



Northumberland

County Council

Your ref:

Our ref:

Enquiries to: Rebecca Greally

Email:

democraticservices@northumberland.gov.uk

Tel direct: 01670 622616

Date: Friday, 2 December 2022

Dear Sir or Madam,

Your attendance is requested at a meeting of the **CORPORATE SERVICES AND ECONOMIC GROWTH OSC** to be held in **CONFERENCE ROOM 1, COUNTY HALL, MORPETH, NORTHUMBERLAND, NE61 2EF** on **MONDAY, 12 DECEMBER 2022** at **10.00 AM**.

Yours faithfully

Rick O'Farrell
Interim Chief Executive

To Corporate Services and Economic Growth OSC members as follows:-

D Bawn (Chair), J Beynon, L Dunn (Vice-Chair), P Jackson, M Murphy, N Oliver, A Wallace, C Taylor, M Robinson and P Ezhilchelvan

Portfolio Holder: R Wearmouth, W Ploszaj



Rick O'Farrell, Interim Chief Executive
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AGENDA

PART I

It is expected that the matters included in this part of the agenda will be dealt with in public.

1. APOLOGIES FOR ABSENCE

2. MINUTES

(Pages 1
- 6)

Minutes of the meetings of the Corporate Services and Economic Growth OSC held on 10th October 2022, as circulated, to be confirmed as a true record and signed by the Chairman.

3. DISCLOSURE OF MEMBERS' INTERESTS

Unless already entered in the Council's Register of Members' interests, members are required where a matter arises at a meeting;

- a. Which **directly relates to** Disclosable Pecuniary Interest ('DPI') as set out in Appendix B, Table 1 of the Code of Conduct, to disclose the interest, not participate in any discussion or vote and not to remain in room. Where members have a DPI or if the matter concerns an executive function and is being considered by a Cabinet Member with a DPI they must notify the Monitoring Officer and arrange for somebody else to deal with the matter.
- b. Which **directly relates to** the financial interest or well being of a Other Registrable Interest as set out in Appendix B, Table 2 of the Code of Conduct to disclose the interest and only speak on the matter if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain the room.
- c. Which **directly relates to** their financial interest or well-being (and is not DPI) or the financial well being of a relative or close associate, to declare the interest and members may only speak on the matter if members of the public are also allowed to speak. Otherwise, the member must not take part in discussion or vote on the matter and must leave the room.
- d. Which **affects** the financial well-being of the member, a relative or close associate or a body included under the Other Registrable Interests column in Table 2, to disclose the interest and apply the test set out at paragraph 9 of Appendix B before deciding whether they may remain in the meeting.
- e. Where Members have or a Cabinet Member has an Other Registerable Interest or Non Registerable Interest in a matter being considered in exercise of their executive function, they must notify the Monitoring Officer and arrange for somebody else to deal with it.

NB Any member needing clarification must contact monitoringofficer@northumberland.gov.uk. Members are referred to the Code of Conduct which contains the matters above in full. Please refer to the guidance on disclosures at the rear of this agenda letter.

- 4. FORWARD PLAN OF CABINET DECISIONS** (Pages 7 - 8)
- To note the latest Forward Plan of key decisions. Any further changes made to the Forward Plan will be reported to the Committee.
- 5. BUDGET 2023-24 AND MEDIUM TERM FINANCIAL PLAN 2023-27** (Pages 9 - 22)
- This report provides an update on the development of the 2023-24 Budget and the Medium-Term Financial Plan (MTFP) covering the period 2023 to 2027.
- Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services is requested to attend for this item.*
- 6. COUNCIL-OWNED COMPANY GOVERNANCE FRAMEWORK** (Pages 23 - 36)
- The purpose of this report is to propose a Council-owned Company Governance Framework to ensure a consistent approach and set of considerations are made to the governance arrangements for existing, or in the establishment of, companies wholly or partly owned by Northumberland County Council (NCC). This report refers particularly to Governance from the Company perspective but also deals with the interaction between Company and Council as Shareholder; future reports will concentrate on governance from the shareholder perspective.
- Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services is requested to attend for this item.*
- 7. DEBT RECOVERY UPDATE** (Pages 37 - 54)
- The purpose of this report is to provide the Corporate Services and Economic Growth Overview and Scrutiny Committee with information relating to the level of outstanding debt owed to the Council so that the Committee may satisfy itself as to the efficiency and effectiveness of its collection and recovery policies and systems.
- Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services is requested to attend for this item.*
- 8. ECONOMIC DEVELOPMENT** (Pages 55 - 66)
- Committee will receive a presentation which will provide an update on the regeneration within the County.
- Councillor Wojciech Ploszaj, Portfolio Holder for Business is requested to attend for this item.*
- 9. WORK PROGRAMME** (Pages 67 - 72)
- The Committee is asked to review and note the Corporate Services and Economic Growth Overview and Scrutiny Committee Work Programme for

the 2022/23 council year.

10. URGENT BUSINESS

To consider such other business as, in the opinion of the Chair, should, by reason of special circumstances, be considered as a matter of urgency.

IF YOU HAVE AN INTEREST AT THIS MEETING, PLEASE:

- Declare it and give details of its nature before the matter is discussed or as soon as it becomes apparent to you.
- Complete this sheet and pass it to the Democratic Services Officer.

Name:		Date of meeting:	
Meeting:			
Item to which your interest relates:			
Nature of Interest i.e. either disclosable pecuniary interest (as defined by Table 1 of Appendix B to the Code of Conduct, Other Registerable Interest or Non-Registerable Interest (as defined by Appendix B to Code of Conduct) (please give details):			
Are you intending to withdraw from the meeting?		Yes - <input type="checkbox"/>	No - <input type="checkbox"/>

Registering Interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

"Disclosable Pecuniary Interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest.

Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in **Table 2**), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in **Table 1**) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

8. Where a matter arises at a meeting which **affects** –

- a. your own financial interest or well-being;
- b. a financial interest or well-being of a relative or close associate; or
- c. a financial interest or wellbeing of a body included under Other Registrable Interests as set out in **Table 2** you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied

9. Where a matter (referred to in paragraph 8 above) **affects** the financial interest or well- being:

- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise, you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Where you have an Other Registerable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and Property	Any beneficial interest in land which is within the area of the council. ‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.
Licenses	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer
Corporate tenancies	Any tenancy where (to the councillor’s knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body

	<p>where—</p> <p>(a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <ul style="list-style-type: none"> i. the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or ii. if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.
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* 'director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registrable Interests

You have a personal interest in any business of your authority where it relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority
- b) any body
 - i. exercising functions of a public nature
 - ii. any body directed to charitable purposes or
 - iii. one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

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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 Council Chamber, County Hall, Morpeth, NE61 2EF on Monday, 10 October 2022 at 10.00 am.

PRESENT

Councillor D. Bawn
(Chairman in the Chair)

COUNCILLORS

Dunn, E.
Jackson, P.
Oliver, N.

Taylor, C.
Wallace, A.

CABINET MEMBERS

Sanderson, H.G.H.
Wearmouth, R.

Leader of the Council
Deputy Leader & Corporate
Services

OFFICERS

Barnes, G.

Greally, R.

Hunter, P.
McMillan, S.
Nicholson, S.
Pringle, S.

Thompson, C
Willis, J.

Revenues, Benefits and Customer
Services Manager
Assistant Democratic Services
Officer
Senior Service Director
Assistant Service Director
Scrutiny Co-ordinator
Business and Community
Engagement Officer
Director of Information Technology
Executive Director of Finance
(Section 151 Officer)

28. APOLOGIES FOR ABSENCE

Apologies were received from Councillors J. Beynon, P. Ezhilchelvan, M. Murphy and M. Robinson.

29. DECLARATIONS OF INTEREST

Councillors D. Bawn, N. Oliver and G. Sanderson declared that their businesses had received Covid grants. It was confirmed that they would still be present and take part in discussions.

30. MINUTES

RESOLVED that the minutes of the meeting of the Corporate Services and Economic Growth Overview and Scrutiny Committee held on 11 July 2022, as circulated, be confirmed as a true record and signed by the Chairman.

31. FORWARD PLAN OF CABINET DECISIONS

The Forward Plan of forthcoming Key Cabinet decisions was reported to the Committee. (Report enclosed with the signed minutes as Appendix A).

Members noted that the Budget 2023-24 and Medium-Term Financial Plan 2022-27 was due to come to Committee on 7th November, but J. Willis had advised that this be deferred until the December meeting to allow further information to be gathered.

RESOLVED that the Forward Plan of key decisions be noted with the verbal amendment.

32. COUNCIL TAX SUPPORT SCHEME

Councillor R. Wearmouth, Deputy Leader of the Council and Portfolio Holder for Corporate Services introduced the report. The scheme was one of the most generous in the North East. It was hoped the Committee would endorse the scheme for the next financial year which would provide support 92% Council Tax support to working age claimants. Central Government was providing support for energy bills this winter along with winter fuel allowances for those who were eligible. A briefing note was also attached to explain the Government assistance provided to the Council to help with Council Tax since the COVID pandemic 2020/21.

It was confirmed that the Authority were awaiting confirmation on the continuation of the Council Tax hardship scheme, but no information was expected imminently. G. Barnes, revenues, benefits and customer services manager, was in attendance to answer questions from members.

The following comments were made in response to member questions:

- Members welcomed the additional assistance from the Government however that aid was to combat the energy crisis and that Council Tax support had always been in place. Some members felt that the support provided was only bringing residents up to an expected level of living. It was felt that the Council needed a scheme to help those hit hardest even if only temporarily

to combat the cost of living crisis. By raising the support to 100% it would simplify the scheme to residents and reduce the need for recovery action.

- The scheme which was being proposed was unchanged from last year. It was confirmed that the Authority was one of the most generous in the region. Members were unaware of any major problems with the scheme and it was felt that 8% was a small amount of money. The Council Tax scheme was felt to be generous and had proven to work.
- It was confirmed to members that the forecasted cost of £25,756,617 was for residential homes only.
- Members noted that the future of the hardship fund would be announced in due course. If it was not continued the Council would look into providing similar cover within its own budget.
- There was a suggestion that a national scheme would simplify the process for residents and reduce the workload on officers.

RESOLVED that Cabinet be advised of the comments made by members and that the Committee supported the recommendation contained in the report.

33. BROADBAND CONNECTIVITY UPDATE

Councillor R. Wearmouth, Deputy Leader of the Council and Portfolio Holder for Corporate Services introduced the report. C. Thompson, Director of Information Technology and S. Pringle, Business and Community Engagement Officer were in attendance. They explained that the report gave a summary of projects, some national and some local which were being undertaken to close the historical gap in broadband connectivity.

Due to the diverse geography of Northumberland and the rurality of much of the county, delivering good digital connectivity across the whole county has been a perennial challenge. The Covid crisis in 2020 and 2021 brought the need for good connectivity into even sharper focus with many residents struggling to work from home and children to access online learning.

The following comments were made in response to member questions:

- Members noted that the LFFN project had concluded, and 216 sites had been created with a number of structures being capitalised such as schools and libraries. It was still in the early stages of the project, but it was hoped that other providers would link in with the spine connections. It was hoped it would be the backbone of the future network in the County.
- Project Gigabit is a government infrastructure project which aims to deliver fast and reliable digital connectivity that officers were confident would be started in early 2023. It has a target of connecting 85% of residents. Northumberland has been split into two procurement categories: Type A for North Northumberland and Type B for the rest of the County and parts of Durham. Officers confirmed that a map could be shared with members and published on the website once more details of the premises included are known.

- Members noted that social tariffs were available from most providers however they were not widely advertised. Each provider would have their own eligibility criteria for these tariffs. Also, as part of the procurement process for Project Gigabit, BDUK had requested a social value section. Members confirmed that they had experience of the Council actively pursuing hard to reach communities.

RESOLVED that the information in the report be noted.

34. BUDGET CONSULTATION

Councillor R. Wearmouth, Deputy Leader of the Council and Portfolio Holder for Corporate Services introduced the report. The report provided questions included in the 2022-23 budget consultation for members to consider and make suggestions upon. It also sought members views on how to strengthen the consultation and engagement with residents.

The following comments were made from members:

- It was suggested that a section regarding the Council Tax support scheme be added.
- Members suggested that it would be useful to create an interactive budget tool for customers to create their own budget online or a way in which customers could rank the importance of different services.
- It was agreed that it was important to get as much interaction and participation from residents and businesses within the county.
- It was noted that the online response was good value for money and it was important to get the online consultation out to the public for more responses. Members were encouraged to promote the consultation on social media.

