

## **NORTHUMBERLAND COUNTY COUNCIL**

### **CORPORATE SERVICES AND ECONOMIC GROWTH OVERVIEW AND SCRUTINY COMMITTEE**

At a remote meeting of the **Corporate Services and Economic Growth Overview and Scrutiny Committee** held on Monday, 8 February 2021 at 10.00 am.

#### **PRESENT**

Councillor D Bawn  
(Chair in the Chair)

#### **COUNCILLORS**

Beynon JA  
Cessford T  
Grimshaw L  
Parry K  
Robinson M

Roughead GA  
Seymour C  
Simpson E.  
Swithenbank ICF

#### **ALSO PRESENT**

Bowman, L.  
Castle, G.  
Dale, A.  
Davey, J.G.  
Dickinson, S.  
Dodd, R.  
Dunbar, C.  
Dungworth, S.  
Dunn, L.  
Hill, G.  
Homer, C.  
Horncastle, C.W.  
Hutchinson, J.I.

Jones, V.  
Lang, J.  
Nisbet, K.  
Oliver, N.  
Pattison, W.  
Reid, J.  
Renner Thompson, G.  
Riddle, J.  
Sanderson, H.G.H.  
Stewart, G.  
Watson, J.G.  
Wearmouth, R.

#### **OFFICERS**

Angus K	Executive Director of HR and OD and Deputy Chief Executive
Elsdon, A. Hadfield, K.	Service Director: Finance Democratic and Electoral Services Manager
Hand C	Executive Director of Finance and Section 151 Officer
Lally D	Chief Executive
Nicholson S	Scrutiny Coordinator
O'Farrell, R	Interim Executive Director: Place

**92. DISCLOSURE OF MEMBERS' INTERESTS**

Councillor Hill disclosed an interest in relation to item 3 on the agenda (Budget 2021-22 and Medium-Term Financial Plan 2021-24) in respect of the Port of Berwick reference as she was a Harbour Commissioner member.

**SCRUTINY OF CABINET REPORT****93. REPORT OF THE EXECUTIVE DIRECTOR OF FINANCE****Budget 2021-22 and Medium-Term Financial Plan 2021-24**

The purpose of the report was to enable the Cabinet to make formal budget recommendations to the County Council.

The report provided the Revenue Budget for 2021-22 and Revenue Medium-Term Financial Plan (MTFP) 2021-24 and the Capital Budget for 2021-22 and Capital MTFP to 2021-24, following the Government's Spending Round Announcement 2020 (SR 2020), on 25 November 2020, and the publication of the provisional Local Government Finance Settlement on 17 December 2020. Members were asked to note that there may need to be some revisions to the figures following receipt of the Government's February 2021 Final Local Government Finance Settlement figures. It was proposed that any changes to the figures as a result of this announcement, which impact on the Budget 2021-22 and MTFP 2021-24 were delegated to the Council's Section 151 Officer in consultation with the Portfolio Holder for Corporate Services.

The Leader introduced the report by thanking all Council staff for their efforts during a very difficult year. Efforts had been made to ensure that the budget did not impact on their wellbeing. There had been a very wide public consultation on the budget this year and he thanked those who had taken the trouble to respond. He drew members' attention to some highlights in the budget including:

- New school developments across the County
- Investment in leisure centres
- £1m investment in public toilets
- Bold and ambitious climate change programme
- £10m investment in four years in roads and cycleways and £1.5m in walking and cycling
- Investment in car parking
- Town deals for Blyth, Ashington and Bedlington
- Significant Borderlands investment

Councillor Oliver thanked officers and Cabinet colleagues for their input during a particularly challenging time. The focus had to be on improving things going forward and he hoped members would support the proposals.

