

NORTHUMBERLAND COUNTY COUNCIL

At a meeting of **Northumberland County Council** held at County Hall, Morpeth on Wednesday, 25 February 2015 at 3.00 p.m.

PRESENT

S. Dickinson
(Business Chair, in the Chair)

COUNCILLORS

Arckless, G.R.	Johnstone, T.
Armstrong, E.	Jones, G.W.
Bawn, D.	Jones, V.
Bridgett, S.C.	Kelly, P.
Burt, E.	Lang, J.A.
Cairns, H.	Ledger, D.
Cairns, K.	Lindley, I.P.
Campbell, D.	Murray, A.H.
Cartie, E.	Nisbet, K.
Cessford, C.	Parry, K.
Dale, P.A.M.	Pidcock, B.
Daley, W.	Pidcock, L.
Davey, J.G.	Reid, A.W.
Davey, S.	Reid, J.
Dodd, R.R.	Richards, M.E.
Douglas, M.I.	Rickerby, L.J.
Dungworth, S.	Sambrook, A.G.
Fearon, J.B.	Sanderson, H.G.H.
Flux, B.	Sharp, A.
Foster, J.D.	Simpson, E.
Gallacher, B.	Swithenbank, I.C.F.
Gibson, R.	Tebbutt, A.
Gobin, J.J.	Thorne, T.N.
Graham, K.	Tyler, V.
Grimshaw, L.	Wallace, A.
Hepple, A.	Watkin, R.J.D.
Homer, C.	Watson, J.G.
Horncastle, C.W.	Webb, G.
Hunter, E.I.	Wilson, T.S.
Hutchinson, J.I.	Woodman, J.
Jackson, P.A.	

OFFICERS

Henry, L.
Lally, D.

Mason, S.
Rowland, B.
Stubbs, K.

Legal Services Manager
Executive Director - Wellbeing and
Community Health
Lead Executive Director
Executive Director – Local Services
Committee Services Manager

53. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Castle, Riddle, Robson, Sawyer and Smith.

54. MINUTES

RESOLVED that the minutes of the meeting of County Council held on Wednesday 3 December 2014, be signed by the Chair and sealed with the common seal of the Council.

It was noted that Councillor Hutchinson's apologies had not been recorded.

55. DISCLOSURES OF INTEREST

The Legal Services Manager confirmed the position already provided in more detail for the director members of Arch Board regarding the need to declare any form of interest in respect of the proposed grant to Arch contained within the budget report.

As these positions were not remunerated, no member who was a director had a disclosable pecuniary interest as they were not positions carried on for profit or gain. He advised that it would be sufficient for such members to declare that they had a personal, but non prejudicial interest which would enable all members concerned to play a full part in consideration of the issue.

Accordingly, Councillors G. Davey, Ledger, Jackson, Reid, Hepple and Webb declared a personal, but non prejudicial interest in item 11 on the agenda (Medium Term Financial Plan and Budget and Council Tax 2015-16).

56. ANNOUNCEMENTS

The Business Chair advised that the following people, particularly connected with Northumberland, had received honours in HM the Queen's New Year's Honours list:-

OBE

Alan Ferguson (Morpeth), Fergusons Transport. For services to business in the North East.

Dr Robert Hardy (Ponteland), Aesica Pharmaceuticals. For services to the pharmaceutical and chemical industry.

MBE

Jimmy Gair (Morpeth), retained watch manager, Northumberland Fire and Rescue Service. For services to the community.

Barrie Christopher Quinn (Cramlington), HMRC. For services to customers and voluntary service.

BEM

Marion Clark (Morpeth). For services to the community in Felton and Thirston.

Elaine Suzette Milne. For services to charity and to the community in Corbridge and Hexham.

Members were advised that the Leader had been shortlisted for a prestigious 'Leader of the Year' Award in the 2015 Councillor Achievement Awards, organised by the Local Government Information Unit (LGIU).