RESOLVED that the information be noted and suggestions be examined for inclusion in the Budget Consultation 2022/23.

35. COVID GRANTS AND SUPPORT TO BUSINESS

Councillor R. Wearmouth, Deputy Leader of the Council and Portfolio Holder for Corporate Services introduced the report. Members reiterated thanks to officers for their efficient hard work during the pandemic to ensure swift support was given to those in need. It was acknowledged that there was a high number of microbusinesses in the county which made it a mammoth task to accomplish with over 39,000 individual payments being made.

G. Barnes, Revenues, Benefits and Customer Services Manager and S. McMillan, Assistant Service Director were in attendance to answer questions from members.

The following comments were made by members:

- First-hand experience highlighted the efficiency of the service. It was acknowledged that the Authority was the 4th fastest to distribute the support nationally.
- Members thanks officers for the detailed report and commented on the coherence of it.
- Members highlighted the importance of using town and parish councils to relay important communications into the community.

RESOLVED that the information in the report be noted.

36. WORK PROGRAMME

The Committee received an update on its Work Programme for the 2022/23 council year. The Scrutiny Coordinator reiterated to members that the Budget 2023-24 and Medium-Term Financial Plan 2022-27 item would be deferred until the December meeting.

RESOLVED that this information was noted.

37. EXCLUSION OF PRESS AND PUBLIC

RESOLVED that

- (a) under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the Agenda as it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A of the 1972 Act, and
- (b) 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
12	3 - Contains information relating to business affairs of any particular person (including the authority holding that information).
AND	The public interest in maintaining the exemption outweighs the interest in disclosure because disclosure could adversely affect the business reputation or confidence in the person/organisation, and could adversely affect commercial revenue

38. TRADING COMPANIES' FINANCIAL PERFORMANCE

The confidential report, which was considered by Cabinet on 21 September 2022, was introduced to the Committee by Councillor R. Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services.

Members welcomed the report. J. Willis confirmed that work was underway to create a rationale for NEHL and a strategic review was taking place of Advance. Members were assured that further information would be provided in due course regarding the future of NEHL.

It was confirmed that there were no active tenders being pursued and none would be until the future of the NEHL company was confirmed.

It was also confirmed that a detailed annual presentation from Advance on its core operations would be provided to the Committee in March 2023.

RESOLVED that the information in the report be noted.

Chairman _____

Date _____

FORTHCOMING CABINET DECISIONS JANUARY TO MARCH 2023

DECISION	PROPOSED SCRUTINY DATE	CABINET DATE
<p>Budget 2023-24 and Medium-Term Financial Plan 2023-27</p> <p>This report will provide an update on the development of the 2023-24 Budget and the Medium-Term Financial Plan (MTFP) covering the period 2023 to 2027. This report will also detail the budget proposals for 2023-24 to meet the budget gap and provide an update on the Local Government Finance Settlement 2023-24 if it has been received.</p> <p>(R. Wearmouth/A. Elsdon – 01670 622168)</p>	<p>Corporate Services and Economic Growth OSC</p> <p>16 January 2023</p>	<p>17 January 2023</p>
<p>30 Year Business Plan for the Housing Revenue Account</p> <p>The report presents to Cabinet the 30 year Business plan for the Housing Revenue Account.</p> <p>(R. Wearmouth/A. Elsdon – 01670 622168)</p>	<p>Corporate Services and Economic Growth OSC</p> <p>16 January 2023</p>	<p>17 January 2023</p>
<p>Notification of the Estimated Collection Fund Balances 2022-23 – Council Tax and Business Rates</p> <p>The report will advise members of the estimated surplus or deficit balances on the Collection Fund in relation to Council Tax and Business Rates at 31 March 2023. The Local Government Finance Act 1992 (as amended) requires the Council as the Billing Authority to calculate a Council Tax Collection Fund estimate by 15th January each year. The Non-Domestic Rating (Rates Retention) Regulations 2013 require the Council as the Billing Authority to calculate a Business Rates Collection Fund estimate on or before 31st January each year.</p> <p>(R. Wearmouth/A. Elsdon – 01670 622168)</p>	<p>N/A</p>	<p>17 January 2023</p>
<p>Recommissioning of an Integrated Drug and Alcohol Service for Adults in Northumberland</p> <p>To seek permission from Cabinet to commission an Integrated Drug and Alcohol Service for Adults in Northumberland. This Service will be commissioned using the Public Health Ring-Fenced Grant. The grant conditions state that Local Authorities must improve the take up of, and outcomes from, its drug and alcohol misuse treatment services, based on an assessment of local need. The contract will be greater than £2m, therefore there is the need to ask Cabinet to delegate the expenditure to the Director</p>	<p>Health and Wellbeing OSC 6 December 2022</p>	<p>17 January 2023</p>

of Public Health. (W. Pattison/John Liddell M: 07929 775559)		
Budget 2023-24 and Medium Term Financial Plan 2023-27 The report presents the updated Budget 2023-24 and Medium Term Financial Plan 2023-27 to Cabinet following the receipt of the provisional local government settlement which is due to be announced during December 2022. The report will also include an update on the deliverability of savings. (R. Wearmouth/A. Elsdon 01670 622168)	Corporate Services and Economic Growth OSC 13 February 2022	14 February 2022 Council 22 February 2022
Produced in Northumberland Scheme An update on the status of the Produced in Northumberland Scheme. A review of the scheme in 22-23 together with the intended further promotion and development of the scheme in 2023/24 (C. Horncastle/P. Simpson – 07920806260).	TBC	14 February 2023
Revenues and Benefits Policies for 2023/24 The report sets out the policies that the Revenues and Benefits services operate for the administration of council tax, business rates, housing benefit and council tax support. The report is for information and approval of any updates or legislation changes that need to be made. The policies need County Council approval on 22 February 2023. (R. Wearmouth/G. Barnes 01670 624351)	Corporate Services and Economic Growth OSC 13 February 2022	14 February 2022 Council 22 February 2022
Financial Performance 2022-23 - Position at the end of December 2022 The report will provide Cabinet with the revenue and capital financial performance against budget as at 31 December 2022. (R. Wearmouth/K. Harvey - 01670 624783)	N/A	14 March 2023
Service Charges in Sheltered Accommodation The report requests permission to introduce Service Charges to all tenants in 8 Sheltered Housing Schemes in line with those currently charged at Arnison Close in Allendale. The HRA is currently subsidising these tenants at a cost of approx. £200k per year (C. Horncastle/ S. Ogle – 07976851270)	Health and Wellbeing OSC 8 March 2023	14 March 2023



Northumberland County Council

CABINET

17 NOVEMBER 2022

Budget 2023-24 and Medium-Term Financial Plan 2023-2027

Report of Jan Willis, Interim Executive Director of Finance and Section 151 Officer

Cabinet Member: Richard Wearmouth, Portfolio Holder for Corporate Services and Deputy Leader

Purpose of report

This report provides an update on the development of the 2023-24 Budget and the Medium-Term Financial Plan (MTFP) covering the period 2023 to 2027.

Recommendations

Members are requested to:

1. **Review and note the revisions to the assumptions (and the risks) within the 2023-24 Budget and Medium-Term Financial Plan.**
2. **Note that:**
 - a) **further work is required to refine the Medium-Term Financial Plan; and,**
 - b) **the revenue implications of the capital programme are still to be updated; and,**
 - c) **there are still budget balancing measures required to be identified over the term of the Medium-Term Financial Plan.**
3. **Review and note the budget consultation strategy.**

Link to Corporate Plan

The Council's budget and Medium-Term Financial Plan are aligned to the priorities outlined in the Corporate Plan 2021-24 "A Council that Works for Everyone".

Key issues

1. Local government is operating in a period of significant financial uncertainty brought about by ongoing significant budget pressures (including social care, special educational needs, and disability services), as well as other unfunded pressures arising from demographic and significant pay and price inflation as well as rising interest rates. The financial outlook for the Council will continue to be extremely challenging for the foreseeable future.
2. There continues to be significant uncertainty in terms of the financial settlement for local government and how the available funding will be distributed between local authorities through the funding formula.
3. The Government published a Comprehensive Spending Review (CSR) October 2021, covering the three-year period 2022 to 2025. CSR 21 determined the overall amount the Government intended to spend on departments and public services. The Government announced that it would be providing a multi-year settlement and an average real terms increase of 3.00% a year in core spending power for local government. The implications of this for each local authority was announced in December as part of the Local Government Provisional Finance Settlement. However, the settlement was only a 1-year settlement and the Government's finances are under severe pressure which could in turn have implications for local government and therefore local authorities.
4. It was previously expected that the outcome of the Fair Funding Review (FFR), including the move to 75.00% Business Rate Retention, would have been implemented during 2021-22. However, this was delayed due to the impact of the coronavirus pandemic. Plans to move to 75.00% Business Rates Retention have since been abandoned, with the Government instead exploring a new mechanism to redistribute business rates income. Therefore, the outcome of the FFR and review of Business Rates has been delayed, with no indication of when they will take place. This adds further uncertainty and complexity to medium term financial planning.
5. The lack of clarity in relation to the CSR and FFR is exacerbated by uncertainties in relation to future funding of the Improved Better Care Fund, short term funding provided to local authorities for adult and children social care pressures, and the upcoming white paper on social care funding which was announced by the Prime Minister in his statement to the House of Commons in September 2021. This level of uncertainty has made financial planning extremely difficult and requires the Council to be flexible and adaptable as it considers setting the 2023-24 Budget and the Medium-Term Financial Plan. Robust financial planning arrangements within the Council will ensure that the Council is well placed to react effectively to any outcome. However, planning with this level of uncertainty is not conducive to effective long-term decision making.

6. CSR 21 advised that the council tax referendum limit would be set at 2.00% for the three years 2022-23 to 2024-25. It also advised that councils could increase the precept in relation to Adult Social Care at a rate of 1.00% per annum over those three years. However, as a result of the recent financial crisis and the increased costs being experienced it is possible that the referendum limit will be increased. If the referendum limit is increased the Government will allocate its funding to local authorities based on the assumption that they will be increasing council tax up to the referendum limit. Based on the estimated council tax base a 1.00% increase in council tax will generate income in the region of £1.840 million for the Council.
7. To ensure the MTFP can be developed effectively, and savings targets delivered in time to produce a balanced budget, it is important that a robust plan and timetable is agreed and followed.
8. The current MTFP forecast, that the Council agreed on 23 February 2022, covered the four-year period 2022-23 to 2025-26. It is recommended at this stage that the MTFP covers the four-year period 2023-24 to 2026-27 and this will be presented to full Council on 22 February 2023. Planning across the medium term in this way ensures that decisions can be made in the knowledge of the likely financial position of the Council and provides a basis for effective decision making whilst taking account of the best estimates of income and expenditure.
9. Details of the local government financial settlement are expected to be announced by Government in late December 2022. It is hoped that the settlement will cover more than one financial year, but at this stage that detail is not known. Work will continue on the MTFP to incorporate the outcome of the financial settlement, and this will be presented to full Council on 22 February 2023.
10. In line with previous practice the Budget for the next financial year (2023-24) and the MTFP model has been reviewed. Using a variety of assumptions for inflationary increases relating to Revenue Support Grant, New Homes Bonus, Services Grant as well as different assumptions for the tax base and pay inflation, three models have been produced; best case, worst case and mid-case scenarios resulting in savings requirements as follows:

	2023-24	2024-25	2025-26	2026-27	Total
	£m	£m	£m	£m	£m
Best	19.888	19.130	7.249	10.700	56.967
Mid	22.790	18.668	9.238	13.802	64.498
Worst	37.214	25.965	14.245	20.727	98.151

For the purpose of this report the assumptions outlined relate to the mid-case scenario. This will continue to be reviewed as the MTFP is updated, and early identification and planning for savings required in the later years of the MTFP will be critical.

11. Savings proposals have been and will continue to be developed using the following principles:
- a) Setting a balanced budget over the life of the MTFP whilst maintaining modest and sustainable increases in Council Tax.
 - b) Investing to save; recognising that one-off resources can be used to generate future savings that will pay back the investment.
 - c) Ensuring that service and financial planning is fully aligned with the Corporate Plan.
 - d) Continuously reviewing services in order to keep reductions to front line services to a minimum.
 - e) Maintaining the Council's strong financial position so that it has sufficient reserves and balances to address any future risks and unforeseen events without jeopardising key services and delivery of outcomes.
 - f) Maintaining a commercial focus and maximising income generation while at the same time managing risk.
 - g) Ensuring the Council can demonstrate value for money in the delivery of its priorities.

