

NORTHUMBERLAND COUNTY COUNCIL

CABINET

At a meeting of the Cabinet held at County Hall, Morpeth on Tuesday 13 February 2024 at 10.00 am.

PRESENT

Councillor G. Sanderson
(Leader of the Council, in the Chair)

CABINET MEMBERS

Horncastle, C.	Riddle, J.
Pattison, W.	Stewart, G.
Ploszaj, W.	Watson, J.G.
Renner Thompson, G.	Wearmouth, R.

OFFICERS IN ATTENDANCE

Bradley, N.	Executive Director for Adults, Aging & Wellbeing
Elsdon, A.	Director of Finance and Procurement
Hadfield, K.	Democratic and Electoral Services Manager
Hunter, P.	Assistant Chief Executive
Kingham, A.	Executive Director for Children, Young People and Education
Masson, N.	Deputy Monitoring Officer
McMillan, S.	Director of Economic Development and Growth
Neilson, S.	Executive Director for Place and Regeneration
O'Neill, G.	Executive Director for Public Health (DPH), Inequalities & Stronger Communities
Paterson, Dr H.	Chief Executive
Willis, J. (remote)	Executive Director for Transformation and Resources (S151)

75. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Jones.

76. MINUTES

RESOLVED that the minutes of the meeting of Cabinet held on 16 January 2024, as circulated, be confirmed as a true record and signed by the Chair.

77. DISCLOSURES OF MEMBERS INTERESTS

Members received some guidance from the Deputy Monitoring Officer on the position regarding the Budget and Medium Term Financial Plan.

78. REPORT OF THE LEADER

Budget Engagement Report

The report provided a summary of the engagement on the Council's Budget which commenced in July 2023 and included a Budget Survey which closed on 26th January 2024. This engagement helps to inform the Council's Budget and Medium-Term Financial Plan (copy attached to the signed minutes).

RESOLVED that the Budget engagement activities and the summary results of the Budget Consultation Survey undertaken between December and January 2024 be noted.

79. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES

Budget 2024-25 and Medium-Term Financial Plan 2024-2028

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 2024-25 and Revenue MTFP 2024-28 and the Capital Budget for 2024-25 and Capital MTFP 2024-28, following the Government's Autumn Statement on 22 November 2023, and the publication of the provisional Local Government Finance Settlement on 18 December 2023 (copy attached to the signed minutes).

The Leader made some introductory remarks on the budget, highlighting the key features.

Councillor Ploszaj detailed the main points of the capital programme which included spend across the County.

Councillor Wearmouth agreed this was a very strong budget from a Council with a strong financial capacity and capability. As well as an ambitious capital programme, money was also being spent on fixing the day to day issues which were important to residents such as pothole repairs and parks enhancements.

Councillor Riddle welcomed the additional money being spent on U and C roads and for pothole repairs. Almost £11m of investment from Government and the Council would provide a long term programme of improvement and better standard of repairs.

Councillor Pattinson referred to the Hirst Welfare Centre in Ashington. This was going to be managed by the local community as part of the review of the leisure service. The Centre would be provided with £250,00 in 2024-25, £180,000 in 2025-26 and £100,000 in 2026-27 to support them in that.

Councillor Stewart commented that investment in major towns was having a ripple effect across neighbouring communities.

Councillor Watson welcomed the way capital funding was being spent across the County, both where it was needed and as a result of the residents' survey, which had identified where they wanted to see funding spent.

Councillor Horncastle commented that in his area, most roads were U and C roads and in rural areas one of the most important issues which was raised all the time, was the state of the roads. The amount of proposed investment would make a big difference and was very welcome.

Councillor Renner Thompson referred to the investment in education, particularly in schools in Seaton Delaval, Amble and Berwick. The quality of education in the County had risen enormously under the current Administration, with support from the Government.

The Leader reminded members that the 1,000 affordable homes target had been exceeded, with 1,700 actually achieved, with the help of partners such as Advance Northumberland and Ascent Homes and he expressed his thanks to them for that.

