

**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, 11 July 2022 at 10.00 am.

**PRESENT**

Councillor D. Bawn  
(Chairman in the Chair)

**COUNCILLORS**

Beynon, J.  
Dunn, E.  
Murphy, M.  
Oliver, N.

Robinson, M.  
Taylor, C.  
Wallace, A.

**OFFICERS**

Angus, C.  
Earl, R.

Furnell, L.  
Greally, R.

Johnston, N.  
Roberts, M.

Teasdale, K.  
Willis, J.

Scrutiny Officer  
Chief Operating Officer of Advance  
Northumberland  
Interim Service Director for HR/OD  
Assistant Democratic Services  
Officer  
Project Manager  
Senior Climate Change and  
Sustainability Manager  
Recovery Manager  
Executive Director of Finance  
(Section 151 Officer)

**17. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors P. Ezhilchelvan and P. Jackson.

**18. DECLARATIONS OF INTEREST**

Councillor M. Murphy declared that she was on the board for Advance. She confirmed that she would remain present during the item but would not contribute.

## 19. MINUTES

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

## 20. 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).

**RESOLVED** that the Forward Plan of key decisions be noted

## 21. ANNUAL WORKFORCE REPORT

L. Furnell, Service Director, introduced the HR & OD annual update for workforce report to the committee. The following parts of the report were highlighted to Members:-

- It was confirmed that following a short-term strategy which was in place until April 2021 in recognition of the need to focus on staff health and wellbeing. A wider People Strategy 2021-24 has since been implemented to realise our ambition to continue to be an employer of choice in a post-pandemic era.
- The strategy was a 5-pillar strategy and each pillar had workstream leaders to oversee it.
- The Authority had successfully TUPE'd over 623 NHS staff. There was a lot of preparation involved for a smooth transfer including inductions to make staff welcome. There had been no complaints from staff that Officers were aware of.
- Officers highlighted that there were 600 apprenticeships across the Authority. It was noted that these ranged from level 1-7. There were also 2 graduate programmes and an MBA programme available in the Authority. It was noted that the pandemic had affected the apprenticeship programmes.
- The labour market was challenging. The Authority had recently created a recruitment task and finish working group to improve the market position for Northumberland County Council.
- The whistleblowing policy had been reviewed in April 2022 and renamed raising concerns at work policy. It was confirmed that Members concerns were to be reported to the Monitoring Officer, whereas staff concerns would be reported through the channels explained within the policy.
- The equality and diversity networks were working really well and there were two new networks created: Armed Forces and Apprenticeships.
- A new leadership programme had been introduced called 'Living Leader' it had a train the trainer approach and had been very successful so far.

The following comments were made in response to Member's questions:-

- Members noted that Service Directors and Heads of Service were given the opportunity to use the Work Smart reviews in a way which met the needs of their service. It was noted that it was not a one size fits all approach. The general desk ratio for County Hall was 3 to 10 and service leads had delegated responsibility to structure this in the best needs of the service.
- It was confirmed to Members that the membership to Stonewall was historical and there were no membership fees being paid currently.
- Members were assured that although the completion of performance appraisals would never achieve 100%, those who had been missed due to sickness or maternity leave would be picked up at another time. Support meetings with service leads were in place to improve compliance in areas that had struggled.
- Members were assured that through talent management and recruitment drives that the apprenticeship uptake would be improved. It was important to illustrate to prospective employees that apprenticeships offered were not just at entry level. The Authority were striving to recruit apprentices for an onward career path within the Council.
- The wage for apprenticeships had been raised at a JCC meeting, although the Authority was looking into it, as although the cost-of-living crisis would have an effect on individuals, the Council was also mindful about what it could afford. There was ongoing work including finance colleagues to take this forward.
- Members were assured that staff turnover was sometimes a good thing to bring in new talent. It was noted that that there was not a big uptake on exit questionnaires, but any information gathered was acted upon. This was being factored into the recruitment and retention task and finish work.
- It was confirmed that all councils had similar issues with recruitment and retention of staff, this is a national issue across many sectors.
- Members suggested that the Authority used different tactics to attract different demographics to apprenticeships, such as in schools, but also in playgroups to attract people for possible career changes. Officers took these suggestions on board.
- Officers recognised suggestions for performance indicators from previous years to also be included in the report so Members could compare figures and identify services needs.
- It was confirmed that the staff bank was used in a way that resembled an internal agency, where staff could register and be assigned work on an ad hoc basis. It was a good way to cover staff shortages internally at a lower cost than external agencies.

**RESOLVED** members agreed to note and support the recommendations in the report.

## 22. DEBT RECOVERY UPDATE

J. Willis, Section 151 Officer, introduced the report to the Committee. It was acknowledged that there were still repercussions from the pandemic and the cost of living crisis. The report gave an overview of debt recovery by the Authority including write offs, sundry debts and Council Tax payments.

The following comments were made in response to Member questions:

- Members were informed that there were a number of prescribed phrases that had to be included in the debt recovery process to comply with legislation, including the 'committal to prison' option for non-payment of Council Tax. However, it was anticipated that the legislative process was due for review.
- Officers confirmed that there was an assumption made about debt recovery when budgeting. Annually the Authority outperform that assumption and any surplus money was then shared between Council Services. This did not include Business rates which were pooled nationally.