Background

1. Medium-Term Financial Plan 2023-24 to 2026-27

- 1.1. The Medium-Term Financial Plan was presented to Council on 23 February 2022 when the budget was set for 2022-23. The report set out a number of assumptions and identified a gap of £50.436 million from 2022-23 to 2025-26.
- 1.2. The MTFP is currently being updated to cover the period 2023-24 to 2026-27. At this point in time and using the mid-case scenario and the assumptions detailed below, savings of £22.790 million will be required to balance the budget for 2023-24 and a further savings requirement of £41.708 million covering the period 2024-25 to 2026-27 has also been identified.
- 1.3. The plan will continue to be updated to reflect changing circumstances and a revised MTFP will be presented to the Cabinet as the budget process develops.

2. Review of the Medium-Term Financial Plan

- 2.1. The financial outlook for the Council continues to be extremely challenging. The national finances are in a highly uncertain position due to the aftermath of Covid-19, the impact of the UK exit from the European Union, the war in Ukraine, significant inflation, volatile financial markets and the cost-of-living crisis.
- 2.2. The assumptions for the 2023-24 Budget and MTFP are currently as follows:
 - a) **Revenue Support Grant (RSG)**
 - i) that the Council will receive a government settlement including an appropriate inflationary increase over the period of the MTFP (CPI at the end of September was 10.10% and this is the increase that has been assumed);
 - ii) that additional funding received for Adults and Children's Social Care in 2022-23 will become recurrent, and, that the cost of adult social care reforms (Fair Cost of Care and charging reform) will be fully funded by the Government;
 - iii) that there will be no increase or decrease in the Better Care Fund;
 - iv) that the council tax referendum level will be 2.00% over the MTFP period and that an increase to the Adult Social Care Precept of 1.00% will be applicable for the years 2023-24 and 2024-25. It is possible however that due to the current position of the Government's finances that the council tax referendum limit will be increased beyond 2.00%.

At this stage any of the assumptions made could be subject to change as a result of the CSR, and the publication of the provisional local government finance settlement, which is expected in December 2022.

b) **New Homes Bonus (NHB)**

There has currently been no announcement on the future of the New Homes Bonus Scheme or the level of funding available nationally. However, for financial planning purposes it has been assumed that the scheme will continue over the duration of the MTFP, but the overall national funding totals will reduce from £556.000 million in 2022-23 to £250.000 million in 2023-24. It is possible that the reduction in funding could be redistributed to support the levelling up agenda, amongst other Government initiatives.

It is forecast that £1.464 million will be received in each year. This allocation is based on the four-year average figure to 2019-20.

c) **Council Tax and Business Rate Tax Base Increases**

Regular reviews are carried out in relation to tax base forecasts. The tax base is impacted by new builds, the incidence of uptake of discounts and exemptions, with a further major variable being the impact of the local council tax reduction scheme. At this stage a slight increase in the tax base is forecast in each year as a result of growth from new developments over the lifetime of the MTFP period. The forecast for the tax base for 2023-24 will be closely monitored in the coming weeks in what is a very volatile area.

With regard to the council tax base the Council has assumed that losses on collection will be 1.00%. This was increased to 1.00% during the Covid-19 pandemic from 0.70% for the 2021-22 budget and remained at this level for financial year 2022-23.

d) **Pay Inflation**

The Real Living Wage (RLW) has been included for social care contract budgets across the MTFP period. An annual pay inflation allowance of 4.00% has also been included for pay costs in 2023-24 and 2.00% across the remaining MTFP period in relation to national pay negotiations. The final determination of these pay inflation factors will impact on the MTFP assumptions.

When the 2022-23 budget was set, inflation for all pay increases was included at 2.25%.

Pay negotiations for firefighters continue and the latest offer is 5.00%.

The pay increase for staff on local government terms and conditions is now estimated to be between 10.50% for those on spinal column point 1 and 1.20% for those on spinal column point 75 in the current financial year (2022-23) which equates to the employer's current offer of £1,925 for each grade (plus employer's oncosts). The overall average increase based on this offer equates to 7.28% for the Council.

All of the costs (actual and estimated) over and above 2.25% have been added as a recurrent pressure to the 2023-24 budget and MTFP.

e) **Non-Pay Inflation**

Significant increases in utility charges continue to be experienced nationally and this is applicable to local government and the Council too. Increases over and above “normal” inflationary increases will be funded from reserves for the first year of this MTFP. The MTFP assumes that inflationary increases for utilities return to “normal” levels after this time. However, this will need to be kept under review as there is currently no clarity about what will happen with energy costs in the medium term. It was hoped that the price energy guarantee would be for two years, but it has recently been announced that it is now only for 6 months. In addition, the Council has not yet received details about what the price energy guarantee will mean for it, therefore the impact has not been able to be quantified.

Inflation is included within the 2023-24 budget relating to a number of other items. Some of the more significant revenue budget increases are as follows:

Budget	Inflationary Increase %
Electricity (above 2021-22 base)	139.00
External Audit Fee	150.00
Gas (above 2021-22 base)	281.00
Insurance	16.00
Vehicle Fuel	24.00
Water	10.10

Significant inflationary increases are also being experienced in relation to capital contracts which will have an impact on the affordability of the capital programme.

f) **Pressures, Growth and Demographic Changes**

The following explains the sums requested relating to financial year 2023-24 unless stated otherwise:

Funding for adult social care has been assumed within the forecast to accommodate growth in the ageing adult population in Northumberland and address the disparity in wages between children’s and adult services team managers.

Two new children’s homes are being built in order to keep Northumberland children in the county which will in turn reduce the cost of out of county placements. The pressure spans two years of the

MFTP but there will be savings in the cost of out of county placements to offset these costs.

Investment in additional Occupational Therapy services delivered by Northumbria Healthcare NHS Foundation Trust to provide paediatric adaptation assessments for children and young people resident in Northumberland who require minor or major adaptations to their home.

A pressure has been identified for costs relating to court-ordered assessments and interpreting/translation fees. Most court-ordered costs are split between the parties, but the local authority is generally directed to pay one third of the associated costs. Demand is beyond the Council's control and is linked to the number of children and families in care proceedings. The interpreting costs and translation fees are incurred when working with non-English speaking service users and is limited to essential documents and meetings.

Additional funding is required for short break services for disabled children following a review that concluded that Northumberland's offer was inconsistent and limited and didn't provide enough variety of support for families.

Additional resources are needed for the Education Welfare Service so that the Council can fulfil new Department for Education requirements published in May 2022 regarding school attendance and the safeguarding of children not in school. One further requirement is to provide academies with a free service from September 2023, and not charge them through a Service Level Agreement (which is the current arrangement).

The removal of the School Improvement and Monitoring Grant from April 2023 will leave the School Improvement budget with a shortfall. Families and Children's Services Overview and Scrutiny Committee agreed on 26 May 2022 that "A recommendation be made to Cabinet for funding of the School Improvement Team to continue until the end of this Administration so that the team could continue to develop and offer support to schools both inside and outside of Northumberland."

Funding to create a dedicated resource for the Schools' Safeguarding Team which will enable the Northumberland Children's and Adults' Safeguarding Partnership and the local authority to provide the right level of support and training to maintain high safeguarding standards in education settings that meet local and statutory requirements.

The Council has also experienced an increase in the number of special education needs pupils who require home to school transport and a high number of contracts have been retendered increasing the cost significantly.

The Information Services team has experienced a significant decline in income following a number of schools no longer participating in their service level agreement; and in addition, it is anticipated that a pressure will occur in year 3 of the MTFP (2025-26) relating to the upgrade of Office 365.

The Archives Service has experienced a loss of income and requires a software licence for which there has been no budgetary provision previously.

There is pressure on the Coroner's budget in relation to both medical and body conveyancing fees and there is a shortfall in service level agreement income from schools in relation to the School Library Service, which need to be addressed.

Additional funding has been requested for home to school transport suppliers and supported bus services.

When the 2022-23 budget was set, inflation for pay increases was included at 2.25%. Pay negotiations for firefighters continue and the latest offer is 5.00%. The pay increase for staff on local government terms and conditions is now estimated to be between 10.50% for those on spinal column point 1 and 1.20% for those on spinal column point 75. The overall average increase based on this offer equates to 7.28% for the Council. All of the expected costs over and above 2.25% have been added as a recurrent pressure to the budget and MTFP.

Additional resources for the library service (for two years) including maintenance costs for the new mobile library units were included as a pressure in the 2022-23 MTFP.

Additional funding has been requested by the Fire & Rescue service to cover the Firelink grant which is going to reduce over the next three years and to cover the financial pressure being experienced in relation to data lines.

g) Non-recurrent Pressures

The following non-recurrent pressures were identified as pressures last year and remain in the assumptions, all of which are proposed to be funded from reserves:

- A fixed term contract for a Quality Improvement and Complaints Officer.
- The IT backup and recovery service.
- Increased costs for highways materials.
- The Strategic Transformation Programme – the Strategic Business case developed by the Council and its partners in recent months will be available in the near future (November 2022) and it is

envisaged that there will be significant savings deliverable over the term of the MTFP.

Further non-recurrent pressures which have been identified include:

- Resources for two years to enable the kerbside glass collection and recycling trial to continue
- Resources for 2023-24 to enable the kerbside food waste collection trial to continue.
- A further increase to both gas and electricity charges incurred by the Council to that originally expected. At this point in time it is envisaged that costs revert to “normal” in 2024-25. See paragraph 2.2 e) for further details.

2.3 It is important to note that at this stage it is assumed in the main that there is no net long term financial impact from Covid-19. The Council faced significant additional costs due to Covid-19, however, these costs have dissipated. In terms of income loss within service groupings it has been assumed that income levels were restored to pre Covid-19 levels by April 2022 or there are compensating reductions in expenditure to offset lost income.

2.4 The current cost of living crisis is having a significant impact on residents and businesses. To assist some of its most vulnerable residents the Cabinet has recently agreed (11 October 2022) to leave the council tax support scheme unchanged for 2023-24. Should members decide that further support is required this will add to the non-recurrent pressures in the budget.

2.5 All of these assumptions will be kept under review and the MTFP refined as necessary.

3. Savings

3.1 Executive Directors were asked to assess the deliverability of agreed savings for both the current year (2022-23) and 2023-24. The assessment was carried out using the following principles:

- a) Original permanent planned savings for 2022-23 will be achieved or an alternative must be delivered on an on-going basis in 2023-24.
- b) Savings originally identified and verified as deliverable for 2023-24 will be achieved.

3.2 Work is ongoing to develop delivery plans for those savings that have not yet been realised, and Executive Directors have been asked to identify alternative proposals where necessary and possible. It is recognised that the delivery of savings in the current year has been extremely challenging.

3.3 In order to ensure delivery of a balanced budget for 2023-24, work has commenced on identification and development of savings proposals. The

recommended framework and MTFP principles surrounding the development of these plans is shown in paragraph 11.

- 3.4 The budget planning process is a continuing and iterative process, and further additional savings will be required over the life of the MTFP. Work is also progressing in relation to the revenue cost of the capital programme.
- 3.5 Work is ongoing to develop proposals for the savings required beyond 2023-24, and this will be supported by the Strategic Change Business Case which will be available in November 2022. However, it may be necessary for the Council to consider utilising some of its reserves non-recurrently to fund any gap.

4. Capital

- 4.1 Members are advised that in light of the financial difficulty the Council is facing and the rapid increase in interest rates that the capital programme is also being reviewed as the cost of borrowing is significantly higher than originally anticipated. When the 2022-23 budget was agreed the average rate for borrowing was 1.33% and at 24 October 2022 the average rate for borrowing using the same terms was 4.47%. There is still significant uncertainty surrounding interest rates. However, it is clear that there will be an impact on the affordability of the capital programme and some capital projects may need to be deferred or reduced in scope or value engineered in order to reduce costs. It may also be the case that there are some projects which are no longer affordable and will only be able to proceed if additional external funding can be secured. The revenue assumptions above do not include any changes to the revenue cost of capital from the assumptions made in the 2022-26 MTFP. This work will be done following the review of the Capital Programme. It is intended that a Capital Programme will be presented to Council in February 2023 which is affordable in the context of not only the capital budget but the revenue budget too.

