

NORTHUMBERLAND COUNTY COUNCIL

CABINET

At a meeting of the **Cabinet** held in Committee Room 1, County Hall, Morpeth on Friday 24 May 2019 at 9.00am.

PRESENT

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

CABINET MEMBERS

Daley, W.
Homer, C.
Jones, V.

Oliver, N.
Sanderson, H.G.H.
Wearmouth, R.

OTHER MEMBERS

Dodd, R.
Hill, G.

Roughead, G.
Watson, J.G.

OFFICERS IN ATTENDANCE

| | |
|-----------------|--|
| Angus, K. | Executive Director HR/OD and Deputy Chief Executive |
| Bradley, N. | Service Director – Strategic Commissioning and Finance |
| Hadfield, K. | Committee Services and Scrutiny Manager |
| Johnson, P. | Interim Executive Director of Place |
| Lally, D. | Chief Executive |
| McEvoy-Carr, C. | Executive Director of Adult Social Care and Children's Services |
| Roll, J. | Democratic Services Manager |
| Scholes, A. | Interim Executive Director of Finance |
| Tilson, P. | Principal Solicitor |

3 members of the press and public were in attendance.

Ch.'s Initials.....

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Riddle.

2. MINUTES

RESOLVED that the minutes of the meeting of Cabinet held on 29 April 2019, as circulated, be confirmed as a true record and signed by the Chair.

3. REPORT OF THE HEAD OF PROPERTY SERVICES AND CAPITAL PROGRAMMING

Replacement of Berwick Leisure Centre

The report sought agreement to the continued development of improved leisure facilities in Berwick in the form of a new leisure centre on the existing Swan Centre site (copy attached to the signed minutes as Appendix A).

Councillor Homer was pleased to present this report to Cabinet. Following the meeting in Berwick almost a year ago, two public consultation exercises had been undertaken with a significant number of responses made from the public, stakeholders and local members. She was delighted that so many facilities which had been suggested had been incorporated into the design. This would be the first purpose built centre to incorporate health, leisure and social care which would break down many barriers. It would also provide a welcome addition to the local tourism offer by extending the season and the inclusion of wet weather facilities. This was an investment into a community facility in Northumberland and she commended the report to members.

Members fully supported the proposals.

RESOLVED that Cabinet agree the following actions:

1. Submission of a planning application.
2. Completion of detailed design;
3. Procurement of a main contractor to construct the facility; and
4. Entering into a building contract for the construction of a new build leisure centre on the existing Swan Centre site in Berwick-upon-Tweed within an overall estimated capital cost of £20.5m.

4. REPORT OF THE INTERIM EXECUTIVE DIRECTOR OF FINANCE

Financial Performance 2018-19 Provisional Outturn

The report provided members of Cabinet with the Council's 2018/19 provisional outturn position for both Revenue and Capital, and details of the movement in reserves and provisions (copy attached to the signed minutes as Appendix B).

The report was presented by Councillor Oliver. The Administration was now half way through its term and the Council's finances were now in a much healthier position than they had been. Debt had been stabilised and the Authority was no longer borrowing. There was a clear plan to deliver revenue savings, and an ambitious capital programme to make Northumberland a better place to live. Recurrent savings targets were being delivered early, which meant that less capital was being borrowed.

He detailed the main areas of underspend and overspend in the report and highlighted the recommendations including the use of underspends to support Active Northumberland, to increase the provision for equal pay and to create a legal fees reserve, and the creation of reserves to support the next stage of the Newcastle Northumberland Rail Line and a Council Transformation Fund.

Councillor Daley felt the key message was that this was a positive and ambitious programme. He referred to the overspend on out of county placements and detailed some of the action which had already been taken by the Administration to address the situation through investment in SEN provision in Ashington and Blyth and at the Priory School. He was determined that a solution would be delivered.

The Leader commented that the Council was now on a stable financial track through the Administration's work. A great number of things could be achieved by harnessing the Authority's power and he thanked Councillor Oliver for his work on this. Councillor Oliver advised that officers across the Authority had contributed and should be commended for it.

RESOLVED that:-

- (a) the report be noted;
- (b) the creation of a reserve funded from the in-year underspend set aside to fund the feasibility costs of the next stage of the business case for the Newcastle Northumberland Rail Line totalling £3.460 million, as approved by the Full Council on 1 May 2019, be noted;

- (c) the underspend of £11.238 million be noted;
- (d) the following use of the underspend be approved:
- Active Northumberland contribution of £0.300 million.
Due to changes in the financial assumptions used to set the 2018/19 Active Northumberland (AN) budget and positive actions within AN, which have reduced the outturn losses to £0.300 million, Cabinet is requested to consider a one off increase in the management fee of the equivalent value.
 - Increase in the Provision for Equal Pay of £1.843 million
An increase to the Equal Pay provision of £1.843 million is requested. This will cover HMRC liabilities totalling £2.764 million, consisting of employers tax contributions £1.873 million, penalty payment £0.570 million and interest payment of £0.321 million.
 - Creation of a reserve for legal fees of £1.000 million
The creation of a reserve of £1.000 million to fund the legal fees required to secure the Council's interests in a number of ongoing Disputes;
- (e) the balance of £8.095 million remaining be noted:

| | £m |
|---|--------------|
| 2018/19 Underspend | 11.238 |
| - Contribution to Active Northumberland | 0.300 |
| - Equal pay provision to cover HMRC liability | 1.843 |
| - Reserve for legal fees | 1.000 |
| Balance available | 8.095 |

- (e) the transfer of the balance on the General Fund (provisional figure £8.095 million) to the Council Transformation Fund Reserve be approved;
- (f) the level of reserves at 31 March 2019 of £238.541 million as detailed in Appendix A be noted;
- (g) the level of provisions at 31 March 2019 of £9.676 million as detailed in Appendix A be noted;
- (h) Cabinet approve the reprofiling of £18.343 million to the capital medium term financial plan, which is in addition to £81.027 million that was

approved by Council on 20 February 2019 as part of the 2019-2022 Medium Term Financial Plan; and

(i) the Interim Executive Director of Finance (Section 151 Officer) be authorised to finalise the outturn figures once the Statement of Accounts has been prepared, in consultation with the Portfolio Holder for Corporate Services.

5. NOMINATIONS TO OUTSIDE BODIES AND MEMBER CHAMPIONS

Cabinet was asked to consider its nominations to outside bodies (copy attached to the signed minutes as Appendix C) and member champions.

RESOLVED that the nominations detailed in Appendix C, and the following member champions, be agreed:

Older Persons – Veronica Jones

Armed Forces – Jeff Watson

Veterans – Gordon Castle

Heritage – Jeff Watson

Healthy Living – TBC

End of Life Care – Eileen Armstrong

Mental Health - Trevor Cessford

CHAIR.....

DATE.....