

**NORTHUMBERLAND COUNTY COUNCIL  
AUDIT COMMITTEE**

At a virtual meeting of the **Audit Committee** held on Wednesday, 27 January 2021 at 10:15 am.

**PRESENT**

G Hill (Chair)

**COUNCILLORS**

G Castle  
S Dickinson  
L Grimshaw

L Rickerby  
M Swinburn  
D Towns

**CO-OPTED MEMBERS**

P Topping

S Watson

**ALSO PRESENT**

Councillor B Flux, Business Chair

Councillor N Oliver, Portfolio Holder for Corporate Services

Councillor G Stewart, Deputy Business Chair

**OFFICERS IN ATTENDANCE**

S Agass  
K Angus

Interim Consultant  
Executive Director of HR and OD and Deputy  
Chief Executive

A Bridges  
T Candlish  
L Dixon (part)  
C Hand

Head of Communications  
Senior Auditor

C Henderson  
D Lally  
N Masson

Democratic Services Assistant  
Executive Director of Finance (Section 151  
Officer)

K McDonald  
B McKie  
J McCloughlin

Senior Auditor  
Chief Executive  
Senior Manager, Legal Services (Deputy  
Monitoring Officer)

A Mitchell  
K Norris  
A Stewart  
M Taylor

Acting Chief Internal Auditor  
Group Assurance Manager  
Executive Director of Regeneration, Commercial  
& Economy

W Trainor

Director of Corporate Assurance  
Democratic Services Officer  
Finance Manager  
Director - Business Development (Care  
Services)  
Interim Deputy Monitoring Officer

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## **ALSO IN ATTENDANCE**

J Dafter, C Waddell (part) - Mazars (External Auditors)

### **74. ATTENDANCE AND APOLOGIES FOR ABSENCE**

The Chair welcomed Councillor S Dickinson as a new member of the committee. Apologies were received from Councillor M Purvis.

### **75. MINUTES**

**RESOLVED** that the minutes of the Audit Committee meeting held on 25 November 2020, as circulated, be confirmed as a true record and signed by the Chair.

At that point Councillor Swinburn referred to item 59 (b) Update on the audit progress of the Pension Fund Accounts 2019-20, and asked for clarification regarding 'unqualified opinion'. In response Mr Waddell said an unqualified opinion was good and in the context of the Pension Fund it meant the financial statements had been audited and no material statements uncorrected by management had been identified. This allowed an unqualified opinion to be issued on the basis of reasonable assurance. Mazars had broadly completed the work on the Pension Fund and once they were able to complete the work on the County Council's core statement, they would be in a position to issue the Audit Report and the Pension Fund separately.

### **76. DISCLOSURE OF MEMBERS' INTERESTS**

Councillor Castle declared an interest in item 5(a) Treasury Management Statement for the Financial Year 2021-22 as he was on the Board of Alnwick Playhouse and Alnwick Youth Hostel to which the Council had loaned money.

### **77. REPORT OF THE EXTERNAL AUDITOR**

#### **Audit Progress Report**

Mr C Waddell, Mazars, introduced the above report and said good progress had been made on the Pension Fund. An Audit Completion Report on the Pension Fund had been presented at the last meeting and a verbal update provided on outstanding issues. The Pension Fund Audit was almost complete and the required letters to auditors of the National Park Authority and Active Northumberland had been issued. Responses to outstanding queries had been received and following completion of the County Council audit, the Pension Fund audit would be signed off with an unqualified opinion which, as explained earlier, was a good result.

Due to the pandemic extra work around level 3 on quoted investments was required but, given the nature of the investments held by the Pension Fund, a separate paragraph was not needed for that. It was, however, proposed to include an extra paragraph to explain that on 1 April 2020 Northumberland Pension Fund had merged with Tyne and Wear Pension Fund.