Councillor Horncastle added that there were a number of new schemes being looked at now to deliver affordable homes, making up a very good programme and all efforts were being made to expand into rural areas.

Councillor Wearmouth moved recommendations 1-44 as detailed in the report, with an amendment affecting Recommendation 2(a) to delete the proposal in Environment and Transport to increase the charge for a pay and display and display parking permit (2024-25 £0.012m; 2025-26 ££0.011m; 2026-27 £0.015m). This meant £10.834m of efficiencies in 2024-25 and £14.939m in 2025-26. This was seconded by the Leader.

RESOLVED that County Council be recommended to:-

1. Note that the figures contained within the Budget 2024-25 within Appendix 1 are based on the provisional Local Government Finance Settlement of 18 December 2023.
2. Approve:
 - a) the Revenue Budget for 2024-25 including the efficiencies totalling £10.834 million for 2024-25 contained within Appendix 1 (detailed

- in Appendix 10), which includes the deletion of the proposal in Environment and Transport to increase the charge for a pay and display and display parking permit (2024-25 £0.012m; 2025-26 £0.011m; 2026-27 £0.015m); and,
- b) the Schedule of Efficiencies totalling £14.939 million for 2025-26 contained within Appendix 1 (detailed in Appendix 10) noting that the efficiencies identified may be progressed during 2024-25 in order to realise the efficiencies early.
3. Note the Revenue MTFP covering the period 2024-28 detailed within Appendix 1 and the requirement to deliver budget balancing measures of £20.248 million in 2026-27 and £14.238 million in 2027-28.
 4. Note the estimated receipt of Revenue Support Grant of £14.020 million for 2024-25 contained within Appendix 1.
 5. Note the estimated retained Business Rates and the Top-Up Grant funding to be received by the Council for 2024-25 of £103.696 million and £324.303 million over the remaining period of the MTFP contained within Appendix 1.
 6. Note the estimated surplus from prior years on Collection Fund Business Rates balance of £3.471 million in 2024-25 contained within Appendix 1.
 7. Note the estimated receipt of Rural Services Delivery Grant of £2.745 million for 2024-25 contained within Appendix 1.
 8. Note the estimated receipt of the New Homes Bonus of £1.682 million (excluding service element of £0.028 million) for 2024-25 contained within Appendix 1.
 9. Note the estimated receipt of Improved Better Care Funding Grant of £12.496 million for 2024-25 contained within Appendix 1.
 10. Note the estimated receipt of Social Care Grant funding of £25.821 million for 2024-25 contained within Appendix 1.
 11. Note the estimated receipt of Adult Social Care Discharge Grant funding of £2.920 million in 2024-25 contained within Appendix 1.
 12. Note the estimated receipt of Adult Social Care Market Sustainability and Improvement Fund Grant of £6.656 million in 2024-25 contained within Appendix 1.
 13. Note the estimated receipt of the Services Grant of £0.439 million in 2024-25 contained within Appendix 1.
 14. Approve a 2.99% increase in Council Tax for 2024-25, noting that this is in line with the Government's assumptions regarding the Council's Core Spending Power; and, within the Government's referendum limit of 3.00%.

15. Note that the MTFP 2024-28 includes a 2.99% annual increase in Council Tax for 2025-26 and then 1.99% thereafter for the remaining years of the MTFP and, that an estimate of annual tax base growth has been included.
16. Note the non-collection rate for Council Tax purposes remains at 1.00% for 2024-25 (1.00% in 2023-24).
17. Note the estimated surplus of £4.149 million from prior years on the Collection Fund Council Tax balance for 2024-25 contained within Appendix 1.
18. Approve the Council Tax Support Hardship Scheme 2024-25; a reduction of up to £100.00 to council tax bills for all working age Council Tax Support claimants; and those pensionable age Council Tax Support claimants that do not receive 100.00% Council Tax Support, once all other discounts have been applied.
19. Approve a 2.00% increase in Council Tax for 2024-25 for use on Adult Social Care services; raising an additional £4.993 million to support the Budget 2024-25 and note that the assumed increase included in the MTFP is 2.00% for 2025-26 and zero thereafter.
20. Approve the Reserves Policy 2024-25 detailed in Appendix 2.
21. Note the Schedule of Reserves and Provisions contained within Appendix 3.
22. Approve:

