

NORTHUMBERLAND COUNTY COUNCIL

CORPORATE SERVICES AND ECONOMIC GROWTH OVERVIEW AND SCRUTINY COMMITTEE

At a meeting of the **Corporate Services and Economic Growth Overview and Scrutiny Committee** held in the Committee Room 1, County Hall, Morpeth on Monday, 10 February 2020 at 10.00am.

PRESENT

Councillor D. Bawn
(Chair, in the Chair)

COUNCILLORS

Beynon, J.	Roughead, G.
Cessford, T.	Seymour, C.
Parry, K.	Simpson, E.
Robinson, M.	Swithenbank, I

ALSO PRESENT

Bowman, L.	Lang, J.
Daley, W.	Oliver, N.
Dunn, L.	Reid, J.
Dungworth, S.	Renner-Thompson, G.
Homer, C.	Sanderson, G.
Jackson, P.	Wearmouth, R.
Jones, V.	Watson, J.

OFFICERS

Angus, K.	Deputy Chief Executive
Bird, M	Senior Democratic Services Officer
Dunn, A.	Principal Accountant
Hand, C.	Executive Director of Finance and Section 151 Officer
Lally, D.	Chief Executive
McNaughton, S.	Strategic Transport Manager
Nicholson, S.	Scrutiny Coordinator
Stewart, A.	Finance Manager

32. APOLOGIES FOR ABSENCE

Apologies from committee members were received from Councillor Grimshaw. Some scrutiny members invited for the budget item had also submitted their apologies - Councillors Nisbet, Pattison, Stewart and Swinburn.

33. MINUTES

RESOLVED that the minutes of the meeting of the Corporate Services and Economic Growth OSC held on 9 December 2020, as circulated, be confirmed as a true record and signed by the chair.

33. FORWARD PLAN OF KEY CABINET DECISIONS

Members received details of forthcoming reports to be considered by the Cabinet. (Schedule enclosed with the signed minutes as Appendix A.)

RESOLVED that the information be noted.

34. CABINET REPORTS PREVIOUSLY CONSIDERED BY THE COMMITTEE

Members received details of Cabinet decisions regarding issues previously commented on and been subject of report by this committee. (Summary enclosed with the signed minutes as Appendix B.)

RESOLVED that the information be noted.

34. SCRUTINY OF CABINET REPORTS

The three reports on the agenda would be considered by Cabinet on 11 February 2020. The committee were asked to comment on the proposals contained in the reports.

The Chair referred to the invite sent to members of all four Northumberland overview and scrutiny committees to attend and participate in the discussion of the budget report, and indicated that he would also allow questions from them on the other two agenda items.

35. 35.1 REPORT OF THE EXECUTIVE DIRECTOR OF FINANCE AND S151 OFFICER

Budget 2020-21 and Medium Term Financial Plan 2020-22

The purpose of this report is to enable the Cabinet to make formal budget

recommendations to the County Council.

The report (enclosed with the official minutes of the meeting) provided the Revenue Budget for 2020-21 and 2021-22 and the Capital Plans for 2020-21 to 2022-23, following the Government's Spending Round Announcement 2019 (SR 2019), on 4 September 2019, and the publication of the provisional Local Government Finance Settlement on 20 December 2019. There might need to be some revisions to the figures following receipt of the Government's February 2020 Final Local Government Finance Settlement figures. It was proposed that any changes to the figures as a result of this announcement, which impacted on the Budget 2020-21 and Medium Term Financial Plan 2020-22 were delegated to the Council's Section 151 Officer in consultation with the Portfolio Holder for Corporate Services.

Councillor Peter Jackson, Leader of the Council and Nick Oliver, Cabinet Member for Corporate Services and Cabinet Secretary presented this report. The Leader reported that the budget was about increases in funding and how best to manage demand, particularly in adult social care and children's services. He was keen to see greater innovation in upgrading service provision for the county's residents. The Council was continuing to push for cultural changes through a One Council approach; digital transformation, and its transformation programme. Town centre transformation, particularly in Ashington, Bedlington, Blyth and Hexham, was key to the Capital Programme together with new leisure centres, schools and progressing the Northumberland Line Project. He was also pleased to announce that an additional £15m would be available to repair and upgrade pavements in towns and housing estates, and minor roads in the county.