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In terms of the County Council, Mazars had been making good progress and the following information was provided:

- Some errors had been identified which would either need to be corrected or require some management representation, mainly around disclosures.
- There was currently one significant query around the valuation of the Waste Energy Plant and this was being discussed with officers going forward.
- Some other areas would need to be amended as part of the audit and some required adjustments, all of which were being discussed with officers.
- Regarding VFM, work around the financial sustainability risk was almost complete and it was noted that item 5 (b) the 'Going Concern Status' was a key piece of that evidence.
- The position in relation to Advance would be discussed later in the agenda.
- Mazars were working their way through the issues raised by EY last year and it was felt the Council had addressed some of these, for others evidence was still being gathered.
- There were some ongoing issues for which a conclusion was awaited before a decision could be made on the impact on the Auditors' areas of responsibility.
- Planning of 2021 audits would continue. It was acknowledged that it was unusual to be referring to 2021 whilst still discussing 2020 but that was the case for a significant number of audits across the country as around 55% of local authority audits were late last year.
- Pages 5 and 6 of the report highlighted that the Value for Money approach had fundamentally changed for 2021 and it was proposed that some slides be provided at the next Audit Committee to set out the key changes.
- In terms of national publications, the committee's attention was drawn to Sir Tony Redmond's report about the Local Government External Audit market last year. MHCLG had published their response to that report which contained a number of key factors including this year's deadlines which would be moved back to September.

**RESOLVED** that the information be noted.

## **78. REPORTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND SECTION 151 OFFICER**

### **(a) Treasury Management Strategy Statement for the Financial Year 2021-22**

Mr C Hand, Executive Director of Finance and Section 151 Officer, introduced the above report which set out the Treasury Management Strategy, Treasury Management Policy Statement, the Annual Investment Strategy for the Financial Year 2021-22, Prudential Indicators 2021-22 to 2023-24 and the Minimum Revenue Provision Policy 2021-22. These would be put before full Council for approval in February.

Mr A Stewart, Finance Manager, highlighted the key issues as follows:

- The document contained the borrowing and investment strategy for the year ahead as influenced by the economic outlook and prospect for interest rates, contained within section 3 on page 6 of the report with further detail in Appendix 1.

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- Details of the Borrowing Strategy were set out in section 4 on pages 11 and 12 of the report.
- It was proposed to continue with the ongoing strategy to utilise investments in lieu of external borrowing and it was intended to utilise £165.1 million of investment balances in the short term for these purposes.
- There was still a borrowing requirement for 2021/22 of £185 million to fund the capital programme.
- Given the market conditions, it was anticipated that borrowing requirements would be fulfilled mostly by borrowing short term but attractive interest rates would also be sought in the medium to longer term where possible.
- Section 5 on pages 13-17 of the report covered the Investment Strategy. Paragraph 5.2 highlighted that the bank rate of 0.1% was unlikely to change for some time and this was reflected in the Council's budget figures that investment returns would remain low for the foreseeable future.
- The proposal was to continue using investment balances with £165.1 million of external borrowing, however, it was anticipated some investments would be needed in the coming year.
- The Council's policy in terms of investments was to ensure that funds were protected and ensure sufficient liquid funds were available to meet commitments before maximising returns.
- Investments were in line with the counterparty policy as attached at Appendix 2 for which there were no proposed changes.
- Appendix 3 provided details of Treasury Management practices to deliver the treasury management function to minimise risk, protect capital and show there were sufficient liquid funds to meet those commitments. There were no proposed changes to these practices.
- The Council's proposed prudential indicators for 2021-24 were contained in Appendix 4. These indicators were designed to ensure the Council's capital plans were prudent, affordable and sustainable and would be submitted to Council along with the budget report for approval.
- The MRP Policy (policy for the repayment of debt) was set out in Appendix 5, this remained unchanged and would be submitted to Council in February for approval.

The Chair read through the recommendations as set out on page 1 of the report and on a show of hands these were unanimously agreed.

**RESOLVED** that

1. Audit Committee recommend that County Council approve the Treasury Management Strategy Statement which includes the Treasury Management Policy Statement, the Annual Investment Strategy and Borrowing Strategy for the Financial Year 2021-22.
2. Audit Committee recommend that County Council approve the Prudential Indicators (Appendix 4) for three years 2021-22 to 2023-24 to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
3. Audit Committee recommend that County Council approve the Minimum Revenue Provision Policy (Appendix 5) 2021-22.

**(b) Northumberland County Council Consideration of 'Going Concern Status' for the Statement of Accounts for the year ended 31 March 2020**

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Mr C Hand, Executive Director of Finance and Section 151 Officer, introduced the above report which considered the Council's status as a going concern and recommended that Members approve this. The report related to the annual accounts for 2019-20 which were currently being reviewed by External Audit. The accounts were being prepared in line with the CIPFA code and were required to be prepared on a going concern basis on the assumption that the Council would continue to operate for the foreseeable future. The report outlined the rationale for that assumption.