The Leader was among only six leaders from across the country to be shortlisted for the honour, the result of which would be announced at an awards ceremony on 2 March. This was a tremendous achievement and all members congratulated the Leader and wished him the best of luck.

The Business Chair then referred to the emergency first aid provided by the Executive Director for Wellbeing and Community Health at a recent FACS OSC meeting to a member of the Committee who had become suddenly unwell. All members expressed their appreciation in acknowledgment.

Finally, the Business Chair expressed the Council's thanks to all organisations involved in the development of the flagship Northumberland National Park Sill Project, but particularly to Councillor John Riddle, for his hard work and dedication.

57. POLICY BOARD MINUTES

The Leader moved, duly seconded, the following minutes:

- (i) **Thursday 27 November 2014**
- (ii) **Tuesday, 9 December 2014**
- (iii) **Tuesday, 13 January 2015**
- (iv) **Tuesday, 10 February 2015**

and asked members to approve the following resolutions as they involved budget and policy framework matters requiring Council approval:-

- (i) **Minute No. 48 (e) of the 27 November 2014 meeting relating to the revised statement of community involvement for the Northumberland Local Plan Core Strategy (pg 30).**
- (ii) **Minute No. 49 of the 27 November 2014 meeting relating to the Northumberland Economic Strategy (pg 31).**
- (iii) **Minute No. 52(1)(4) of the 9 December 2014 meeting relating to proposals for the Ashington Partnership and the recommendation that the Medium Term Plan be increased to accommodate the capital costs (pgs 36-37).**

With regard to Minute No. 48 (Northumberland Local Plan Core Strategy – Full Draft Plan and Associated Documents), Councillor Tebbutt asked Policy Board to look very closely at the projected housing numbers and economic growth to avoid the possibility of over-optimistic projections which couldn't be sustained. The Leader confirmed that the full picture would be available to members.

RESOLVED that the minutes of the Policy Board meetings detailed above be received, and resolutions (i) to (iii) detailed above be approved.

58. COMMITTEES MINUTES

- (a) **Economic Prosperity and Strategic Services Overview and Scrutiny Committee**

These were presented by Councillor Wallace.

RESOLVED that the minutes of the Economic Prosperity and Strategic Services Overview and Scrutiny Committee be received.

(b) Family and Children's Services Overview and Scrutiny Committee

These were presented by Councillor B. Pidcock.

With regard to Minute No.76 (The Alnwick Partnership), Councillor Jackson queried the timescale for the review of the Partnership. Councillor Arkless advised that this was a complicated process which could not be rushed. This might impact on the timetable originally envisaged.

RESOLVED that the minutes of the Family and Children's Services Overview and Scrutiny Committee be received.

(c) Care and Wellbeing Overview and Scrutiny Committee

These were presented by Councillor Richards.

With regard to Minute No. 59 (Care and Wellbeing OSC Work Programme), Councillor G. Jones queried whether NEAS response time statistics would be available soon and detailed enough to see the full picture in Berwick. He also advised members that NEAS was currently reducing its paramedic training and employing overseas staff.

The Business Chair replied that officers were working with NEAS to determine what information could be confidently released without breaching patient confidentiality. It was not possible to put a timescale on that, but he assured members that local training and provision for local people would be raised.

RESOLVED that the minutes of the Care and Wellbeing Overview and Scrutiny Committee be received.

(d) Communities and Place Overview and Scrutiny Committee

These were presented by Councillor Gallacher.

RESOLVED that the minutes of the Communities and Place Overview and Scrutiny Committee be received.

(e) Audit Committee

These were presented by Councillor Dale.

With regard to Minute No.35 (Review of the Planning Service), Councillor Watson sought a point of clarification on the process for this issue. The Committee had agreed that a review should take place. However, it appeared that decisions had already been taken and acted upon. At the

Audit Committee meeting he had not agreed with everything, and it had been accepted that a review would take place, but it seemed that what was in front of members was the outcome of that review.

Councillor Dale confirmed that the recommendations of the external auditor had been agreed by the Audit Committee, but it was not the Committee's role to then process those recommendations.