The net contributions from the Strategic Management Reserve of £20.885 million in 2024-25 and note the proposed net contributions from reserves of £10.831 million in 2025-26 and £0.027 million in 2026-27, and the proposed net contribution to the reserves of £0.997 million in 2027-28, contained within Appendix 1, comprising:

 - a) non-recurrent pressures of £7.147 million for 2024-25, and note the non-recurrent pressures totalling £2.084 million in 2025-26, £0.027 million in 2026-27, and £0.028 million in 2027-28, (as detailed within Appendix 9; excluding the Adult Social Care Discharge Fund, Locality Coordinators, Hirst Welfare Centre – transitional support, Council Tax Support Hardship Scheme, and BEST Initiative);
 - b) delayed investment interest due from the airport as a result of Covid-19 will be repaid to the Strategic Management Reserve. It is anticipated that the airport will start to repay the delayed interest over a three-year period, commencing in April 2027 at £1.025 million per annum;
 - c) revenue contribution to capital (RCCO) of £13.171 million in 2024-25; comprising of £8.171 million for investment in the Schools' Development Programme, and £5.000 million for investment in the enabling works at strategic employment sites within

- Northumberland; and £6.591 million in 2025-26 for investment in the Schools' Development Programme; and,
- d) contribution from the reserve of £0.567 million in 2024-25 and note the subsequent proposed use of up to £2.156 million in 2025-26 in order to balance the Budget.
23. Approve the use of the Public Health Revenue Grant Reserve of £0.428 million in 2024-25, and note the proposed contribution from this reserve of £0.180 million in 2025-26 and £0.100 million in 2026-27 contained within Appendix 1, comprising:
 - a) four fixed term Locality Coordinators totalling £0.178 million in 2024-25; and,
 - b) Hirst Welfare Centre – transitional support at £0.250 million in 2024-25, £0.180 million in 2025-26, and £0.100 million in 2026-27.
 24. Approve the use of the Council Transformation Fund Reserve of £3.000 million to fund BEST programme delivery costs in 2024-25 contained within Appendix 1.
 25. Approve the use of the Council Tax Hardship and Discount Scheme Fund Reserve of £1.726 million in 2024-25 contained within Appendix 1 to fund the Council Tax Support Hardship Scheme for 2024-25.
 26. Note the Schedule of Service Specific Grants of £263.663 million contained within Appendix 4, and that some are still indicative pending final confirmation.
 27. Note the Schedule of Fees and Charges 2024-25 contained within Appendix 5.
 28. Approve the Inflation Schedule for 2024-25 totalling £28.559 million detailed in Appendix 6.
 29. Approve the Recurrent Growth and Pressures Schedules of £14.823 million and the additional revenue costs associated with the Capital Programme of £19.100 million for 2024-25; and note the Growth and Pressures of £2.265 million in 2025-26; £3.130 million in 2026-27; and, £0.875 million in 2027-28 and the additional revenue costs associated with the Capital Programme of £12.609 million in 2025-26; £6.000 million in 2026-27; and £6.000 million in 2027-28 included within Appendices 1, 7 and 8.
 30. Approve the Non-Recurrent Pressures of £15.221 million for 2024-25 and note the Non-Recurrent Pressures of £2.264 million for 2025-26, £0.127 million for 2026-27, and £0.028 million in 2027-28 included within Appendix 9.
 31. Approve the Non-Recurrent Income of £5.475 million for 2024-25 and note the Non-Recurrent Income of £0.314 million for 2025-26; £0.283 million for 2026-27, and £0.269 million for 2027-28 included within Appendix 9.