Mr Hand said the Council provided a number of essential services for its residents, it had revenue and tax raising powers in order to fund those services, had a balanced budget, an MTFP which recognised and addressed any cost pressures and had a strong financial track record of identifying and delivering efficiencies and savings. The Council had prudent levels of reserves (attached as Appendix A) which should enable it to withstand any unexpected events. Whilst Covid 19 had impacted significantly on the Council both financially and operationally, it had continued to deliver all services throughout the pandemic and had received significant financial support from Central Government which would continue in the next financial year.

On the basis of those summary headlines, Mr Hand said it was recommended that the Council be considered as a going concern.

In response to a request from the Chair for further clarification, Mr Hand explained it was part of the process for the accounts to be prepared on a going concern basis in terms of how the balance sheets were prepared and assets valued. If a company or organisation was to wind up, the accounts would be prepared on a different basis. The Council was viewed as a going concern and the accounts had been prepared as such and would be reviewed by External Audit as part of their conclusion.

In response to questions from members the following information was provided:

- As it was not the end of the financial year, it was too early to give a definitive view as to whether the loss of income related to the Coronavirus pandemic had been balanced by Government assistance or if there was a significant net difference between the two. So far, the Council had received significant support in order to balance cost pressures and at this stage the financial position was looking reasonably strong.
- Figures for lost income would not be known until the end of the financial year. The Council reported on a monthly basis through to MHCLG and the position was updated on a forecast basis in monitoring reports to Cabinet.
- Councillor Oliver said it was likely that funding from Government would be lower than the extra costs incurred but this had been offset by lower costs in other areas. The monthly outturn report had shown the Council was on track to show a small underspend at the end of the year although it was acknowledged that this could change.

Councillor Oliver wished to put on record the Administration's thanks to the Finance Team for their phenomenal effort to keep the Council's finances on track.

Upon a show of hands the recommendation, as set out in the report, was agreed and it was:

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**RESOLVED** that the Council was considered to be a going concern and that the accounts were prepared on that basis.

**79. REPORT OF THE CHIEF INTERNAL AUDITOR**

**Approach to Preparing the Strategic Audit Plan 2021/22**

Mr K McDonald (Chief Internal Auditor) introduced the above report, the purpose of which was to outline the approach to preparing the 2021/22 Strategic Audit Plan for consideration and endorsement by the Audit Committee. The report also ensured the Audit Committee, as a key stakeholder of Internal Audit’s work, was engaged at an early stage in the planning process.

Mr McDonald said the report updated the committee on Internal Audit’s work plan for 2021/22, work was underway, and the plan would be presented to the committee in March for approval. The plan was risk based and normal processes were being followed to identify risks, along with any emerging risks or governance issues, and the usual engagement process.

Audit Committee members could make suggestions for items to be included within the plan at any time and comments were welcome now or after the meeting.

Discussion ensued about the process of putting suggestions forward and the Chair advised members to email Mr McDonald with a copy to herself. If there was sufficient interest, a session could be arranged virtually for discussion. The Acting Chief Internal Auditor said, although it was his Plan, as part of that he must take into consideration the comments of stakeholders, Audit Committee included. The Plan had to be risk based and he had to provide that assurance. If for any reason some suggestions made were not included it would be up to the committee to query why and that could be discussed at the meeting in March. Mr McDonald was, however, happy to receive any suggestions.

The Chair agreed with comments about the benefits of a virtual meeting to discuss wider issues and risks highlighted red in the risk register. She suggested a virtual meeting be set up in advance of the Audit Committee meeting in March.

On a show of hands members unanimously agreed the recommendations set out in the report and it was:

**RESOLVED** that Audit Committee endorse the approach to preparation of the 2021/22 Strategic Audit Plan and highlight any areas for consideration by the Chief Internal Auditor for inclusion in the 2021/22 Strategic Audit Plan.

**80. DATE OF NEXT MEETING**

The next meeting was scheduled for Wednesday, 24 March 2021 at 10:15 am.