5. Conclusion

- 5.1 The Section 151 Officer considers that there are too many unknowns to present a comprehensive budget package to Members for approval at the present time and work continues to formulate an affordable capital programme, identify savings proposals and refine costs and pressures to enable a balanced budget to be presented.

6. Budget Timetable

- 6.1 It is the intention to present the schedule of efficiency savings to Members for discussion in January 2023.
- 6.2 The budget will be presented to Members as follows:
 - 13 February 2023 Corporate Services and Economic Growth Overview & Scrutiny Committee (All Members will be invited)
 - 14 February 2023 Cabinet
 - 22 February 2023 Full Council

7. Budget Consultation Strategy

- 7.1 The Council recognises that consultation is an important part of planning and delivering services that meet people's needs. This is set out in the Corporate Plan:
 - a. *".. we know that we still face tough decisions that will not be universally popular. We will not take these lightly and pledge that we will pay attention and act on your concerns."*
- 7.2 The Council has a statutory duty to consult with businesses in Northumberland.
- 7.3 The purpose of the general budget consultation with residents and stakeholder groups is to communicate the budget challenge; ascertain an understanding of people's views on the way we plan to meet this challenge; and determine whether views differ for different groups. This will be used to help guide and inform the annual budget setting process. Where proposals will potentially have greater impact on the public or on groups protected by equality law, services will carry out their own consultation on the detailed proposals and work closely with our most vulnerable residents to help them understand what changes to services may mean for them.
- 7.4 The Council will undertake Budget consultation from December 2022 to January 2023 to allow for full discussion and debate at local area councils; parish and town councils; and, with staff and the unions.
- 7.5 There will also be an on-line question and answer session with the Leader of the Council, Glen Sanderson.
- 7.6 Service areas will consult on their budget proposals directly with individual services users, partners, and key stakeholders.
- 7.7 Feedback on budget consultation will be online.
- 7.8 Consultation will be promoted primarily through local and social media channels, linking through the Council's budget website.

Implications

Policy	This is the second year of this Administration's Medium-Term Financial Plan; and it fully supports the priorities outlined in the Corporate Plan 2021-24 - A Council that Works for Everyone.
Finance and value for money	The financial implications of the 2023-24 Budget and the Medium-Term Financial Plan are still being assessed but it is evident that the position will continue to be challenging.
Legal	<p>The provisions of the Local Government Finance Act 1992 set out what the Council has to base its budget calculations upon and require the Council to set a balanced budget with regard to the advice of its Chief Finance Officer. The Act also states that the Council has got to set its budget before 11 March in the financial year preceding the one in respect of which the budget is set.</p> <p>The terms of reference for Cabinet state that the Cabinet will take all necessary steps to prepare the authority's budget, and those plans and strategies which constitute the authority's policy framework as set out in Article 4 of this Constitution, prior to their final approval and adoption by the Council. It will undertake this work in accordance with the Budget and Policy Framework.</p>
Procurement	There are no specific Procurement implications within this report.
Human Resources	The size of the financial challenge will have an impact on staffing levels across the Council. The Council will continue to try and mitigate this impact by the management of vacancies and voluntary redundancy wherever possible.
Property	The individual proposals will carefully consider the impact with regard to property requirements.
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	<p>All individual budget savings proposals for 2023-24 are being, or will be, screened for potential equality implications, and where potential equality impacts are identified, specific impact assessments are being, or will be, carried out unless the final decision on whether to proceed with the saving will be taken after the budget round. In those cases, impact assessments will be carried out by the relevant Executive Director before final decisions are taken and could potentially lead to decisions that some savings should not be made in their currently proposed form but should be achieved in other ways. An overall assessment of the equality impacts of the budget proposals is in preparation; this will be updated as work on the budget proceeds, including taking account of the outcome of consultations on elements of the savings proposals. A final version will be presented to the Council alongside the final budget proposals in February 2023.</p> <p>At this stage, the amounts indicated for financial years 2024-25, 2025-26 and 2026-27 are simply initial savings targets that are expected to be required, based on current information and assumptions. As proposals are developed to</p>

	achieve the overall savings for these years, they will be screened for potential equality considerations and, where potential impacts are identified, specific impact assessments will be carried out before final decisions are taken.
Risk Assessment	<p>The risks associated with the budget proposals will continue to be reviewed up to and including implementation of the detailed proposals.</p> <p>Any efficiency proposals that are considered to represent a risk will be subject to a separate comprehensive risk appraisal process. The risk appraisal process is the responsibility of the relevant Executive Director and will continue up to the County Council and beyond as individual budget reduction measures are implemented.</p>
Crime & Disorder	There are no specific Crime & Disorder implications within this report.
Customer Consideration	The individual proposals will carefully consider the impact upon both customers and residents of Northumberland.
Carbon reduction	The Council continues to develop proposals concerning the management of energy which are supported by the budget.
Health & Wellbeing	The Council's budget is founded on the principle of promoting inclusivity.
Wards	All wards.

Background papers:

Cabinet report: 8 February 2022 and Council Report 23 February 2022: Budget 2022-23 and Medium-Term Financial Plan 2022-26

Report sign off

Authors must ensure that officers and members have agreed the content of the report:

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Northumberland County Council

CABINET

13TH DECEMBER 2022

Council-owned Company Governance Framework

Report of: Cllr Glen Sanderson, Leader, Northumberland County Council

Lead Officer : Sarah McMillan, Assistant Service Director, Policy

Purpose of report

The purpose of this report is to propose adoption of a series of principles and expectations in relation to the Council's companies and the governance relationship between the Council and those companies. These steps are to address the recommendations of the Caller Independent Governance Review in the immediate term, and to provide the foundation for decision making and the development of a comprehensive company governance framework for companies wholly or partly owned by Northumberland County Council (NCC) and alternative delivery vehicles.

Recommendation:

That Cabinet establish a governance framework for companies that are wholly or partly owned by the Council by:

- (a) approving the set of principles and expectations in relation to the governance of the Council's interests in companies as set out in Annex A; and**
- (b) authorising the Shareholder Representative in consultation with the Leader and Monitoring Officer, having regard to those principles and expectations, to:**
 - (i) develop a specific governance framework in respect of companies that are wholly or partly owned by the Council for consideration by Cabinet and, where applicable, by Council at the earliest opportunity; and**
 - (ii) make appointments to directorships of any Council owned company board until such time as that specific governance framework is adopted.**

Link to Corporate Plan

This report is relevant to the “How” priority included in the NCC Corporate Plan 2021-2024 to ensure value for money in our services.

Background

1. On 8th June 2022, Solace in Business, led by Max Caller CBE, delivered its Independent Governance Review report to the County Council (“the Caller Review”).
2. To address the recommendations of the Caller Review, the cross-party Member Oversight Group was established by the Council to oversee the delivery of a series of 12 Work Packages comprising 28 Action Plans. An independent “Challenge Board” has been commissioned expressly by the Council to support and challenge the Member Oversight Group and the Council Officers tasked with the delivery of the Work Packages.
3. Recommendation 10.2.6 of the Caller Review to “Establish a rationale for the establishment or continuation of any company under the provisions of the Localism Act 2011” was addressed and satisfied by Cabinet on 17th November 2022 when it approved the Strategic Outline Case criteria for the Establishment or Continuation of a Council-Owned company.
4. This report sets out a first step toward recommendation 10.2.7 of the Caller Review to “Establish a specific governance framework by which, for those companies wholly or partly owned by NCC, their Directors are appointed, reports on performance are presented to a Cabinet Sub-Committee, conflicts of interest are dealt with and risk and how shareholder agreements are ratified, by both the company and NCC”.

Company Governance Framework

5. It is understood that any company wholly or part-owned by the County Council will need sufficient freedom to achieve its objectives in order to thrive. Indeed, the Caller Review states that the Council as Shareholder, supported by its nominated representative “needs to hold the board to account, not to manage its work detail”¹.
6. However, the Council also needs to balance this freedom with retaining effective oversight of the company, thereby protecting its investment and ensuring that trading

¹ Solace in Business, “NCC Independent Governance Review”, 08.06.2022, para 8.48, page 31



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activities are carried out lawfully and in accordance with the authority's ethos and values and continue to support the Council's priorities.

7. The Council must consider how the governance arrangements established to underpin its companies can both reflect the principles of good governance, as set out in best practice guides such as the CIPFA & Solace Framework², and align with the principles and expectations for private sector companies, allowing the company the freedom to succeed, yet ensuring adequate links are maintained between Council and Company to reflect the reality of its ownership. A full and comprehensive review of arrangements is underway and will inform a Governance Framework which will come forward to Cabinet in January 2023. In the meantime, a number of principles are to be adopted which will inform interim changes to move toward Governance arrangement considered to be good practice.

Guiding Principles and Interim Steps

8. Local authority owned companies are subject to a specific legislative framework, particularly those that are to undertake trading activities. Those companies with sufficient local authority shareholding are known as 'local authority regulated companies' and must, for example, declare this in their written communication and meet a number of other requirements.
9. Local authority companies have both advantages and disadvantages and those that are set up are done so for a variety of reasons, key amongst which is the legal restriction that a local authority may only act for a commercial purpose, where it is not otherwise empowered to do by statute, through a company. The reason given for this is so that local authorities and their trading arms are on a level playing field with the private and commercial sector in both a positive and negative way; neither at a disadvantage nor with an outstanding advantage. To exercise the power to establish a company and trade, therefore, a local authority must meet a further set of requirements.
10. Government issued statutory guidance in 2004 in which it is noted that a successful company will be one that works alongside the authority in delivering joint objectives. The authority will have to consider how to balance the need to assist the company to achieve its trading objectives with the principles of transparency, accountability and probity. It goes on to say that it is important that trading companies can operate on an equal footing with their competitors, but it is equally important that they are not used as

² [Delivering Good Governance in Local Government Framework 2016 Edition | CIPFA](#)



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a device for inhibiting legitimate public access to information about local government and local government services.

11. A company is, however, a separate legal entity and must act in its own interests first, over that of the Council, both as a matter of law and in such matters as financial prudence. The Council must recognise that freedom in matters such as dealing with information that might provide others with competitive advantage and in approving the appointment of company directors, which adds a further dimension in respect of the relationship between the company and the Council's executive, overview and scrutiny and audit functions.
12. Based on these issues and having regard to published good practice, a series of principles and expectations are proposed to guide interim governance arrangements as a first step toward a comprehensive governance framework. These principles and expectations are set out in Annex A.

Composition of the Board

13. The Caller Review highlighted issues with the Governance of the Council's Companies, particularly the current composition of the Advance Northumberland Ltd Board, and specifically highlighting skills and training requirements of Board members, the low number of independent non-executive directors (NEDs) and the potential conflicts of interest for elected Member and officer directors.
14. Good practice is that there should be a majority of Independent non-Executive Directors on a company Board, to ensure the skills and experience of Board members is optimum to guide the Company. These appointments should be achieved through open and transparent recruitment and the use of a skills audit. There should also be a strong executive representation, (i.e. from within the Company itself) on the Board. Board skills and expertise can be improved through the effective use of independent directors with both public sector and market specific experience.
15. The size of the board will depend on the company's specific circumstances, but good practice suggests that the optimum size is between five and ten directors.
16. The principles therefore suggest that the Advance Board transition to a structure which sees an increase in the number of independent non-executive Directors to make up at least half of the Board, to provide expertise and skill in leading the Company, allowing commercial and operational agility, whilst retaining assurance in respect of the public investment via one democratically elected member Director and one Council Officer Director.