A number of comments were made by members including:-

- Councillor Grimshaw advised that she had previously asked for the outcome on the public budget consultation exercise. This had been promised and it was important to see what the public thought. Councillor Oliver advised that a summary of responses was available which he would circulate to all members before the Council meeting. The consultation had been on the whole budget not just savings, and the public had responded positively, identifying adults, children's and local services as essential areas for spend.
- Councillor Hill asked if climate change was such a high priority for the Government, why was the Administration spending so much money on car parks. She didn't believe climate change was a high priority for residents. Also, with regard to the loans to third parties figure detailed on pg 31 for Advance Northumberland, she asked whether this was for running costs, a regeneration project or to do with the legal claim. The Leader responded that climate change was the single most important issue for the Administration to tackle. There had been around 800 additional car parking spaces created for two reasons - to encourage tourism and to allow safe parking in small villages which needed it, and to encourage market towns to prosper. Councillor Oliver confirmed that the loan figure was for regeneration projects.
- Councillor Reid queried whether the estimated non collection rate for council tax of 1% in recommendation 14 was enough in light of the deficit figure detailed in recommendation 15. Councillor Oliver advised that the two recommendations were reconciled with each other and Chris Hand confirmed that the figure was sufficiently prudent. Recommendation 15 was about the tax base assumptions for next year and beyond, but it wasn't known what figure was actually recoverable in council tax until all recovery action had been exhausted. The provision being made was wider than just non collection and was about assumptions around council tax support entitlement and tax base growth
- Councillor Oliver advised that the collection fund and the non collection rate were two different things. The collection fund deficit determined the assumptions made for the following year, or three years in this case, which was a one off concession that the Government had allowed to smooth out the impact of Covid.
- With regard to recommendation 17, Councillor Reid queried whether it was allowed to impose a 1.25% increase for adult social care services on the next Administration. Councillor Oliver replied that it was up to each Administration to set its budget and its MTFP for the following 2-3 years. Any subsequent Administration could make changes if it so wished, but it was required to set a budget.
- With regard to Appendix 7 which detailed £8.127m of efficiencies, Councillor Reid commented that each one was simply a review and he queried whether any of them had been done or even started. Councillor Oliver replied that the Cabinet Members could provide detail of their own portfolios, but the savings identified were at different stages of development and each year the Administration had delivered on its budget.
- In response to a question from Councillor Reid regarding how the £400,000 projected income in planning would be achieved, Councillor Riddle advised that this was expected income from additional planning applications. Councillor Reid asked how much it would cost to achieve this figure. Councillor Oliver advised that this figure was net income and would be a net

contribution to the Council's budget after any increase in costs. A breakdown could be provided.

- With regard to Appendix 13 and the capital programme, Councillor Reid asked how much the revenue costs would be after the refurbishment to leisure centres was complete. Councillor Oliver advised that the effect of the capital programme had been taken account of in the revenue budget, and capital investment should actually reduce revenue costs.
- Councillor Dale noted that the external audit fees were due to increase by 33%. She welcomed the work which was being done on climate change though the costs would be a challenge, and she urged the Authority to learn from other Councils. Since 2008, over £100m had been reduced from the revenue budget and she was concerned about the use of reserves and the burden on the council tax. She also asked about the allocation of £425,000 for the Local Plan review when this wasn't in place yet.
- Councillor Oliver replied that there had been a national Redmond Review which had impacted on the audit fees. Reserves were there for a rainy day, which the pandemic had been, and current levels were healthy. He understood the difficulties about council tax increases but the Administration had tried to keep it as low as possible. All efforts would be made to regenerate the economy through the investment programme so families were in a good position. The fair funding review was ongoing and government would take account of challenges being faced.
- Councillor Dale reiterated that her concerns were about the long term effect of using reserves to support the revenue budget, and the impact on the council tax. The public needed every day essential services to be delivered.
- Councillor Riddle responded that the Local Plan had been temporarily held up due to Covid but he was confident of a result soon. The funding identified was not to start the Local Plan again, but was a recommendation from officers to make provision in the budget for a regular review as required by the Government.
- Councillor Dale commented on the location of the car park in Hexham which she didn't feel was right and suggested that no consultation had been carried out with those who would use it. However, a number of other members detailed the extensive discussions and consultation which had been carried out on this for a number of years.
- Councillor Seymour queried whether enough was being spent on climate change. She asked what the total external funding was for flood and coastal erosion risk management compared to what the County Council was contributing as flooding was a very serious issue. Councillor Oliver responded that the Council was a key player in the NRFCC and there was an excellent flood team in Local Services. The schemes set out in the capital programme attracted grant funding from the Government and much good work was being done. Councillor Sanderson agreed on the effectiveness of the team with some excellent work done at Lynemouth Bay.
- Councillor Roughead referred to the delegations to Cabinet Members and asked whether these would be included on the forward plan and go through Scrutiny, or be reported to a service committee. Councillor Oliver responded that he would need to check on specific issues. The Chair advised that the delegations were the normal process given the lack of final figures in some cases.

- Councillor Roughead raised some points of detail in relation to the completion of the reports and suggested that they undergo further accuracy checks before submission to Council.
- Councillor Reid referred to the £300,000 reduction in travel and subsistence budgets and asked if this signaled the Administration's plans to keep staff at home. Councillor Oliver replied that there was an expectation that things would not completely return to pre-Covid activity levels as people had got used to working in different ways. There was a balance to be struck and HR and the refurbishment team were taking these things into account.

**RESOLVED** that Cabinet be asked to note the issues raised by the Committee.

**Chair** \_\_\_\_\_

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