**81. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED**

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- a) That under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following items on the agenda as they involved the likely discussion of exempt information as defined in Part 1 of the Schedule 12(A) of the 1972 Act, and
- b) That the public interest in maintaining the exemption outweighed the public interest in disclosure for the following reasons:-

<p>Agenda Items</p> <p>10, 11, 12, 13, 14a, 14b</p>	<p>Paragraph 3 of Part 1 of Schedule 12A</p> <p>Information relating to the financial or business affairs of any particular particular person (including the authority holding the information).</p>
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Following requests for clarification about non-members of the committee staying for part 2 items, the Chair said there had been a precedent at Audit Committee to date for the Business Chair, Vice Business Chair and Portfolio Holder for Corporate Services to remain and she had no issue with that but was concerned about fairness to other members.

Mr N Masson, Senior Legal Services Manager said currently there was no protocol in place for part 2 items but officers were looking to provide some written clarification. He advised members about the 'need to know' principle depending on their position. He would advise any non-committee member who wished to attend part 2 items to put their request with reasons in writing to himself or another Monitoring Officer. Items discussed in closed session were often sensitive and tight control of access had to be maintained.

Mr Masson referred to members having a duty of confidentiality as outlined in the Members' Code of Conduct and emphasised the importance of that, not just for this committee, but for all committees moving into part 2. Breach of confidential issues could result in serious legal implications for members and for the Council and actions of misfeasance in public duty could be a Police matter.

On a point of clarification, Mr Masson said at present a protocol was suggested and no level of detail had been agreed. The Business Chair added that he was happy to have this discussion outside of the meeting and said it could be raised for committees in general at a future Constitutional Working Group. He added that he was attending today's meeting in his role as Business Chair for the purpose of ensuring the smooth running of the Council which was the same for Councillor Stewart in his role as Vice Business Chair.

Discussion ensued and a member commented that the procedure was understood but it would be helpful to have it in writing to avoid misinterpretation and for the rules to be applied fairly.

**82. MINUTES 25 NOVEMBER 2020**

**RESOLVED** that the confidential minutes of the Audit Committee meeting held on 20 November 2020, as circulated, be confirmed as a true record and signed by the Chair.

With reference to item 67, Report of the Service Director – Corporate Assurance, Ms Mitchell confirmed that the points raised by the Vice Chair in the second bullet point had been picked up by the Corporate Risk Manager. The corporate risk updates were done twice yearly and would be detailed in a future report to Audit Committee.

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### **83. MINUTES 16 DECEMBER 2020**

**RESOLVED** that the confidential minutes of the Audit Committee meeting held on 16 December 2020, as circulated, be confirmed as a true record and signed by the Chair subject to an amendment regarding item 70, Disclosure of Members' Interests.

### **84. REPORT OF THE EXECUTIVE DIRECTOR OF FINANCE AND SECTION 151 OFFICER**

#### **Overview of Treasury Management Investment Procedures**

Mr C Hand, introduced the above report which provided an overview of the Council's rationale and procedures for placing treasury management investments. The report identified the risks associated with investments and the steps taken to mitigate the risks, as far as possible. The report followed discussion about the inherent risks associated with treasury investments and the risk mitigations measures undertaken, at Audit Committee on 25 November 2020.

**RESOLVED** that the contents of the report be noted.

### **85. REPORT OF THE DIRECTOR OF CORPORATE ASSURANCE**

#### **Group Audit Committee: Initial Report and Proposal for Self-Assessment of Framework of Governance, Risk Management and Control by Entities within the Advance Northumberland Group**

Ms A Mitchell, Director of Corporate Assurance, introduced the above report which was the initial report in relation to the Audit Committee undertaking its role as Group Audit Committee (GAC) for the Council's group of companies, in accordance with the Terms of Reference approved at the County Council meeting on 4 November 2020. As reported at the County Council meeting, the active companies within the Council's group currently related to those within the Advance Northumberland Group of Companies (the Advance Group).

The report presented summary information in relation to work completed by Internal Audit, and publicly available external audit information, in relation to all non-dormant entities within the Advance Group.

The report also proposed an approach to invite all non-dormant entities within the Advance Group to provide information so that the GAC could develop its understanding of the framework of governance, risk management and control within the group boundaries. This would help identify areas of emerging risk which the GAC may then wish to commission Internal or External audit to examine further.

Following a detailed discussion the Chair read out the recommendations as set out in the report.



Upon being put to the vote the recommendations were unanimously agreed and it was:

**RESOLVED** that

1. The summary of internal and external audit information provided in relation to the Advance Group attached at Appendix 1 and 2 be noted.
2. The proposal for all non-dormant entities within the Advance Group to complete a self-assessment of governance, risk management and control, using the model letter at Appendix 3, by 26 February 2021 be agreed.
3. This information be utilised as a foundation of its understanding of the group entity and as a basis for determining areas of governance and risk which the Group Audit Committee may wish to explore further as part of its role.