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Elected Members of the Board

17. The Public Interest Report concerning Nottingham City Council³ highlights the view that “it is not seen as good practice for councillors to be on the boards of local authority companies, with other mechanisms used to ensure that the company meets the Council’s policy objectives”. It goes on to reflect “issues in relation to the expertise and experience of many councillors, and the potential for conflicts of interest between the councillors’ commitment to the interests of the company, which has to override other interests when they are on company ‘business’, and their wider responsibilities as councillors. Having councillors on company boards can lead to a failure to properly separate the two sets of interest – of the company and of the Council”.
18. However, the LLG Code addresses this as that “Whilst it will therefore be the norm that officers, not members, will be appointed as directors, this should not prevent the Council from appointing Members as directors where that is considered to be in the best interests of the company and the Council.” In assessing the options for Northumberland County Council it is proposed that one member and one officer director be retained on the Board. This proposal reflects the ownership of the company, and alongside expertise from independent non-executive Directors, will ensure there are valuable insights from the Council and added assurance that the Company continues to support the ethos and strategic priorities of the council, whilst retaining agility to deliver these.
19. The Council Directors would be required to bring the expertise, skills and experience expected of any non-executive Director. In addition, it should be considered that any company is a separate legal entity from the Council and that the directors of that company derive their authority from the articles of association and the law relating to companies, not their employment with the Council or their elected status as a Member of the Council. As stated in the Government Guidance those “who are appointed directors will participate directly in the activities of the company, and are answerable to the company and have the powers and duties of company directors whilst they do so”. The principles therefore prohibit the appointment of an elected Member as company director from being from within the executive administration – i.e. Cabinet – and the officer from being in a related or ‘commissioning’ role within the Council, thus particularly addressing the concerns of conflicts of interest as raised by the Caller Review.

Remuneration

20. To reflect the effort required, to motivate and attract suitable specialists to bring a positive contribution to the company, Independent non-executive directors are intended

³ <https://www.nottinghamcity.gov.uk/media/2835756/report-in-the-public-interest-rhe.pdf>



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to be remunerated. The initial rate shall be set by each Company Board, based on their business needs but which shall be reviewed by the Shareholder on an annual basis. This single rate shall apply to the individual, irrespective of the number of group companies for which they are directors.

21. An elected Member who is a company director is prevented by law from receiving any remuneration other than a maximum of the level of the “Special Responsibility Allowance” for an equivalent current SRA. The arrangement will also be reflected in the County Council’s SRA scheme.
22. Similarly, no extra remuneration may be paid to a Council employee ‘under the colour of their office’ beyond their pay. An officer acting as a director or officer of the local authority regulated company will therefore see their remuneration for any additional responsibilities dealt with in the course of their usual employment with the Council. These costs, as others provided to the company by the Council, will be paid to the Council by the company as required by law or as appropriate.

Next Steps

23. The interim steps outlined in this report represent the beginning of a transition, with current Company Board Directors stepping back with the recruitment of new Independent non-executive Directors over the coming months, resulting in the reduction of Council Directors on the Board.
24. The Shareholder Representative will communicate the principles and expectations set out in the report and Annex A to Advance Northumberland Ltd, as an existing wholly-owned Company, to take forward the required changes.
25. As the comprehensive review of Governance arrangements continues there may be changes to the principles and expectations set out, which will be captured in future reports to Cabinet.
26. A comprehensive Company Governance Framework building on these principles and expectations will be brought forward for member consideration in early 2023.

Implications

Policy	The proposed principles and expectations seek to take initial steps toward a comprehensive Governance Framework to apply appropriate Governance structures to Council wholly- or part-owned companies so they are in a strong position to support the Corporate Plan priorities.
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Finance and value for money	<p>The proposed Companies Governance Framework seeks to balance Council-owned companies' freedom to deliver its objectives with the Authority's oversight, supporting the Council's priorities and delivering value for money in providing an effective delivery vehicle.</p> <p>To ensure skilled and experienced individuals are attracted to Non-Executive Director roles, and contribute their knowledge and expertise to the delivery of Council priorities, it is proposed that remuneration be awarded.</p>
Legal	<p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.</p> <p>Local authority companies are defined and made subject to a legislative framework by the Local Government & Housing Act 1989 and The Local Authorities (Companies) Order 1995 together with the relevant provisions of the Local Government Act 2003, Local Government and Public Involvement in Health Act 2007, Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 and the Localism Act 2011. This is in addition to the various companies' legislation that will apply to any local authority companies and their governance in the ordinary sense.</p> <p>External legal advice has been sought on the proposed Company Governance Framework.</p>
Procurement	There are no procurement implications
Human Resources	Not applicable, although it is the expectation of the County Council as shareholder of its companies that open and transparent recruitment to non-Executive Director Board positions is carried out, and in line with Nolan Principles.
Property	There are no Property implications
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	There are no Equalities implications
Risk Assessment	Risks related to company governance were identified in the Caller Review; this report is one of a number which will take forward the



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	Caller recommendations and reduce the risks identified by setting an appropriate Governance Framework in which the roles, relationship and accountability between the Council and its companies will operate.
Crime & Disorder	There are no Crime & Disorder implications
Customer Consideration	There are no Customer Consideration implications
Carbon reduction	There are no Carbon Impact implications
Health and Wellbeing	There are no Health & Wellbeing implications
Wards	All wards

Appendices

Appendix A - Council-owned Company Governance Framework (Dec 2022)

Background papers:

22.06.08 – Solace in Business, Independent Governance Review report to the County Council (“the Caller Review”)

Report sign off.

Authors must ensure that officers and members have agreed the content of the report:

	Full Name of Officer
Monitoring Officer/Legal	Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis
Relevant Executive Director	Rick O’Farrell
Interim Chief Executive	Rick O’Farrell
Portfolio Holder(s)	Cllr. Glen Sanderson

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Appendix A

Council-owned Company Governance Framework (December 2022)

1. The Council has a shareholding as established in one or more companies to further the social and economic policies of the Council. These were established through the agreement of a business case and are run according to one or more shareholder agreements between the Council and the company concerned.
2. Whilst local authority legislation recognises six forms of companies in which local authorities may have an interest¹, a local authority company generally exists in three forms, which are:
 - a. A local authority trading company, which is established and operates for a commercial purpose (sometimes referred to as a LATCo);
 - b. A local authority company, which is established and operates in a way to comply with the rules for public contracts between entities within the public sector (often referred to as a Teckal company); or
 - c. A company limited by guarantee, not share capital, and is often also established as a community interest company or a charity.
3. What all of these companies have in common, if the Council's shareholding or influence is above a certain level, is that they are known as 'local authority regulated companies' and must abide by a number of legislative requirements if they are to avoid any expenditure in relation to the company being declared as unlawful when audited. These requirements include such matters as payment for any services provided by the Council, access to information, auditors and the company declaring on their website and in correspondence that they are a local authority regulated company, owned by Northumberland County Council². There are additional requirements where the Council's intention is to trade for a commercial purpose, including the content of the business plan for its establishment³. The reasons for this, as set out when the framework for local authority companies was established, as being that when a company is effectively under the control of a local authority, the most significant controls that Parliament has laid down for the conduct of local authorities should apply to that company.
4. It is to be recognised that a local authority regulated company, however, is a separate legal entity. Likewise, its board of directors have an overriding duty to the company and not the Council. The company must be given the freedom to undertake its operations to its advantage and in furtherance of its business plan, whilst acting in the interests of the Council as ultimate shareholder. The Council, therefore, needs to hold the company to account, not to manage its work in detail.
5. This balance is achieved through the Shareholder Agreement. This is an agreement that sets out the relationship between Council and company through which the company has the freedoms to operate, recognising that it is a separate legal entity from the Council, subject to the Council retaining decision making and oversight

¹ Part V Local Government & Housing Act 1989

² The Local Authorities (Companies) Order 1995

³ Local Government Act 2003, Localism Act 2011 and the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009

through a series of 'reserved matters' which only the Council can decide upon as shareholder. These will normally include the primary decisions for

- entering or agreeing to vary the shareholder agreement;
- appointing directors to the board;
- agreeing the strategic business plan of the company and any variations to it; and
- decisions of investment and financing, including primary contracts, over a certain set amount.

6. As well as in exercising its shares and vote through the shareholder representative, the Council's Leader and Cabinet are responsible for the decision making in respect of the reserved matters, together with decisions concerning investment and contracts between the Council and the company.

7. It is the intention of this Framework that the Council's responsibility for exercising these company functions will in the future be conducted by a Shareholder Committee (or Shareholder Board) of the Cabinet, which will include both the consideration of reserved matters and also in holding a local authority company to account in respect of its performance against its strategic or business plan, the social or financial returns on investment provided back to the shareholder/investor by the company and any contract it may have with the Council. In doing so, it is recognised that:

(a) A Shareholder Cabinet Committee will act in accordance with Executive Procedure Rules and meet in public except where the business is exempt from the press and public in the opinion of the Council's proper officer and the meeting.

(b) A Shareholder Cabinet Committee may also meet in an informal setting as a working group (or in a board form) to consider and discuss matters, including those of a confidential commercial nature, and to make recommendations to any formal meeting.

(c) The Council's Overview and Scrutiny Committee has a role in scrutinising these functions as carried out by the Shareholder Cabinet Committee and wider executive, in respect of which it is noted that a local authority regulated company is under a duty to provide information to allow the Committee to undertake that role.

8. Within this framework, there are a set of expectations that the Council has of its companies. These include that the company:

(a) Will:

- (i) meet the standards set by the UK Corporate Governance Code;
- (ii) comply with those requirements demanded of it by local government legislation, governance and audit and accounting standards; and
- (iii) have regard to the Council's Code of Corporate Governance.

(b) Have a unified board of between five to ten directors, containing at least 50% of whom, excluding the chair, shall be independent non-executive directors, recommended for appointment through open competition against roles descriptions

- (c) Have appointed to the Board at least one director who shall be an officer of the Council and, where there are justifiable reasons for appointment, at least one elected Member in respect of whom such appointment shall:
 - (i) only be so long as they are an employee or elected Member respectively;
 - (ii) be remunerated for such services by the Council through their respective normal employment or special responsibility allowance under the Members Allowances Scheme;
 - (iii) have the costs of their services (as with all services by the Council to the company) met by the company in an arrangement for payment to the Council;
 - (iv) have in place suitable safeguards within the Council's governance arrangements for any conflict of interest that arises from their overriding requirement role to act in the best interests of the company; and
 - (v) have maintained suitable indemnities and insurances by both the Council and the company
- (d) Have in place an arrangement for the provision of company secretarial, human resource, audit or other services to the company by the Council
- (e) Ensure that its Business Plan is to be presented annually for Shareholder approval which should cover a three year period and shall address the Shareholder's priorities as set out in the NCC Corporate Plan, NCC Economic Strategy or other plan as notified by the Council as Shareholder.

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Northumberland County Council

Corporate Services and Economic Growth Overview and Scrutiny Committee

12 December 2022

Debt Recovery Update

Report of Jan Willis, Interim Executive Director of Finance & Section 151 Officer

Cabinet Member: Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services

Purpose of report

The purpose of this report is to provide the Corporate Services and Economic Growth Overview and Scrutiny Committee with information relating to the level of outstanding debt owed to the Council so that the Committee may satisfy itself as to the efficiency and effectiveness of its collection and recovery policies and systems.

Recommendations

It is recommended that the contents of the report are noted.

Link to Corporate Plan

Effective income management processes are critical to the delivery of overall Council service objectives. A more efficient income management process contributes to the availability of resources for wider or deeper service provision.

Key issues

The management of income is a key business area for Northumberland County Council. The Council collects income from many sources; some of this activity is governed by legislation while other areas by sound principles of financial management. The key to economic, efficient and effective income management is the creation and maintenance of a clear framework that sets out the approach, principles, ownership and strategy within which all activities will be conducted.

It is essential that income is collected effectively by the Council, and that debt owed to the Council is kept to a minimum. This is because the Council has both a legal duty and a responsibility to its citizens to ensure that income due is paid promptly to ensure it can minimise the burden of unpaid debt and enhance service delivery.

