet before the election in May to identify that there were any additional problems. He was also disappointed with some of the comments from the Active Northumberland Board. Decisions had been made by the Board and not the Council as there had been a simple client/contractor arrangement. The problems seemed to have been between the management of Active Northumberland and its Board, not between the Board and the Council. Some of the issues raised he could not comment on, but his Administration had not let Active down. Regarding job evaluation for Active, the HR department of the Council had recommended the £103,000 which went into the budget to cover this, and it had clearly been radically wrong.

The Leader questioned Councillor Davey's recollection of events and reminded members that they were being asked to approve a rescue package for a major service, which would not be able to continue otherwise. There had been persistent and systemic mismanagement of the service for a number of years. A number of fundamental issues could not be established as being in existence. For example, job evaluation had had to be done as staff were being paid on vastly different wages. He highlighted some of the points made by the Board in the document which had been circulated, including decisions to transfer services to and from Active by the Council, lack of consultation on the application of the savings, and lack of opportunity by the Board to identify how they could be achieved. £500,000 had been wasted on services from an

external call centre for work that leisure centre reception staff were being paid to do, and he felt that the comments from the Active Northumberland Board needed to be given the weight they deserved. He suggested that the previous Leader and Deputy Leader should make a sincere apology for the position which had been reached.

Councillor Dale raised the issue of business rates not being applicable to charities. What was the financial effect of organisations such as Active, Woodhorn and Hadrian's Wall being transferred back to the Council? Councillor Oliver advised that this took place on 01.04.17 before the election, and this had had the effect of reducing the burden not increasing it. Councillor Dale suggested that this would increase the burden on the County Council as then business rates would become payable. She suggested that this be checked.

Councillor J.G. Davey felt there was a lack of understanding on the Leader's part. The dates of the burden removal placed in the Council's budget meant that the previous administration had not run that budget. The current Administration had not put an emergency budget in on taking power, and activities such as the transfer of staff would not have happened before the first week in May, so this had gone under the Conservative watch. The burden removal was a saving to the current Administration in Active and a burden on the Council. His Group supported the saving of Active Northumberland but was disappointed that no-one in Active knew there was a change to the business rate scheme, and the statements showed there had been a management problem in the Board.

Councillor Oliver referred members to paragraph 5 on page 155 of the agenda and the decision to end the discretionary rate relief which Active Northumberland had benefited from. This had been contained in the 2017-18 budget, which was the Labour budget. Councillor Davey replied it had been removed for application. The Council had to apply as it was not allowed automatically.

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.

Councillor Homer returned to the meeting at this point.

15. REPORT OF THE CHIEF EXECUTIVE

Community Governance Review

Council was asked to consider the outcome of a community governance review in the County.

RESOLVED that:-

- (a) the outcome of the community governance review for Longhoughton Parish Council be agreed; and
- (b) the Democratic Services Manager be authorised to make, sign and seal the appropriate orders for the changes by virtue of the powers contained in the Local Government and Public Involvement in Health Act.

16. ANNUAL REPORTS

(1) Overview and Scrutiny

(a) Corporate Services and Economic Growth OSC

This was presented by Councillor Bawn

(b) Communities and Place OSC

This was presented by Councillor Reid

(c) Health and Wellbeing OSC

This was presented by Councillor Watson

(d) Family and Children's Services OSC

This was presented by Councillor Renner Thompson

(2) Standards Committee

This was presented by Councillor Armstrong

(3) Pension Fund Panel

This was presented by Councillor Watson

(4) Armed Forces and Veterans' Champions

This was presented by Councillor Ledger

RESOLVED that the annual reports be received.

The Common Seal of the County Council
of Northumberland was hereunto affixed
in the presence of:-

.....
Chair of the County Council

.....
Duly Authorised Officer