32. Approve the identified budget balancing measures contained within Appendix 10 of £10.846 million for 2024-25 and £14.950 million for 2025-26; and note those budget balancing measures totalling £6.017 million already identified for 2026-27 to 2027-28.
33. Note the Corporate Equality Impact Assessment at Appendix 11.
34. Note the Budget by Service Area 2024-25 detailed in Appendix 12.
35. Note the receipt of Dedicated Schools Grant of £175.086 million in 2024-25; and note the revised allocation of £158.046 million for 2023-24. This is following the conversion of four schools to academy status during 2023-24.
36. Approve the Capital Strategy 2024-25 to 2027-28 contained within Appendix 13.
37. Approve the revised Capital Programme as detailed within Appendix 14 and note the increase in the Capital Programme 2024-28 of £277.560 million detailed in Appendix 15.
38. Approve the delegation of the detail of the final Local Transport Programme and any subsequent in-year amendments to the Executive Director Place and Regeneration in consultation with the Cabinet Member responsible for improving our roads and highways.
39. Approve the delegation of the detail of the capital allocation for Highways Maintenance Investment in U and C Roads and Footpaths, and the Highway Maintenance and Pothole Repair Fund to the Executive Director Place and Regeneration in consultation with the Cabinet Member responsible for improving our roads and highways.
40. Approve the Capital Prudential Indicators 2024-25 to 2027-28 based on the proposed Capital Programme detailed within Appendix 16.
41. Approve the Annual Minimum Revenue Provision (MRP) Policy detailed in Appendix 17.
42. Approve the Treasury Management Strategy Statement 2024-25 detailed in Appendix 18.
43. Approve a delegation to the Executive Director for Transformation and Resources (the Council's Section 151 Officer) to draw down a total of £2.000 million from the Council's Transformation Fund Reserve and £0.800 million from the Estates Rationalisation Reserve in order to expedite work required with regard to the BEST initiative. Also, to note that Cabinet will receive updates of any drawdowns in the quarterly financial monitoring reports.
44. Approve a delegation to amend the Budget 2024-25 and MTFP in light of any changes as a result of the final Local Government Finance Settlement to the Executive Director for Transformation and Resources (the Council's Section 151 Officer) in consultation with the Cabinet

Member for Corporate Services if the final Settlement is received after the 21 February 2024 Council meeting. If the final Local Government Settlement is received prior to the Cabinet or 21 February 2024 Council meeting, then a supplementary report will be provided to Members advising of any changes necessary.

80. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES

Revenues and Benefits Policies

The report updated Members on the policies governing the administration of Revenues and Benefits and sought approval for the updates and amendments highlighted (copy attached to the signed minutes).

Councillor Wearmouth introduced the report and thanked the revenues and benefits team for their work throughout the year. He moved the recommendations, which was seconded by Councillor Renner Thompson.

Councillor Horncastle commented that he fully supported the recommendations on second and empty homes. Empty homes needed to be brought back into use and the effect on rural areas of second homes needed to be mitigated against so he supported any measures to redress this.

Councillor Renner Thompson agreed. The area he represented had the highest level of second home ownership in the County. He was pleased that the three representations which had been made to the Government on this topic from around the country had been heeded, with a tightening of the legislation. Any measures to bring local housing stock back onto the market was to be welcomed.

RESOLVED that County Council be recommended to:

- Approve the Revenues and Benefits Policies attached as Appendix 1 to Appendix 6;
- Approve implementing the 100% Empty Homes Premium after one year from 1 April 2024; and
- Make a determination to implement a 100% premium for second homes to increase the council tax charge to 200% from 1 April 2025.

81. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES

Corporate Fraud Policies

The report provided an update on the County Council's policies in relation to Corporate Fraud activity and sought approval for updated policies (copy attached to the signed minutes).