The Lead Executive Director advised members that the Audit Committee had received the Deloitte report, which had taken on board the POSE guidelines. Each of its recommendations were accepted by the Committee, with the exception of one member, and two additional recommendations had been agreed. The Deloitte report and Audit's findings had been considered by Communities and Place OSC on 24 February, and a report, which would include officer recommendations, would be submitted to Policy Board and then Council in due course.

A number of member comments were made including the following:-

- Councillor Tebbutt referred to a letter from the Lead Executive Director to all members regarding inaccurate and misleading articles in the media around current Council business. He commended this course of action and reminded members that it was not acceptable to attack officers in public even if they disagreed with them in private. He also highlighted his disgust at a website article which challenged his own position on a particular planning application. He confirmed that he had no interest to declare on the application in question, and this had been legally established.
- Councillor Jackson queried why Audit Committee had not had the benefit of the POSE reports in its consideration of the Deloitte report as they were relevant, and contained vital benchmarking information. An action plan had been in progress for around six months, and the results of that should have been fed in to Audit Committee. He felt there was some kind of cover up ongoing which needed clarification.
- Mr Mason responded that any allegation of a cover up was very serious. The planning service had been plagued with performance issues for a number of years and Deloitte had been engaged under the VFM criteria to look at the system across the Council as a whole. He was aware that there had been a number of reviews, but the Council's focus needed to be on the Deloitte review as it was the primary one which took on board other work done. The Council's performance in planning had not been acceptable for some time and the current system was leading the problem.

- Councillor Jackson maintained his view that the POSE reports were relevant and contained useful information for members and residents which Audit Committee should have had the benefit of. However, he withdrew his reference to a “cover up”.
- Councillor H. Cairns advised that there had been a full debate at Scrutiny, and a task and finish group to look at the committee structure had been recommended. However, the issue was wider than just the committee structure, particularly the Core Strategy.
- Councillor Watkin commented that the Council had failed for 7 years to grasp the opportunity to modernise its planning service. Officers had advised many times that this was necessary, but members had not acted upon it.

RESOLVED that the minutes of the Audit Committee be received.

(f) Standards

These were presented by Councillor Tebbutt.

RESOLVED that the minutes of the Standards Committee be received.

(g) Health and Wellbeing Board

These were presented by Councillor Dickinson.

RESOLVED that the minutes of the Health and Wellbeing Board be received.

59. DELEGATED DECISION

RESOLVED that the decision be noted.

At this point Councillor Tebbutt moved, under paragraph 11 (3) of Part 5 of the Constitution, that the order of business on the agenda be altered to consider item 11 next. On the motion being put to the vote there voted **FOR: 27; AGAINST: 30** whereupon the Chair declared the motion lost.

60. NOTICE OF MOTION

Motion No.1

In accordance with Council Rules of Procedure No.10, Councillor A. Hepple moved the following motion, received by the Democratic Services Manager on 12 February 2015 :-

“This Council notes

That the European Union (EU) and the United States have started negotiations behind closed doors on a new trade agreement, the Transatlantic Trade and Investment Partnership (TTIP), which could serve as a model for all future trade agreements.

That the inclusion of public services in the agreement will have a major impact on public services and particularly on the National Health Service following the privatisation ushered in by the Health and Social Care Act in England. Private healthcare multinationals could use the Investor-State Dispute Settlement (ISDS) mechanism to try to prevent governments bringing the health service and other public services back into public control in the future.

With the UK governments ongoing attempts to ‘open up’ public services, Council believes that markets rather than citizens are wrongly being placed at the heart of our public services. Council asserts that this market centred approach to the public services is being further encouraged by the new EU Public Procurement Directive and its weakening of public service procurement rules and encouragement of mutualisation.

Council further notes that the TTIP will not just remove trade tariffs but will also realign regulatory standards; open markets in the service sector which could include public services such as health, social services and higher education; open up public procurement markets; and introduce the ISDS mechanism allowing multinational investors to challenge state actions which they perceive as threatening their investments.