The management of all monies owed to the Council is detailed in the Corporate Debt Recovery Policy and includes the following:

- Council Tax and NNDR Recovery Policy
- Council Tax and NNDR Court Costs and Fees Policy
- Housing and Council Tax Benefit/Support Overpayments Policy
- Methods of Payment Policy
- Write Off Policy
- Sundry Debt Policy
- Overpaid Salaries and Wages Policy
- Bankruptcy Policy
- Enforcement Agent Code of Practice for Council Tax and NNDR
- Housing Income Management Policy

Background

Write Offs

1. An integral part of debt recovery is the effective management of irrecoverable debts to ensure that resources are applied effectively to the collection of monies outstanding which can reasonably be expected to be collected.
2. The total debt written off in the last four financial years is shown below:

	2018-19	2019-20	2020-21	2021-22
Sundry debt	£224,596.64	£266,343.83	£47,567.52	£1,087.21
Council Tax	£476,560.30	£158,220.13	£161,032.28	£139,803.47
Business Rates	£790,990.74	£1,057,697.40	£94,466.86	£44,689.99
Benefit Overpayments	£163,855.28	£103,005.65	£56,417.16	£111,908.65
Housing Rent & Other Debt	£394,903.58	£507,807.23	£434,020.33	£786,935.77
Adult Social Care	£37,671.68	£5,369.31	£0.00	£64,244.66
Total	£2,088,578.22	£2,098,443.55	£793,504.15	£1,148,669.75

Notes:

1. The reduction in volume and value of write offs in 2020-21 is due to staff resources being redirected to the Coronavirus response.
3. In accordance with the Council's Finance and Contract Rules, write offs are reported annually to the Cabinet.
4. There has been no benchmarking data on performance since prior to 2019/20.
5. At 30 September 2022 the following amounts have been written off during the 2022-23 financial year in accordance with the Council's write-off policy:

	2022-23
Sundry debt	£625.00
Council Tax	£69,461.30
Non-Domestic Rates	£2,197.38
Benefit Overpayments	£100,878.52
Housing Rent & Other Debt	£220,658.73
Adult Social Care	£64,085.30
Total	£457,906.23

Sundry Debt

6. At 30 September 2022 the Council was owed £23.536 million by its sundry debtors. The debt, analysed by its maturity, is shown below (with 30 September 2021 figures shown for comparison):

Age of debt	30 September 2021		30 September 2022	
	Number of Invoices	Balance Due £'000	Number of Invoices	Balance Due £'000
Up to 3 months past due	1,794	4,808	2,159	7,804
3 to 6 months past due	697	9,438	634	2,884
6 to 9 months past due	509	1,765	485	595
9 to 12 months past due	402	1,342	512	535
1 to 5 years past due	3,097	2,970	3,778	4,099
Over 5 years past due	242	443	342	550
Debt past due date	6,741	20,766	7,910	16,467
Debt within terms	4,270	12,840	4,151	7,069
Total debt	11,011	33,606	12,061	23,536

7. Eighteen customers have past due balances of over £0.100 million at 30 September 2022, up from ten as at 31 March 2022. Details are shown below with 31 March 2022 figures for comparison. The total of £8.191 million past due represents 49.7% of the total debt past due as at 30 September 2022.

Customer	31 March 2022		30 September 2022	
	Number of Invoices	Value Past Due £'000	Number of Invoices	Value Past Due £'000
NHS Customer 2 (see note 1)	24	691	1	1,331
NHS Customer 4 (see note 2)	21	1,102	8	452
NHS Customer 6	1	100	-	-
Customer 1 (see note 3)	12	120	12	120
Company 3 (see note 4)	99	117	16	1,151
Company 6 (see note 5)	2	352	18	255

Company 12 (see note 6)	1	300	1	300
Company 14 (see note 7)	-	-	1	164
Company 15	2	170	-	-
Company 16 (see note 8)	-	-	3	184
Company 17 (see note 9)	-	-	5	141
Company 18 (see note 10)	-	-	14	122
Company 19 (see note 11)	-	-	7	108
Company 20 (see note 12)	-	-	3	106
Education 4 (see note 13)			17	113
Education 7 (see note 14)	3	868	2	810
Education 8 (see note 15)	47	132	42	121
Council 2 (see note 16)	-	-	21	192
Council 11 (see note 17)	-	-	5	147
Government	-	-	2	2,374
Department 2 (see note 18)				
Total	212	3,952	178	8,191

Notes:

1. Invoice still outstanding and being pursued.
2. Invoices still outstanding and being pursued.
3. Part payment received from proceeds of sale of property, a significant shortfall was anticipated. Legal Services are considering Counsel's opinion on options for Recovery of the debt
4. Invoices still outstanding. A reconciliation of monies owed by and to the company is being carried out.
5. 9 invoices have now been paid. 9 invoices totalling £159,046 remain outstanding and are being pursued.
6. Invoice still outstanding. Referred to Legal Services to consider legal proceedings.
7. Invoice still outstanding and being pursued.
8. Invoice still outstanding and being pursued.
9. 4 invoices have now been paid. 1 invoice totalling £438 remains outstanding and is being pursued.
10. 2 invoices have now been paid. 12 invoices totalling £35,566 remain outstanding and are being pursued.
11. Invoices still outstanding and being pursued.
12. 2 invoices have now been paid. 1 invoice totalling £42,020 remains outstanding and is being pursued
13. The invoices are now paid.
14. The invoices are now paid.
15. 1 invoice has now been paid. 41 invoices totalling £115,454 remain outstanding and are being pursued.
16. 6 invoices have now been paid. 15 invoices totalling £85,770 remain outstanding and are being pursued.
17. Invoices still outstanding and being pursued.

18.1 invoice has now been paid. 1 invoice totalling £816,502 remains outstanding and is being pursued.

8. Analysis of the level of overdue debt as at 30 September 2022 by the service area raising the invoices is shown below (again with 30 September 2021 figures for comparison):

Service Area	30 September 2021		30 September 2022	
	Number of Invoices	Value Past Due £'000	Number of Invoices	Value Past Due £'000
Adult Services (see note 1)	3,486	6,966	3,963	5,317
Children's Social Care	157	1,334	194	707
Corporate Resources (Finance)	681	2,312	770	3,970
Corporate Resources (IT)	29	39	27	41
Corporate Resources (Legal and Health & Safety)	23	29	26	38
Culture, Heritage & Libraries	8	28	13	23
Fire & Rescue	28	22	30	46
Housing	7	62	13	83
Housing Services	3	1	5	5
Local Services (including Projects) (see note 2)	1,836	1,405	2,316	1,960
Property & Estate Management	112	5,220	115	452
Pension Fund	0	0	0	0
Public Health/Protection	279	271	316	222
Regeneration & Dev Man	29	2,936	32	3,404
Schools	63	141	90	199
Total	6,741	20,766	7,910	16,467

Notes:

1. Adult Social Care have seen an increase in the number of customers receiving care. Due to Covid-19 there continue to be delays in probate being granted for deceased customers, and there continues to be delays in getting Court Appointed Deputies and Lasting Power of Attorneys put in place resulting in monies due pending Court decisions. There are also payment delays whilst properties remain unsold where Deferred Payment Agreements are in place. The Adult Social Care Team have reported a general increase in the number of people saying they cannot afford their care due to the cost of living and several customers are making partial payments because that is all they can afford.
 2. An increase in Local Services debt due to the number of unpaid Commercial Waste invoices accrued due to the Covid-19 cycle of businesses closing and reopening.
9. CIPFA Benchmarking has not been carried out since prior to the start of the Covid-19 pandemic in 2019-20 .

Council Tax

10. Council Tax is charged on domestic dwellings in the County. There are currently 158,558 domestic dwellings in Northumberland, with a net collectable debit of £235.696 million for 2022-23.
11. Each financial year there will be an amount of Council Tax that is not paid and that amount is added to the arrears that were carried forward at the start of the financial year (less the amount collected during the year) to give a total arrears figure outstanding. At 31 March 2022 £15.912 million was outstanding in total (£6.174 million relating to the 2021-22 financial year).
12. A comparison with previous years is shown below:

	2018-19	2019-20	2020-21	2021-22
	£'000	£'000	£'000	£'000
Arrears at 31 March	9,559	11,632	14,824	15,912
Arrears at 31 March relating to the last billed year	3,935	5,376	6,489	6,174

13. Arrears at 31 March 2022 were at their highest ever level. This is due to the impact of Covid-19 on collection and enforcement in 2020-21.
14. In-year collection rates (this does not include arrears) for the past four years are shown below, with collection rates for customers in receipt of Council Tax Support shown for comparison:

	2018-19 %	*2019-20 %	**2020-21 %	***2021-22 %
Overall Collection Rate	98.1	97.6	97.0	97.4
Council Tax Support Collection Rate	86.7	82.6	83.6	84.8

Notes:

1. *Council Tax Support reduced by 8% in 2019-20.
2. **Working-age customers in receipt of Council Tax Support received a Hardship Fund payment of up to £150.00 per claim.
3. ***Working-age customers in receipt of Council Tax Support received a Hardship Fund payment of up to £300.00 per claim.

15. The in-year collection rate at 31 March 2021 was at its lowest level since 2010-11. This was due to the impact of Covid-19 on collection and enforcement in 2020-21.
16. Benchmarking performance:
 - The in-year collection rate for 2021-22 was, however, again the highest of the 12 North East Councils.
 - The in-year collection rate for 2021-22 was, however, well above the 95.8% national average for all local authorities in England and well above the 96.0% national average for all Unitary authorities in England.

17. The in-year collection rate at 30 September for the previous four years is shown below, with collection rates for customers in receipt of Council Tax Support shown for comparison.

	*30.9.19	**30.9.20	***30.9.21	***30.9.22
	%	%	%	%
Overall Collection Rate	56.0	55.2	55.6	55.1%
Council Tax Support Collection Rate	47.8	46.3	46.6	46.8%

Notes:

1. *Council Tax Support reduced by 8% in 2019-20.
 2. **Working-age customers in receipt of Council Tax Support received a Hardship Fund payment of up to £150.00 per claim. Impact of Covid-19 on collection.
 3. ***Working-age customers in receipt of Council Tax Support received a Hardship Fund payment of up to £300.00 per claim.
18. The overall in-year collection rate at 30 September 2022 was 55.1% and is below performance for prior years. This is mainly due to the impact on recovery action due to Covid-19, staff resources being diverted to dealing with the Council Tax Energy Rebate scheme and the impact of the current cost of living crisis..
19. Benchmarking performance:
- Quarter 2 performance comparison with the North East Councils at 30 September 2022 shows the in-year collection rate for quarter 2 as at 30 September 2022 was the 3rd highest of 11 of the North East Councils.
 - CIPFA Benchmarking has not been carried out since prior to the start of the Covid-19 pandemic in 2019-20.
20. During the previous four financial years the Council issued the following recovery notices:

	2018-19	*2019-20	**2020-21	2021-22
1st or 2nd Reminders	39,598	47,211	7,773	32,028
Final Notices	2,885	3,051	0	1,114
Summonses	9,704	15,861	3,998	12,782
Liability Orders	7,846	11,815	3,231	8,920

Notes:

1. *Recovery notices increased in 2019-20 due to customers affected by the 8% reduction in Council Tax Support falling into arrears.
 2. **Due to Covid-19, statutory reminders were only issued from September to December 2020 and there was only one cycle of summonses and court hearings in 2020-21.
21. In the first half of 2022-23 the Council has issued:
- 16,748 Statutory 1st Reminders

- 3,353 2nd Reminders
- 787 Final Notices
- 6,332 Summonses
- 4,771 Liability Orders

22. A breakdown of some of the enforcement methods that are used, and the number of cases currently subjected to that type of action is as follows:

	Number of cases	Outstanding Amount £'000
Attachment of benefit (see note 1 below)	2,778	951
Attachment of earnings	1,092	746
Enforcement Agent (Formerly Bailiff)	4,627	3,725
Committal (see notes 2 & 3 below)	6	2
Bankruptcy/Statutory Demand (see note 3 below)	7	32
Charging Orders (see note 3 below)	17	91

Notes:

1. Includes 2,353 Attachment of Benefit from Universal Credit.
2. No Council Tax defaulters were sent to prison in the first half of 2022-23.
3. These cases can comprise one or multiple Liability Orders.

23. During the previous four financial years the following number of cases were subject to enforcement action:

	Number of cases 2018-19	Number of cases 2019-20	Number of cases 2020-21	Number of cases 2021-22
Attachment of benefit	3,196	4,500	2,176	2,296
Attachment of earnings	3,755	3,133	1,046	2,319
Enforcement Agent	4,506	4,802	1,243	5,998
Committal (see note 1)	0	0	0	0
Statutory Demands (see note 1)	16	10	0	0
Bankruptcy Petitions (see note 1)	7	2	0	0
Bankruptcy Orders (see note 1)	2	2	0	0
Interim Charging Orders (see note 1)	8	7	0	0
Final Charging Orders (see note 1)	6	7	0	0

Notes:

1. These cases can comprise one or multiple Liability Orders.

Non-Domestic Rates (Business Rates)

24. Non-Domestic Rates are charged on business properties in the County. There are currently 14,236 business properties in Northumberland, with a total rateable value of £235,787 million, and with a net collectable debit of £81.872 million for 2022-23.

25. Each financial year there will be an amount of Non-Domestic Rates that is not paid and that amount is added to the arrears that were carried forward at the start of the financial year (less the amount collected during the year) to give a total arrears figure outstanding. At 31 March 2022 £7.211 million was outstanding in total (£3.172 million relating to the 2021-22 financial year).