Councillor Wearmouth introduced the report . He moved the recommendations, which was seconded by the Leader.

RESOLVED that County Council be recommended to approve the updated Anti-Money Laundering Policy and Anti-Fraud, Bribery and Corruption Policy, attached as Appendix 1 and Appendix 2 to the report.

82. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES

Summary of New Capital Proposals considered by Officer Capital Strategy Group

The report summarised proposed amendments to the Capital Programme considered by the officer Capital Strategy Group (copy attached to the signed minutes).

RESOLVED that:

Energising Blyth Programme – Culture Hub and Market Place

- (a) Cabinet approve the amended budget, shown in table 6.16, for inclusion in the Capital Programme of £16.546 million including £6.135 million from the Energising Blyth Project Delivery Support budget which is included in the Medium-Term Financial Plan;
- (b) authority be delegated to the Executive Director for Place and Regeneration to enter into the main construction contract relating to the project, subject to the appropriate procurement processes being followed.
- (c) Subject to approval by North East Mayoral Combined Authority (NEMCA) of the £2.5m Business Case, this be added to the Culture Hub & Market Place budget within the Medium-Term Financial Plan, and the associated financial profiles be approved as set out in the report; and
- (d) Cabinet approve the transfer of funding of £0.388 million from the 2024-25 Climate Change Fund to the Culture Hub Project.

Gilesgate Structural Works

- (a) Cabinet approve the spend of £0.100 million to undertake the structural works at 2 Gilesgate, Hexham. This spend will be funded from the Property Stewardship budget within the Capital Programme;
- (b) Cabinet approve the amendment to the Capital Programme to reallocate the funding from the Property Stewardship budget to the 2 Gilesgate, Hexham project.

Broadband Connectivity and Oracle Upgrade

- (a) Cabinet note the receipt of a Gainshare payment from BT of £3.707 million;

(b) Cabinet approve the payment of a portion of the Gainshare receipt of £1.723 million to BDUK as per the terms of the funding agreement. Approve the allocation of the remaining Gainshare receipt of £1.984 million to the Community Broadband project in the Capital Programme. The £1.984 million will be profiled with £0.044 million in 2023-24 and the remaining £1.940 million in 2024-25;

(c) Cabinet approve the spend of £0.088 million for the implementation of new functionality in the Oracle system. This will be funded as follows:

- A reallocation of £0.044 million from the Community Broadband project in 2023-24.
- A reallocation of £0.042 million from the Microsoft 365 project in 2024-25.
- A reallocation of £0.002 million from the Computer Hardware project in 2024-25; and

(d) Cabinet approve the amendments to the capital programme as per the above.

83. REPORT OF THE CABINET MEMBER FOR CARING FOR ADULTS

Adult Social Care: Extra Care and Supported Living Strategy

The report presented the updated Extra Care and Supported Living Strategy (2024) (copy attached to the signed minutes).

The report was presented by Councillor Pattinson. She advised members that the Strategy was an updated version for 2024. It set out the Council's aspirations to develop extra care accommodation and supported living services for vulnerable residents. The document was aimed at housing developers and care providers to make them aware of what the Authority wanted to achieve. She detailed some of the schemes which were in progress. The development of housing solutions had been slower than had been hoped, due to covid and other issues and she hoped Cabinet would endorse the recommendations, which she proposed.

Councillor Riddle was delighted that the Bellingham development was going ahead on the old mart site. Previous facilities had been lost, leaving a significant gap in rural provision. He seconded the recommendations.

RESOLVED that:-

- (a) Cabinet endorse the Extra Care and Supported Living Strategy as the overarching strategy that will provide the context, vision and aspirations for delivery of projects in Northumberland;
- (b) Cabinet support opportunities which are consistent with the strategy including those that involve the use of Council land or buildings and planning decisions;

(c) Cabinet note that some schemes can be developed without Council funding, whilst others may require support including capital funding and/or the use of Council land. Where Council capital funding is required for the viability of schemes, detailed business cases will be prepared; and

(d) the Executive Director for Adults, Ageing and Wellbeing be requested to prepare a future report on the capital requirements of this programme once a number of submissions have been analysed.