**RESOLVED** that the information in the report be noted.

## 23. GREEN HOMES GRANT

The Leader of the Council introduced the report. M. Roberts, Senior Climate Change and Sustainability Manager and N. Johnston, Project Manager then gave an overview of the report. The Department of Business, Energy and Industrial Strategy introduced a series of funding streams to improve energy efficiency of low income and low energy performance homes with a focus on energy performance certificate (EPC ratings of E, F or G). This would help reduce fuel poverty and delivery towards the UK's commitment to net zero by 2050, and the NCC's commitment for net zero by 2030.

The Council had been successful in drawing £11.8 million across four rounds of funding to support domestic retrofit. The first round of funding known as Local Authority Deliver Round 1B (LAD1B) had been partially delivered by Eon as a turnkey solution. The future delivery of the scheme would be managed in-house with a collaborative approach between the Climate Change Team and the Housing Team. The in-house approach would allow NCC to work directly with residents and communities to identify the best solutions to support them.

The initial phase of work delivered energy saving measures into 137 low-income, energy inefficient homes with Eon. The funding that the climate change team had brought in could facilitate another 853 homes by 31<sup>st</sup> March 2023.

The following comments were made in response to Member questions:

- Members were assured that there was enough demand to meet all the funding that had been secured. The services were still working on marketing campaigns to increase uptake. Officers confirmed that the programme benefitted from Members highlighting those areas and residents who would benefit from the scheme.

- Advance confirmed that they were ready and willing to help with the scheme and would liaise with Officers from the climate change team.
- Officers acknowledged concerns over the uptake from private landlords. It was noted that it was a national problem and other councils were faced with the same problem, but no solution had yet been agreed.
- Eligibility for the scheme included having an EPC rating of D or below and having a combined household income below £30,000.

**RESOLVED** that the information be noted.

## **24. WORK PROGRAMME**

The Committee received an update on its Work Programme for the 2022/23 council year.

**RESOLVED** that this information was noted.

## **25. URGENT BUSINESS**

### **ADVANCE NORTHUMBERLAND LTD AND ITS SUBSIDIARIES–REQUEST FOR RESERVED MATTER APPROVAL**

J. Willis, Section 151 Officer, introduced a report this report (attached with signed minutes). The day to day running of Advance Northumberland Ltd and its subsidiaries was the responsibility of the Board of Directors, but there were certain matters of corporate governance that could not be executed by the Directors without the consent of the Shareholder. These matters were known as “Reserved Matters”. The Shareholder of Advance Northumberland Ltd was Northumberland County Council, but the exercise of Shareholder rights and powers was an Executive function and so it was for Cabinet to give approval of “Reserved Matters”. The report requested Cabinet to approve a new set of Articles of Association, the key public governance document.

The following comments were made in response to Member questions:

- Members were assured that the Shareholder representative would not be part of the decision-making process but would be present to express shareholders views to board members. Members suggested that the clause in appendix G be amended to clarify that board members would be the decision makers.
- It was explained that Directors of the company were duty bound to act in the best interest of the company.
- Members felt that it was beneficial for a shareholder representative to be present at meetings and express the views of shareholders. They also expressed their contentment at Senior Officers working collaboratively with Advance.

- Advance Ltd was the holding company for Advance Northumberland which was split into five subsidiary companies. The board of Advance Ltd can give direction to the subsidiary companies.
- The reserved matters was not a different system but would stop the current system getting clogged up. It would help ensure there was stronger governance over the wholly owned company which was highlighted in the Caller report.
- Members asked if mechanisms were in place to ensure the proposal could not be overridden in the future. Although there was no guarantee that it would not be overridden in the future there was a need for appropriate member scrutiny and greater transparency.

**RESOLVED** that Cabinet be advised that the Committee supported the recommendations contained in the report on the condition the following are included:

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:
  - iii. *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.*
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.

## 26. 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:-

<b>Agenda Item</b>	<b>Paragraph of Part I of Schedule 12A</b>
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

**27. TRADING COMPANIES' FINANCIAL PERFORMANCE 2021-22 – POSITION AT THE END OF MARCH**

The confidential report, which was considered by Cabinet on 6 June 2022, was introduced to the Committee by J. Willis, Section 151 Officer.

Members welcomed the report and the improvements in evaluations due to improvements in commercial valuations post pandemic. It was noted that Advance was undergoing a strategic review to ensure financial arrangements align with an effective Business Model.

Members were reminded that the loan arrangements between Advance and Northumberland County Council were interest only. The Council was required to offer commercial loans and it was unlikely that Advance could access a loan from a third-party company for a better rate.

It was confirmed to Members that NEHL was dormant and not trading at the time. Following the S114 and Caller report it was highlighted that there was a need for transparency and strong governance. Cabinet had asked for a report regarding the future of the company which could also be presented to this Committee.

**RESOLVED** that the report be noted.

**Chairman** \_\_\_\_\_

**Date** \_\_\_\_\_