Members sought clarification on a number of issues arising from the Leader's statement and the accompanying report. In addition, scrutiny members made a number of key points, to which Cabinet members responded. The key details of each were:

- pavement/minor roads improvement: the £15m programme of works was being drafted and members were requested to highlight any areas of highway for possible inclusion to Councillor Sanderson. The allocation of the funding was expected to be guided by route condition surveys
- efficiency reviews: a number had started and others had been identified. Whilst efficiencies would be sought from certain areas of services, their overall budgets were increasing. Quarterly reports were produced on performance, which Cabinet monitored monthly. Efficiencies for 2021/22 had not yet been fully identified as they were work in progress
- electric car charging points: the Council was investing £500,000 and would seek to make only a reasonable charge for their use: 25p per kilowatt hour. It would neither be a subsidised or income generating service, but one to make Northumberland's economy greener
- the Northumberland Line was very important for connectivity in south east Northumberland. Some concerns were raised about the two phase delivery and any danger of it not progressing due to the impact of other larger rail projects: it was hoped that an announcement on funding would be made by the Chancellor at the next budget. The Leader confirmed that he had made

representations to the Government that the project should be delivered in one phase to ensure that the project would be more cost effective

- a request was made for information about why the predicted £1m income from Adult Services through the Community Capacity Grant had not come to fruition; a written answer would be provided after the meeting
- the Empty Homes Repair and Lease project: this was being supported by £345,000 of new government funding to bring empty homes back into habitation
- Blyth Sports Centre: the relocation of the Northumberland Adult Learning Service was expected to take place during 2021/22
- a member referred to the option of calling a local referendum in future about increasing council tax beyond 2% to generate more funding.

RESOLVED that Cabinet be asked to note the issues raised by this committee.

35.2 REPORT OF THE INTERIM EXECUTIVE DIRECTOR: REGENERATION, COMMERCIAL & ECONOMY

The Northumberland Line - Rail Network Enhancements Pipeline Progress

The report (enclosed with the official minutes as Appendix C) provided Cabinet with an update on progress on the Northumberland Line project in the last 12 months including the development of the project from Strategic Outline Business Case to Outline Business Case; an update on emerging funding opportunities for the project including the Transforming Cities Fund, Beeching Reversal Fund and Rail Network Enhancements Pipeline (RNEP); and an overview of the programme and costs associated with the next stages of the project and how this could be funded.

The item was further introduced at the meeting by the Cabinet member for Regeneration and further details provided by the Strategic Transport Manager.

The committee sought clarification on and commented on a number of issues arising to which the Cabinet member for Regeneration and Strategic Transport Manager responded, of which the key points were:

- it was hoped that should government funding be confirmed in the budget, it would enable the project to be progressed in a single phase
- cleaner technologies such as battery operated rolling stock could be utilised
- work was being undertaken to exploit economic development opportunities along the rail line. It was anticipated that each station would provide a 'hub' to attract development, including possibly linking with cycling routes, plus reference was made to possible Section 106 contributions
- although there are still options to be looked at regarding who would operate the rail service, it was important to get the ticketing regime right and competitive to ensure its success
- the proposals were welcomed and supported, particularly for the likely carbon reduction impact.

RESOLVED that, the recommendations to Cabinet be supported.

35.3 REPORT OF THE CHIEF EXECUTIVE

Proposed Incorporation - Group Holding Company for Northumberland County Council

The purpose of this report (attached to the official minutes) was to recommend to members that the Council established a group holding of limited companies to support the expansion of commercial business opportunities being developed. To enable the Council to understand the risks, implications and opportunities with establishing a group holding of limited companies.

Councillor Nick Oliver, Cabinet Member for Corporate Services and Cabinet Secretary presented the report and advised that the companies would be wholly owned by the Council and would be subject to scrutiny as appropriate. It was proposed that they would be used to provide commercial opportunities to sell the Council's services and expertise to third parties. In turn, it was anticipated that this would enable the Council to provide additional, non statutory, services to Northumberland residents.

In response to questions members were further assured that this was not privatisation and it would have no impact on core county council services.

RESOLVED that the recommendations to Cabinet be supported.

36. REPORT OF THE SCRUTINY CO-ORDINATOR

Corporate Services and Economic Growth Overview and Scrutiny Committee Work Programme and Monitoring Report

Members received the committee's work programme and monitoring report for the 2019/20 council year. (Report enclosed with the signed minutes as Appendix D.)

Members were advised of one change to the work programme - the 'Review of the Northumberland Cultural Fund' item had now slipped to the 6 April meeting.

RESOLVED that the work programme be noted.

Chair _____

Date _____