26. A comparison with previous years is shown below:

	2018-19	2019-20	2020-21	2021-22
	£'000	£'000	£'000	£'000
Arrears at 31 March	3,091	3,648	6,577	7,211
Arrears at 31 March relating to the last billed year	1,207	1,930	3,250	3,172

27. In-year collection rates (this does not include arrears) for the past four years are shown below:

	2018-19	2019-20	2020-21	2021-22
	%	%	%	%
Overall Collection Rate	98.3	97.7	93.3	95.7

28. Benchmarking performance:

- This performance is below the average compared to the other 11 North East Councils (96.5%).
- This performance is, however, above the average compared to all local authorities in England (95.5%) but below the average of all Unitary authorities in England (96.3%).
- CIPFA Benchmarking has not been carried out since prior to the start of the Covid-19 pandemic in 2019-20.

29. The in-year collection rate at 30 September for the previous four years is shown below.

	30.9.19	30.9.20	30.9.21	30.9.22
	%	%	%	%
Overall Collection Rate	58.0	56.6	50.0	53.8

30. The in-year collection rate at 30 September 2021 was 50.0% and was below performance for prior years due to the impact of Covid-19.

31. Benchmarking performance:

- Quarter 2 performance comparison with the North East Councils at 30 September 2022 shows that the in year collection rate as at 30 September 2022 was the lowest of 11 of the North East Councils. This is due in part to a backlog in processing Valuation Office Agency schedules and an issue with posting NCC payments. these issues should be remedied in Q4.

32. During the previous four financial years the Council issued the following recovery notices:

	2018-19	2019-20	*2020-21	2021-22
Reminders	3,037	2,987	472	5,410
Summonses	571	780	0	1,166
Liability Orders	357	411	0	558

Notes:

- *Due to Covid-19, other than statutory reminders in October, November and December 2020, no other formal recovery notices were issued for business rates arrears in 2020-21.

33. In the first half of 2022-23 the Council has issued:

- 2,155 Reminders
- 741 Summonses
- 464 Liability Orders

Reminders have been issued monthly since June 2021.

34. A breakdown of some of the enforcement methods that are used, and the number of cases currently subjected to that type of action is as follows:

	Number of cases	Outstanding Amount £'000
Enforcement Agent	180	1,298
Committal (see notes 1 & 2 below)	1	3
Bankruptcy/Statutory Demand (see note 2 below)	4	104

Notes:

- No ratepayers were sent to prison in the first half of 2022-23.

- These cases can comprise one or multiple Liability Orders.

35. During the previous four financial years the following number of cases were subject to enforcement action:

	Number of cases 2018-19	Number of cases 2019-20	Number of cases 2020-21	Number of cases 2021-22
Enforcement Agent	206	270	14	24
Committal (see note 1)	0	0	0	0
Statutory Demands (see note 1)	10	3	0	0
Bankruptcy Petitions (see note 1)	10	2	0	0
Bankruptcy Orders (see note 1)	2	1	0	0

Notes:

- These cases can comprise one or multiple Liability Orders.

Housing Benefit Overpayments

36. Housing benefit overpayments are payments of benefit to which there was no entitlement. Reasons for overpayment are mainly changes in financial circumstances (automatic tax credit uploads; differences between new claims and details held on system e.g. finances, capital held, family members and the detection of fraud), claimants vacating their properties with little or no notice or claimants passing away. The Council has an Overpayment Policy which details overpayment collection.
37. Council Tax Benefit and Council Tax Support overpayments are collected through the Council Tax account and any non-payment is subject to the debt recovery methods described above.
38. The Council receives subsidy of up to 40% for most of its housing benefit overpayments and any additional money collected is kept by the Council. In 2021-22 overpayments of £1.087 million were identified with £0.688 million recovered in year (63.34%). This compares with 66.3% being recovered in year in 2020-21, 54.1% 2019-20 and 56.0% in 2018-19. A further £0.758 million was collected in respect of overpayments identified prior to 1 April 2021.
39. A total of £1.446 million was recovered in 2021-22 compared to £1.616 million in 2020-21, £2.394 million in 2019-20 and £2.623 million in 2018-19. The drop in recovery can be attributed to the movement of Housing Benefit claimants to Universal Credit, thus removing our opportunity to recover from future payments of Housing Benefit, and fewer overpayments being created. In addition, no proactive recovery action was undertaken in 2020-21 as result of the Covid-19 pandemic. Cash collected in 2021-22 amounted to £0.505 million compared to £0.436 million in 2020-21, £0.845 million in 2019-20 and £0.909 million in 2018-19.
40. As at 30 September 2022 a further £0.575 million overpayments have been identified, of which £0.309 million has been recovered (53.7%). A further £0.409 million has also been recovered in respect of overpayments identified prior to 1 April 2022.
41. A total of £0.718 million has been recovered so far this financial year. This compares to £0.680 million recovered in the same period in 2021-22. Cash collected to 30 September 2022 amounts to £0.286 million, compared to £0.211 million collected as at 30 September 2021.
42. There is currently £3.652 million outstanding in respect of housing benefit overpayments (£0.232 million in respect of overpayments identified in 2022-23 and £3.420 million in respect of prior years). £3.632 million is recoverable and recovery action is taking place utilising the following methods of recovery (with 30 September 2021 figures for comparison):

Recovery Method	No of cases/ invoices	30 Sep 2021 £'000	No of cases/ invoices	30 Sep 2022 £'000
On-going entitlement to benefit	502	762	404	557
Invoice stage	222	329	244	335

Recovery Method	No of cases/ invoices	30 Sep 2021 £'000	No of cases/ invoices	30 Sep 2022 £'000
Reminder stage	102	201	87	223
Final stage	939	1,077	562	747
External debt collector	124	154	224	224
Attachment of benefit (clerical claims)	11	64	9	58
DWP Referrals	1,216	1,277	1,008	1,233
Direct Earnings Attachment	181	280	164	255
CCJ obtained	0	0	0	0
CCJ cases with High Court Enforcement	1	1	0	0
Total	3,298	4,145	2,702	3,632

43. Invoices are raised for all recovery methods except where deductions are being made from on-going entitlement to benefit.
44. When it is identified that a debtor has begun to claim benefit again, and payments are not being made on an invoice, the debt is brought back into the benefit system and is recovered from on-going benefit entitlement.
45. Benchmarking performance:
- The Council had the 4th lowest level of outstanding overpayments at the end of 2021-22 compared to the other 11 North East Councils, and again the second lowest ratio of Housing Benefit overpayments to Housing Benefit caseload.
 - Performance comparison with the North East Councils at 30 September 2022 is not yet available
 - CIPFA Benchmarking has not been carried out since prior to the start of the Covid-19 pandemic in 2019-20.
46. The £1.086 million of overpayments identified in 2021-22 are broken down as follows with 2020-21 £1.373 million for comparison):

Overpayment Reason	2020-21		2021-22	
	Council Tenants	Private Tenants	Council Tenants	Private Tenants
	£'000	£'000	£'000	£'000
Claimant Error	174	1,102	154	789
Local Authority Error	7	18	1	28
Administrative Delay	2	15	4	41
Fraud	14	22	4	45
DWP Error	1	2	4	2
Technical Overpayments	13	3	9	5
Total	211	1,162	176	910

47. In 2021-22 total Housing Benefit expenditure was £55.991 million and there were 13,030 claimants as at 31 March 2022. In 2020-21 total Housing Benefit expenditure was £60.396 million and there were 16,190 claimants as at 31 March 2021.

Housing Rent and other debt

48. As with other debt and income (see Key Issues above), the Council has a responsibility to all tenants to ensure the efficient and effective collection of rent, whilst minimising levels of debt that is written-off, to reduce the burden of unpaid debt on the ring-fenced Housing Revenue Account. In doing so, it allows services to be maintained and provides the opportunity to enhance service delivery by releasing additional funds.

49. A 4-year analysis of current and former tenant rent arrears is shown below.

Measure	2018-19	2019-20	2020-21	2021-22
Annual Rent Debit	£31.0m	£30.2m	£31.7m	£32.1m
Current arrears as a % of the annual rent debit (changed to % collected in 2019-20)	1.88 %	98.52%	100.18%	100.87%
Current tenant rent arrears outstanding	£582,836	£753,659	£653,642	£599,705
Former arrears as a % of the annual rent debit	3.82%	4.10%	3.72%	2.97%
Former tenant rent arrears outstanding	£1,184,575	£1,238,348	£1,183,229	£953,341

50. The targets for rent arrears in 2021-22 were:

- Collection of current arrears - to collect 98% of rent due
- Former tenant arrears as a % of the annual rent debit - 1.90%

Note - Both amounts are year on year cumulative totals expressed as a percentage of the annual rent debit.

51. The target for current tenant rent arrears was exceeded. This is notable performance given the impact arising from full service of Universal Credit (UC) and due to financial difficulties faced by customers during the Covid-19 pandemic.
52. Whilst former tenant arrears target was not achieved, we have seen a reduction in the total level of arrears outstanding and are making progress to reduce the overall debt further.
53. We continue to support customers in financial hardship of who may not be claiming all benefits they are entitled to. Our Welfare benefit Support Officers were able to generate £476,032.20 in 21/22. As of the end of September they had generated £356,802.31 in additional income for our customers.
54. Whilst it is a priority to support tenants as much as possible to enable their tenancies to be maintained, as an absolute last resort, eviction must be considered. A known consequence of such action is the possibility of additional former tenant arrears and in the previous four years the following action has been taken:

Measure	2018-19	2019-20	2020-21	2021-22
Number of Notices of Seeking Possession	775	734	715	781
Number of Evictions	49	50	0	6

55. In respect of all other housing debt, 2021-22 end of year performance is shown below, together with end of year performance in 2020-21 for comparison:

Measure	Current Tenants		Former Tenants	
	31 March 2021	31 March 2022	31 March 2020	31 March 2022
Garage Arrears	£1,321	£1,934	£9,857	£4,760
Furniture Recharges	£1,134	£780	£93,736	£41,813
Repair Recharges	£61,156	£55,507	£880,584	£578,146
HB Overpayments	£6,668	£6,699	N/A	N/A
Leasehold Service Charge	£52,010	£51,766	N/A	N/A
Bankruptcy	£9,958	£8,604	£5,085	£1,066
Court Costs	£104,390	£76,271	£171,342	£118,202

56. The targets for rent arrears in 2021-22 were:

- To collect 98% of rent owed by current tenants
- Former tenant as a % of the annual rent debit - 1.90%

Note - Tenant debt is a year-on-year cumulative total expressed as a percentage of the annual rent debit.

57. Quarter 2 performance to 30 September 2022 is shown below, together with Quarter 2 performance in 2020-21 for comparison:

Measure	Current Tenants		Former Tenants	
	30 Sep 2021	30 Sep 2022	30 Sep 2021	30 Sep 2022
Arrears as a % of the debit	N/A	N/A	3.41%	2.82%
Rent collected (98% target)	99.50%	98.88%	N/A	N/A
Arrears Outstanding	£1,249,722	£1,318,438	£1,152,230	£926,915
Sheltered Arrears	£6,240	£7,257	£6,171.49	£6,049
Garage Arrears	£3,053	£2,366	£5,454	£4,672
Furniture Recharges	£1,008	£439	£62,807	£29,268
Repair Recharges	£56,878	£53,490	£729,572	£506,465
Housing Benefit Overpayments	£6,698	£6,698	N/A	N/A
Leasehold Service Charge	£62,528	£48,998	N/A	N/A
Bankruptcy	£3,379	£11,379	£0	£501
Court Costs	£89,757	£70,659	£142,835	£107,261
Notices of Seeking Possession	477	494	N/A	N/A
Evictions	0	5	N/A	N/A
Attachment of Earnings Orders	0	0	0	0
Debt Collection Referrals	0	0	67	257
Attachment of Benefit Orders	0	0	0	0

58. Full Service Universal Credit was introduced in Northumberland in November and December 2018. At 30 September 2022 2,965 tenants were in receipt of the benefit, up from 2,737 tenants in March 2022.
59. Tenants wait on average 5 weeks for their first monthly payment and it is during this period that arrears are accrued. At 30 September 2022 this had resulted in collective arrears of £477,006.72, up from £425,628.08 in March 2022. Despite the yearly increase, arrears directly associated with UC performance exceeded the target set.
60. The average rent for a Northumberland County Council property is £78.70 per week and on average those in receipt of UC are in arrears of £495.48 which equates to 6.3 weeks of rent payments. For those tenants not in receipt of UC the average arrears are £281.92.
61. There are 974 Alternative Payment Arrangements and 336 third party reductions in place for rent arrears.
62. In addition to UC, a further 32 tenants are affected by the Benefit Cap. This compares with 44 tenants as at 31 March 2022. The Council's Welfare Benefits Advisor is working closely with these tenants and, where possible, is assisting with their claims for Discretionary Housing Payment.
63. Officers continue to work pro-actively with all tenants in arrears. Officers work in partnership with other agencies such as Citizens Advice Northumberland, and use many different contact methods to try to support customers.