**86. REPORTS OF THE CHIEF EXECUTIVE**

**(a) Commercial Enterprises**

Mrs D Lally, Chief Executive, presented the above report which provided an update on the Council's key commercial enterprises including the plans to ensure that the Council met all required governance requirements.

Following a detailed discussion, the Chair read out the recommendations set out in the report.

Councillor Dickinson moved acceptance of the recommendations as set out in the report which was seconded by Councillor Swinburn.

An individual vote was taken on each recommendation:

Recommendations 1, 2, 3, 6 and 7 were unanimously agreed.  
Recommendations 4 and 5 were agreed with 1 abstention.

**RESOLVED** that

1. The recommendations, as set out in the report, be noted;
2. Comments of the Audit Committee and the views of the Section 151 Officer, Internal and External Audit be reported to Cabinet.

**(b) Advance**

The Chief Executive introduced the above report which provided an update on the current position from the Shareholder's Representative on the County Council's assessment of performance of Advance Northumberland, the County Council's wholly owned subsidiary.

Following detailed discussion Councillor Grimshaw proposed that members note the report and endorse the recommendations which was seconded by Councillor Dickinson.

Upon being put to the vote the motion was agreed For: 5; Against: 1 with 1 abstention.

**RESOLVED** that the report be noted and the committee endorse the following recommendations:

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- 1) That the Shareholder has identified a number of continuing weaknesses in governance arrangements regarding Advance Northumberland which must be improved, to ensure that the aims and interests of the County Council as Shareholder are met and that all entities are operating legally and appropriately.
- 2) That there are some areas of immediate and significant concern which must be addressed, including:
  - a) The poor financial performance of Advance Northumberland currently and prognosis for the future, and the resulting impact on the County Council as shareholder.
  - b) The nature of the Board constitution and the extent to which this allows the Council's interests to be suitably represented and safeguarded.
  - c) The adequacy of planning and performance management arrangements within the Group, including concerns regarding Advance Northumberland's proposed Business Plan and the Operating Agreement.
  - d) The adequacy over the wider governance framework in place within the Group.
  - e) The roles undertaken by officers and members within the arrangements established, which do not enforce sufficient separation of duties and in some cases do not safeguard against a potential conflict of interest in the roles being discharged.
- 3) The Shareholder representative has sought the view of an interim consultant who was appointed by the Council due to the concerns of a number of the Council's management team and some members about the lack of progress by Advance in relation to a number of outstanding concerns. These concerns were expressed in writing to the Advance Chairman and Board over a twelve month period commencing in 2019. Due to very limited progress against the concerns raised by the Shareholder representative and other members of the Council's management team the following actions are to be instigated.
- 4) The Committee is asked to note that as a result, the Shareholder will (following Cabinet and Council approval) move immediately to introduce the following actions:

#### Governance and Legal Matters

- a) The Shareholder representative has advised the Leader of the Council that the role of Chairman of Advance Northumberland, should be made separate from the role of Cabinet Member for Economy and Regeneration. This is necessary to introduce a sufficient separation of duties, which will be in the interests of the holders of each role and the County Council as shareholder. Consideration is being given by the Shareholder Representative about the arrangements for the appointment of the new Chairman of Advance.
- b) The County Council will work further with Advance Northumberland regarding its draft short term Business Plan, to determine whether the Business Plan can be made fit for purpose and whether this can provide sufficient assurance to the Shareholder that the County Council's interests can be safeguarded;
- c) The Operating Agreement will be fundamentally reviewed to determine whether this can be made fit for purpose to protect the County Council, with suitable external expertise sourced to undertake this review. This will allow clarity on what the Shareholder requires as the purpose of Advance Northumberland, and seek to change some current processes (e.g. last minute and pressurised decision making) which are not in the interests of the County Council and its own decision making;