In order to protect this council’s procurement policy, this Council is therefore asked to agree to:

- 1. Raise our TTIP concerns with all political parties and with MPs and MEPs;*
- 2. Continue to promote the benefits of in – house delivery and against any attempts by public bodies to avoid public procurement rules whilst outsourcing;*

3. Push for greater use of social, environmental, full cost recovery and labour clauses in tendering not cut price contracting and seek to gain commitments that a Labour-led Government would not continue the present coalition Government's attacks on existing workplace and environmental protections"

In introducing the motion, Councillor Hepple expressed his concern about the publication of REFIT (Regulatory Fitness and performance: Results and Next Steps) by the European Commission in October 2013. The purpose of REFIT was to "detect regulatory burdens and to identify opportunities for simplification". Under REFIT, the Commission had withdrawn health and safety proposals on the protections of workers, and was envisaging a consolidation of the three directives on Information and Consultation, Collective Redundancies and Transfer of Undertakings - which could potentially weaken all three. There was concern that this identified that "the Commission was engaged in a process aimed at the deregulation of Europe, the dismantling of legislation protecting workers' rights and the weakening of social dialogue". This agenda was being partly driven by national governments, including the UK Government.

Many campaign groups such as TUC and 38 Degrees believed that the harmonisation of regulatory standards put at risk existing European regulation in the fields of public health, social and employment rights, health and safety and the environment.

They also believed, based on the experience of other trade agreements, that multinationals would use the Investor State Dispute Settlement mechanism to further erode the ability of national governments to act in the public interest. Canadian national and provincial governments had spent millions of dollars fighting claims by US firms filed under the North American Free Trade Area (NAFTA). Australia had vowed never to include ISDS in future trade agreements after its attempts to regulate tobacco packaging was challenged by the multinational Phillip Morris using a trade agreement with Hong Kong.

They further believed that the Transatlantic Trade and Investment Partnership would only serve the interests of multinational enterprises and those who sought to push back regulation and liberalise public services, and permanently remove them from democratic control in order to extract maximum private profit.

The motion was seconded by the Leader of the Council who advised that everyone in Northumberland would be affected by the proposals and a number of services with which the Council was involved would be exposed.

A number of points were made by members including the following:-

- Councillor Sanderson disagreed with the motion and advised members that this was about cutting tariffs, reduction of trade barriers, harmonisation and regeneration. It would bring a significant amount of investment and new jobs into the UK and would allow small businesses to expand. This was of particular importance to the economy of Northumberland in terms of exports to the USA. It had been accepted in the main by all national parties – the only issue was around ISDS and the NHS, and the Government were seeking extra protections and exemptions for the NHS. Regarding the lack of information, there had been 11 petition statements on the progress of talks thus far, with MPs and MEPs kept informed at each stage. Local government had been involved through the LGA and LGIU. Business and trade unions were comfortable with the proposals He did not feel that the motion was appropriate for debate at a budget Council meeting.
- Councillor J. Reid queried why the motion was on the agenda, agreeing that the issue was common knowledge. Information had been received from Unison some time ago. He did not agree with the three proposed resolutions and felt the motion was politically contentious.

In response, Councillor Hepple defended the motion and its relevance to the people of Northumberland. The proposed resolutions were clear and negotiations were continuing in secret.

On the motion being put to the vote there voted **FOR: 34; AGAINST: 27; ABSTENTIONS: 2**, whereupon the Chair declared the motion carried.

RESOLVED that:-

- (a) the Council's TTIP concerns be raised with all political parties and with MPs and MEPs;
- (b) the Council continue to promote the benefits of in – house delivery against any attempts by public bodies to avoid public procurement rules whilst outsourcing; and
- (c) the Council push for greater use of social, environmental, full cost recovery and labour clauses in tendering, not cut price contracting, and seek to gain commitments that a Labour-led Government would not continue the present coalition Government's attacks on existing workplace and environmental protections.”

