

**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 Conference Room 1, County Hall, Morpeth, NE61 2EF on Monday, 12 December 2022 at 10.00 am.

**PRESENT**

Councillor D. Bawn  
(Chairman in the Chair)

**COUNCILLORS**

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

Robinson, M.  
Taylor, C.

**CABINET MEMBERS**

Ploszaj, W.  
Wearmouth, R.

Portfolio Holder of Business  
Deputy Leader & Portfolio Holder of  
Corporate Services

**OFFICERS**

Greally, R.

McMillan, S.  
Nicholson, S.  
Rose, J.  
Teasdale, K.  
Willis, J.

Assistant Democratic Services  
Officer  
Assistant Service Director  
Scrutiny Co-ordinator  
Interim Director of Regeneration  
Recovery Manager  
Executive Director of Finance  
(Section 151 Officer)

**28. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors P. Ezhilchelvan, P. Jackson, N. Oliver and A. Wallace.

**29. DECLARATIONS OF INTEREST**

Councillor M. Murphy sought guidance regarding item 6 as she was on the board for Advance which is a council-owned company. As the report was a general report covering the governance of all council-owned companies it was deemed acceptable for Councillor Murphy to remain in the room and discuss the item.

### **30. MINUTES**

**RESOLVED** that the minutes of the meeting of the Corporate Services and Economic Growth Overview and Scrutiny Committee held on 10 October 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).

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

### **32. ECONOMIC DEVELOPMENT**

Councillor Ploszaj introduced the presentation to committee. J. Rose, interim director of regenerations, presented the PowerPoint to committee. It outlined the role of the regeneration service. The service tried to maintain a steady flow of work so there was always projects in the pipeline. External funding was instrumental to many projects and during differing economic times that funding varied. It was highlighted that investment into the County was not mutually exclusive. The service provided the Council with an accountable body for externally funded projects and programmes to manage performance and ensure compliance.

There were several areas of investment. Town regeneration investment included the Energising Blyth Programme, which consisted of capital investment in 11 significant projects funded by Towns Fund and Future High Street Fund. It was hoped a similar investment would take place in Ashington Town centre however Levelling Up Fund was awaited. There were also investments in more rural town centres such as Alnwick, Hexham and Berwick.

Community regeneration was important to maintain a strategic relationship with Town and Parish Councils. This investment also covered the community chest which funded community-based projects. The Cultural investment looked at developing new cultural attractions such as Ad Gefrin in Wooler and Blyth Cultural Hub. Hadrian's Wall was an international asset in the County and the service was looking at unlocking the economic potential of the iconic World Heritage Site. Rural Stewardship focused on rural business development and helping businesses access funding.

Pathways to work looked at employability pathways in the County. It was important that the employability programmes met the needs of the businesses in the area and the programmes were tailored to meet the needs. Strategic sites was where the

service worked with Advance Northumberland to attract business on to the County's enterprise zones. It also looked at the economic corridor created by the Northumberland Line and how to unlock its potential. The strategic transport investment focused on programs around the County's transport. The Northumberland Line and walking and cycling infrastructure programmes were reliant on external funding. The service also managed the Council's concessionary travel scheme.

The following comments were made in response to members questions:-

- It was confirmed that funding cross-pollinates, and it was hoped that investment into one area such as a town centre would ripple out to local communities. The service tried to package projects together to get the optimum funding for that area.
- The definition of cultural investment was highlighted as important as only certain projects would receive external funding.
- Investments had to resonate with the area it was important that they married into the assets that were already available. The service recognized where the market was failing and where investment could be used effectively.
- It was acknowledged that it was challenging to receive funding for existing businesses. Members were advised that Advance Northumberland worked with existing businesses and would be the first port of call. It was also highlighted that in exceptional circumstances the Council would help businesses with rate relief but a stringent criteria would have to be met. There was also the potential for external funding dependent on the business and its circumstances.
- It was acknowledged that accessing external funding could be complex. The service was trying to build capacity for this within communities and Town & Parish councils to help more people access external funding.
- The Community Chest would be more widely advertised to ensure more people were aware of the funding and more applications would be received.
- It was confirmed that a Bus Improvement Plan was taking place. The package and funding had been confirmed from Government. The plans for how the funding was going to be used had been submitted and the service was awaiting confirmation of this plan from the Government. It was hoped the improvement in public transport would help the investments in Town Centres ripple out to the wider community.
- There was a North of Tyne shared prosperity fund, which was a pilot programme where all major businesses had been encouraged to upskill their workers, which had received positive feedback. However it was acknowledged that the County had a lot of microbusinesses who could access funding through alternative avenues.