84. REPORT OF THE CABINET MEMBERS FOR SUPPORTING BUSINESS AND OPPORTUNITIES AND THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES

North East Investment Zone

The report provided an overview of the North East Investment Zone proposal focused on Advanced Manufacturing and Green Industries and sought authorisation for designation of a Business Rates Retention Site in Northumberland (copy attached to the signed minutes).

The Leader introduced the report and proposed the recommendations, which were seconded by Councillor Pattison.

Councillor Renner Thompson welcomed the report. He felt there was a lack of awareness to some extent about the availability of this package of funding amongst the general public so more work was needed to promote it.

RESOLVED that:-

(a) Cabinet note the proposals in relation to the North East Investment Zone (NEIZ), including the inclusion of the Blyth Energy Central Site as an Investment Zone (IZ) Tax Site;

(b) Cabinet authorise inclusion of the Blyth Energy Central BRR Site in the NEIZ for 25 years, noting the NEIZ Business Rates Reinvestment Strategy (attached at Appendix 1); and

(c) Cabinet authorise the Executive Director of Place and Regeneration, in consultation with the Director of Finance, the Director of Law and Corporate Governance, the Cabinet Member for Supporting Business and Opportunities and Cabinet Member for Corporate Resources, to finalise the elements of the NEIZ proposal specific to Northumberland County Council in conjunction with the Interim Chief Executive Officer for the North East Mayoral Combined Authority, and enter into a written agreement with the North East Mayoral Combined Authority and constituent local authorities.

85. REPORT OF THE CABINET MEMBER FOR INSPIRING YOUNG PEOPLE

School Admission Arrangements for Community and Voluntary Controlled Schools for the 2025/2026 Academic Year

The report informed Cabinet of the outcomes of the consultation on School Admission Arrangements for Community and Voluntary Controlled Schools for the 2025/26 Academic Year as required by the School Admissions Code 2021. Approval (determination) of these admission arrangements was also sought (copy attached to the signed minutes).

Councillor Renner Thompson presented the report and moved the recommendations. The policy did not cover academy schools but the Authority worked closely with them and the majority of academy schools followed the Council’s admissions policy. The PANs were to be reduced on two schools – Longhoughton Primary and Seahouses Primary from 21-15. The impact of second homes on these communities was clearly being felt.

Councillor Wearmouth commented that school admissions was an important subject which affected families in a significant way so he welcomed the positive dialogue with the Cheviot Trust on the admissions policy. He seconded the recommendations.

RESOLVED that:-

- (a) Cabinet note the outcomes of the six week consultation undertaken in relation to the Council’s proposed admission arrangements for community and voluntary controlled schools for 2025/26 that took place between 10th November 2023 and 22nd December 2023;
- (b) Cabinet approve the proposed co-ordinated admission scheme for all maintained schools and academies, as provided in Appendix 1 of the report;
- (c) Cabinet approve (determine) the proposed admission arrangements, including proposed oversubscription criteria and proposed admission numbers for First and Primary community and voluntary and controlled schools, as provided in Appendix 2 of the report;
- (d) Cabinet approve (determine) the proposed admission arrangements, including proposed over subscription criteria and proposed admission numbers, for Middle, High and Secondary Community and Voluntary Controlled schools, including sixth forms, as provided in Appendix 3 of the report;
- (e) Cabinet approve a reduction of the Published Admission Number at Seahouses Primary School from 21 to 15 with effect from September 2025, in view of current and future pupil numbers; and
- (f) Cabinet Approve a reduction of the Published Admission Number at Longhoughton Primary School from 30 to 15 with effect from September 2025, in view of current and future pupil numbers.

CHAIR.....

DATE.....