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- d) The Board of Advance Northumberland will be reconstituted. It is essential that the interests of the Council are protected. At present the impact of discussions the Council is having, or requests made to the Chairman/Board are not suitably addressed. The Executive Director of Regeneration, Commercial and Economy has commented that the current observer status is far too weak to protect the County Council as Shareholder. This will facilitate a mechanism (to be contained in the Memorandum and Articles), to ensure that the company operates under the direction of the Shareholder, with suitable safeguards over reserved matters;
- e) The constitution of, terms of reference of and attendance at the Shareholder Assurance Group will be revised to enhance the important governance role that this Group undertakes. In terms of membership, this will become an officer group and elected members will not attend. Suitable legal advice has been and will continue to be sought on this matter;
- f) The County Council's Audit Committee, acting as Group Audit Committee for all group entities, including Advance Northumberland, will be recommended to include within its new role a focus on progress made within the company as regards internal and external audit recommendations and group governance more generally, in line with the Terms of Reference agreed by County Council in November 2020; specifically, the Group Audit Committee will be provided with detailed assurance information regarding the status of a major potential liability claim, originating in 2019/20, which is of a value that may impact the company's 'going concern' status.
- g) Advance Northumberland will be requested to work closely with the County Council's Finance Service to ensure that there is greater visibility over all accounting systems and processes.
- h) The Shareholder will require a plan to allow greater integration of processes between the County Council and Advance Northumberland, including investment, monitoring, risk management, audit, evaluation and reporting, which will be reflected in any revised Operating Agreement and form the basis of future performance clinics;
- i) Teckal arrangements will be established with the approval of the Council's Head of Procurement

#### Finance Matters

- j) The company has been significantly impacted by covid-19 and is forecasting financial losses over the short to medium term and deteriorating cash flow projections. Asset values have also been affected as reported in the Accounts 2019-20.
- k) Financial support from the parent is likely to be required to ensure the financial sustainability of the company in the short-term, and to prevent an unmanaged collapse, whilst any reviews and changes are implemented.
- l) Risks in the assumptions included in the financial forecasts provided by the company may mean that the financial position is worse forecast. Further deterioration during extended national covid-19 restrictions can be expected.
- m) The NEP 1 project represents a significant financial risk to Advance and the shareholder. The company has to date requested up to £1.2m financial support from the Council for professional fees in relation to addressing the claims that have been made by the contractor. These fees are out with any settlement figure and associated legal fees. Significant additional costs are anticipated c£3.4m in addition to further legal costs yet unquantified as worst case to be required in order to settle the claim with the contractor. This will require the company to seek further, unbudgeted, financial support from the Council in the current financial year. In

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additional to the funding for the claim as stated above Advance are now seeking up to a £6m working capital facility which is also currently unbudgeted. These ad hoc requests present further significant risks to the Council.

- n) As part of any strategic review of Advance, consideration needs to be given to the loan arrangements between NCC and its subsidiary. The company has significant loans from the Council of c£281m. Much of this has been historically provided on an interest only loans basis, unsecured and over a significant loan term of 30 years to 40 years. It is not clear what the long-term financial strategy is of Advance in relation to repayment of these loans; once due for repayment, will Advance have the cash available to repay the loans, or assets with sufficient value to sell, or be able to afford to refinance the loans at the prevailing interest rates at that time.

#### HR / OD Matters

- o) The organisation's aims and objectives for staff will be aligned to the relevant principles of public service, most notably that the Nolan principles and political restriction.
- p) The operating agreement and individual employment contracts should recognise that in times of emergency or critical civil contingency that the workforce of Advance Northumberland can be immediately redeployed to support the Council's role as a Category 1 responder of the Civil Contingencies Act.
- q) That the employment policies and procedures of the company are in line with best practice and receive full assurance from internal audit.
- r) That the HR/OD staff work closely with the Council to demonstrate similar professional standards which reflect the needs of the company.
- s) That the Health and Safety of all staff is managed overall by the Council's Corporate Health and Safety Committee to reflect assurance to the Council through the Council's Group Structure.
- t) The HR/OD Strategy for the company is aligned to the County Council's HR/OD strategy to reflect the Council's approach to being a good employer
- u) The Council 's Workforce Committee will have a representative from Advance Northumberland as a standing member to ensure that the company has oversight of the Council's approach and best practice in relation to its staff.
- v) The Council will request that they have either an observer or full member (to be determined) representing the Shareholder on the company's Nominations and Remuneration Committee to ensure greater visibility to the Council relating to Director level responsibilities and salaries.

#### Communications

- w) That the Council has oversight of all internal and external communications for the company, particularly those which impact upon or rely on the Council's expenditure or investment.

**CHAIR:** \_\_\_\_\_

**DATE:** \_\_\_\_\_