**RESOLVED** that Committee noted the presentation.

### **33. BUDGET 2023-23 AND MEDIUM TERM FINANCIAL PLAN 2023-27**

Councillor R. Wearmouth, Deputy Leader of the Council and Portfolio Holder for Corporate Services introduced the report which gave an update on the position of the Council's budget. The Government had not disclosed any further information regarding the budget but it was expected to be delivered 21<sup>st</sup> December, therefore the information in the report was based on assumptions.

J. Willis continued to present the report to committee. It was acknowledged that details regarding grants may not be received on the 21<sup>st</sup> as often they are given a couple of weeks after the statement. The limits for things such as Council Tax would be outlined in the statement. It was confirmed that the forecast was not looking at worst case scenario.

The committee welcomed the report and looked forward to more information in the New Year. It was suggested that setting the budget for the coming year could have been a defining mark of the administration.

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

#### **34. COUNCIL-OWNED COMPANY GOVERNANCE FRAMEWORK**

Councillor R. Wearmouth, Deputy Leader of the Council and Portfolio Holder for Corporate Services introduced the report. The governance framework has been created to outline the role of the Council within the companies. The framework would help the authority to move forward with the Caller recommendations.

S. McMillan continued to present the report; the framework was intended to provide balance between Council-owned companies' objectives and the Council as shareholder; it had been developed based on best practise. The framework allowed the Council to respond to areas highlighted in the Caller Review, particularly the board composition of Council-owned companies, which was to change with the number of independent non-executive directors increased, which would be achieved through an open and transparent recruitment process. There would be remuneration for the board members to attract and motivate high calibre candidates; it was noted that Councillors would only receive remuneration to the limit agreed and officers would not receive remuneration. The process to recruit the board members would start once the proposal had received approval from Cabinet and would be managed over a transition period to ensure stability for the Company.

The following comments were made in response to members questions:-

- Concern was expressed regarding whether it was appropriate to offer remuneration to the independent non-executive directors. Members were advised that a reasonable sum of remuneration was necessary in the current market and that recruitment to those positions of the calibre required may be otherwise difficult.
- It was confirmed that a report outlining the company and Councillor arrangements would come to scrutiny. There would also be further information regarding the subcommittee.

- The political connection on the board had been reduced to support the recommendations from the Caller report. Members were informed the board member could not be a member of Cabinet. The recruitment process would be open and transparent. It would involve the Leader and the shareholder representative, the member would be appointed based on possessing the skills required for the role.
- Members welcomed that Advance Northumberland would come to scrutiny annually to give an update on the work they had carried out.

**RESOLVED** to advise the Cabinet that it supported the recommendations contained in the report, subject to consideration of the issues highlighted above.

### **35. DEBT RECOVERY UPDATE**

J. Willis, Executive Director of Finance (Section 151 Officer), introduced the report with K. Teasdale, Recovery Manager. The management of income was a key business area for Northumberland County Council. The Council collected income from many sources; some of this activity was governed by legislation while other areas by sound principles of financial management. The key to economic, efficient and effective income management was the creation and maintenance of a clear framework that set out the approach, principles, ownership and strategy within which all activities were conducted.

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

There was an awareness that the Council was still feeling repercussions from the Covid pandemic however progress had been made. The officers were mindful of the cost of living crisis and that it was likely to have an impact on debt recovery in the future. A new telephony tool was being introduced to the Revenue Service which would aim to improve engagement with customers in arrears with Council Tax at an early stage.

**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 highlighted that all scrutiny members were invited to the January meeting to consider the Budget 2023-24 and Medium term financial plan 2023-27 as well as the Housing Revenue Account.

Members asked if they could receive at scrutiny the monthly reports received at Cabinet giving an update on the Council's financial position given inflation. It was confirmed that the reports were available to scrutinise.

**RESOLVED** that this information was noted.

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

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