Other Housing Revenue Account Debt

64. In addition to the Housing debt above the following is a breakdown of other housing debt to the Housing Revenue Account, again with performance from 2019-20 for comparison:

Measure	Current Tenants		Former Tenants	
	31 March 2021	31 March 2022	31 March 2021	31 March 2022
Valley Care	£2,263	£2,230	£2,552	£1,469

65. Quarter 2 performance to 30 September 2022 is shown below, together with Quarter 2 performance in 2020-21 for comparison:

Measure	Current Tenants		Former Tenants	
	30 Sep 2021	30 Sep 2022	30 Sep 2021	30 Sep 2022
Valley Care	£2,230	£2,114	£2,352	£967

Recent and current developments

66. Quarterly joint meetings are held with the Council's appointed Enforcement Agents and Citizens Advice Northumberland. Citizens Advice Northumberland continues to report that they have no major issues in relation to the work being carried out by the Enforcement Agents.

67. The Revenues and Benefits Service is currently undergoing a Service Review to incorporate both improvement and efficiency of resources and processes.
68. The Cabinet Office is working with local authorities to set up data sharing pilots with HMRC and DWP to share employment and benefits information for council tax collection. Data sharing would improve the efficiency and effectiveness of the council tax enforcement process, a greater number of Attachment of Earnings Orders will be issued to employers, and collection rates will improve. The data share will also help to identify potentially vulnerable customers. The Recovery Manager is a member of the National Working Group and leads a group comprising of Northumberland County Council and four of the five Tyne and Wear Councils. Go-live was expected to be early summer 2020 but was deferred due to the Covid-19 pandemic however the initial data was shared with HMRC and DWP in August 2021 and following lengthy delays the initial results were shared in August 2022. It is too early to measure the success of data share.
69. The Revenues Service will soon be implementing a pilot scheme using the Voicescape telephony tool which aims to increase engagement with customers in arrears with Council Tax at an early stage to allow payments to be made without the need to go through the Court process and incur additional Court costs.
70. There have been some significant changes to internal policies and procedures to enhance the delivery method of sustaining tenancies and collecting with care. The escalation policies have been reviewed and investment in IT infrastructure as well as training and support to staff to provide the best possible customer service which has proved successful in the results that have been achieved

Implications

Policy	Debts are followed up in line with the agreed Council policies and as set out in the Council's Finance and Contract rules.
Finance and value for money	By improving the robustness of debt recovery, the Council will improve its cash flow, and reduce the risk of a need to write off outstanding amounts.
Legal	None
Procurement	None
Human Resources	None
Property	None
Equalities	All debt recovery policies and the procedures they use have been subject to an equality impact assessment.

(Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
Risk Assessment	Risks relating to the non-recovery of debt are picked up within the relevant area's service plan. In addition, the risk assessments carried out in relation to the budget process highlight such areas and identify the appropriate controls. Budget risk assessments are carried out on an annual basis.
Crime & Disorder	Section 17 of the Crime and Disorder Act 1998 has been considered, and no implications have been identified.
Customer Consideration	Applying a more holistic approach and methodology to debt collection will ensure that all debtors and taxpayers are treated in a consistent manner. Timely recovery of debts ensures a more effective use of public money.
Carbon reduction	None
Health and Wellbeing	None
Wards	All

Background papers:

Corporate Debt Recovery Policy

Report sign off.

Authors must ensure that officers and members have agreed the content of the report:

	Full Name of Officer
Monitoring Officer/Legal	Suki Binjal
Interim Executive Director of Finance & S151 Officer	Jan Willis
Relevant Executive Director	Jan Willis
Interim Chief Executive	Rick O'Farrell
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Northumberland
County Council

Regeneration Update

Corporate Services & Economic Growth
Overview and Scrutiny Committee
12 December 2022

www.northumberland.gov.uk

Broad Role

- Making the case for external funding investment in the county that meets the economic growth and regeneration needs and opportunities of communities and businesses across the county
- Managing the progressive development and implementation of the subsequent and extensive pipeline of secured regeneration, culture and transport projects and programmes
- Providing the Council's accountable body role for externally funded projects and programmes to manage performance and ensure compliance

Areas of investment

- Town regeneration
- Community regeneration
- Cultural investment
- Rural stewardship and growth
- Pathways to work
- Strategic sites
- Strategic transport

Town Regeneration

- Energising Blyth Programme
 - Capital investment in 11 significant projects funded by Towns Fund and Future High Street Fund
- Ashington Investment Plan
 - High Street Innovation Programme funded by North of Tyne Combined Authority in delivery with outcome of significant application to Levelling Up Fund awaited
- Borderlands Place Programme
 - Funding targeted at Alnwick, Bedlington, Bellingham, Haltwhistle, Newbiggin, Prudhoe, and Rothbury
- Hexham High Street Heritage Action Zone
 - Heritage-led regeneration initiative sponsored by Historic England
- Berwick Culture and Creative Zone
 - Culture-led regeneration initiative sponsored by North of Tyne Combined Authority

Community Regeneration

- Maintain strategic relationship with Town and Parish Councils
- Community Chest
 - Annual call by Local Area Councils for community-based projects
- Community Assets
 - Right to Buy
 - Community Asset Transfer
- External Funding Advisory Service
 - Access to funding advice tools and information, including feasibility work and business case development

Cultural Investment

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- Development of new cultural attractions
 - The Maltings and the Barracks complex in Berwick
 - Ad Gefrin Distillery and Visitor Centre
 - Lilidorei at Alnwick Garden
 - Blyth Cultural Hub
- Hadrian's Wall Investment Programme
 - Unlocking the economic potential of this iconic World Heritage Site
- Destination Tweed
 - Creating a new long-distance recreational route along the Tweed

Rural Stewardship and Growth

- Investment Plan in development
- Rural Business development
 - Rural Business Growth Fund sponsored by North of Tyne Combined Authority and European Funding to provide bespoke support to rural businesses
 - Future of Farming Inquiry currently ongoing to define how best the Council can support farming through the post-Brexit transition
- Integrated land management of the countryside
 - Borderlands Natural Capital Innovation Zone
 - Great Northumberland Forest
 - Local Nature Recovery

Pathways to Work

- Employment Partnerships with the voluntary and community sector to help those residents furthest from work back into employment
 - Northumberland Bridge (Building Better Opportunities)
 - North of Tyne Working Homes
 - KickStart brokerage for young people
- Incentivising businesses to be a good employer and to recruit local people where possible
- Tailoring DWP and regional employability support programmes to the needs of Northumberland residents

Strategic Sites

- Working with Advance Northumberland to attract businesses on to the county's Enterprise Zones

- Northumberland Energy Park
- Blyth Riverside
- Ashwood Business Park, Ashington

Working with the North of Tyne Combined Authority to unlock the economic potential of the Northumberland Line

- Defining the next sites for future employment and housing development
- Unlocking the cultural and tourism offer
- Strengthening the digital connectivity
- Build the skills base of the local workforce

Strategic Transport

- Reopening passenger services to the Northumberland Line
- Making the case for improvements to the major trunk road network (A1, A19, A69) and for new roads to supplement the local road network (Blyth Relief Road)
- Significant programme for establishing additional walking and cycling infrastructure within and around our main towns, with outcome of significant application to Levelling Up Fund awaited
- Work with bus operators to maximise the network of commercial and subsidised routes across the county
- Manage the Council's Concessionary Travel Scheme

Questions and Comments

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Northumberland County Council

Corporate Services and Economic Growth Overview & Scrutiny Committee

Work Programme and Monitoring Report 2022-2023

1. Terms of reference:

- (1) To maintain an overview of the Council's Annual Budget and Budgetary Management via the Medium Term Financial Plan.
- (2) To review the state of Northumberland and the County Council's activity in delivering its Corporate Plan.
- (3) To maintain an overview of the Council's performance management arrangements; highlighting areas of poor performance and monitoring recovery delivery plans.
- (4) To maintain an overview of the Management Agreements in place between the Council and Advance Northumberland.
- (5) To monitor, review and make recommendations about:
 - Corporate Services: Organisational Development, Health and Safety, ICT Strategy, Corporate Governance, Financial Services, Procurement Strategy, Risk Strategy, Shared and Traded Services
 - Partnership development coordination with local organisations
 - Relationships with external bodies
 - Regeneration and Economic Development
 - Strategic Transport Network and Infrastructure
 - Employability, Skills, and removing barriers to work
 - Capital Programme and Asset Management
 - Support to VCS organisations and the Council's relationship with town and parish councils.

Northumberland County Council
Corporate Services and Economic Growth Overview and Scrutiny Committee Work Programme 2022-2023

9 January 2023

Budget 2023-24 and MTFP 2023-27

This report will provide Cabinet with an update on the development of the 2023-24 Budget and the Medium-Term Financial Plan (MTFP) covering the period 2023 to 2027. This report will also detail the budget proposals for 2023-24 to meet the budget gap and provide an update on the Local Government Finance Settlement 2023-24 if it has been received.

30 Year Business Plan For the Housing Revenue Account

This report presents to Cabinet the 30 year Business plan for the Housing Revenue Account

13 February 2023

Budget 2023/24

To invite members of all four OSCs to comment on the budget proposals for 2023/24.

13 March 2023

Advance Northumberland

To receive an annual update on Advance Northumberland's operations.

3 April 2023

Northumberland County Council
Corporate Services and Economic Growth Overview and Scrutiny Committee Monitoring Report 2022-2023

Ref	Date	Report	Decision	Outcome
1.	11 July 2022	Annual Workforce Report	RESOLVED members agreed to note and support the recommendations in the report.	The Committee will continue to receive annual updates.
2.	11 July 2022	Debt Recovery Update	RESOLVED that the information in the report be noted.	A further update will be presented to the Committee in December.
3.	11 July 2022	Green Homes Grant	RESOLVED that the information be noted.	No further action required at this stage.
4.	11 July 2022	Advance Northumberland Ltd and its subsidiaries– Request for Reserved Matter Approval	<p>RESOLVED to advise the Cabinet that it supported the recommendations contained in the report on the condition the following are included:</p> <ol style="list-style-type: none"> 1. With regards to the Shareholder Representative Role Profile, the wording be amended to provide greater clarity on the role the Shareholder Representative should carry out at board meetings. Members suggested the wordings to be: <ol style="list-style-type: none"> iii. <i>To attend and play an active role at board meetings of the Company whilst recognising the authority to make decisions lies with the board of the Company.</i> 2. The Committee would like a further report in 6 months, if appropriate, to review the implementation of the proposed new Articles of Association and the Shareholder Representative Role Profile. 	Cabinet approved the comments made by the OSC when it determined the report on 12 July 2022.

5.	11 July 2022	Trading Companies' Financial Performance 2021-22 – End of March	RESOLVED that the report be noted.	The Committee will continue to receive quarterly updates.
6.	10 October 2022	Council Tax Support Scheme 2023/24	RESOLVED that the recommendations be supported.	Cabinet considered the Committee's comments when it determined the report on 11 October 2022.
7.	10 October 2022	Broadband Connectivity	RESOLVED that the information in the report be noted.	The Committee will continue to monitor this issue as appropriate.
8.	10 October 2022	Budget Consultation	RESOLVED that the information be noted and suggestions be examined for inclusion in the Budget Consultation 2022/23.	The Committee will receive details of the outcome of the consultation as part of the budget setting process in February.
9.	10 October 2022	Covid Grants and Financial Assistance to Business	RESOLVED that the information in the report be noted.	No further action required at this stage.
10.	10 October 2022	Trading Companies' Financial Performance	RESOLVED that the information in the report be noted	The Committee will continue to receive quarterly updates.

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