61. REPORT OF THE LEAD EXECUTIVE DIRECTOR

(1) Medium Term Financial Plan and Budget (Part 1)

The purpose of the report was to agree a medium term financial plan covering the period 2015-2019 and a detailed budget in respect of 2015-2017, following recommendations made by the Policy Board at meetings held on 9 December 2014 and 10 February 2015.

The report had been produced after consideration of feedback received from the Area Committee meetings held on 12, 13 and 14 January 2015, the Economic Prosperity and Strategic Services Overview and Scrutiny Committee held on 27 January 2015, and Policy Board on 10 February 2015. The recommendations of Policy Board were detailed on pages 54-59) of the agenda.

(2) Council Tax 2015-16 (Part 2)

The report provided information in relation to the Council Tax increases and outlined the position that the Council wished to take for the 2015-2016 financial year.

Councillor Ledger moved the budget in its entirety, highlighting that this was a two year budget for the future. He drew members' attention to the fall in real terms of the Authority's settlement – from £139m to £119m, which represented a reduction in core funding of 14.3%. The Fire Service alone faced a reduction in funding of 25%, and a review of the service would be undertaken in 2015 with full consultation.

Four key areas of focus had been identified: driving efficiencies by finding innovative and improved ways of working; working closely with partners to manage demand for services; stimulating economic growth and generating income.

He was disappointed that opposition groups had not put forward any budget proposals, and he called on them to work with the Administration in campaigning for a fairer funding settlement.

The Leader seconded the budget proposals, referring to the Administration's ambitious plans, and commending the plans put forward by Councillors Dodd and Tebbutt for Ponteland and Morpeth respectively which he felt were sound. Plans for new leisure and school provision would benefit Northumberland residents of all ages, and he felt sure that the budget would be popular. However, the amount taken out of the Authority's budget by the Government showed that local authorities were seen as an easy target and cuts in funding affected ordinary working people.

A number of further points were made on the budget including the following:-

- Councillor Jackson did not believe that the Administration was being transparent in its presentation of the figures and that misleading information was being used, as government spending was actually higher in the north east than in the south east. The true figure was a £2.5m cut over two years taking everything into account, and senior salaries were being increased whilst services were being cut. His Group had asked for information on which to base a budget and very little had been provided. However, his Group did agree with a number of proposed efficiencies and capital proposals. He queried how realistic the proposed savings to the fire service, library service and children's centres were without a drastic effect on the services involved, and felt that his Group's warnings on the outcome of post 16 transport charges had been borne out. There had been a fall in employment across the County in the last five years. Things were going well and this should be acknowledged.
- Councillor J. Reid commented that underfunding in local government would continue as long as councils continued to deliver. He urged the Administration to accept the council tax freeze grant as this would make a difference to the average person, and he did not see how an increase in council tax could be justified when inflation was at 0.3%. He remarked on the number of negative responses to the budget consultation and suggested that car parking charges be considered as a way of raising income.
- Councillor Kelly very much supported the invest to save approach and could not support acceptance of the council tax freeze grant, because it would restrict local government's ability to carry out its functions. The budget had been driven by professional officer advice which experience had shown was very sound, and contained very few political projects. He felt that the budget would preserve the services which people wanted and needed the most.
- Councillor Watkin referred to £0.5m efficiency for the retained fire service and hoped that the service would be supported to provide much needed resilience.
- Councillor Arckless referred to the relocation of the Children's Centre in Ponteland and advised that this would not form part of the budget proposals at this stage. This would allow time for consultation, and to develop a new model hopefully with the community.

Councillor Bawn then moved that the new County Hall capital programme proposal be deleted. The issue had not been debated, and he felt it was therefore premature to include it in the budget.

Councillor Dodd seconded the amendment. He felt the decision to move

corporate headquarters was a massive one which all members should be involved in to determine whether it was the correct course of action. It was not right to leave a large number of members out of such a decision.

The Leader responded that a figure had to be included in the capital programme at this stage. Refurbishment would cost around the same as a rebuild and a report would be made to Council on both options in the future. He called for a named vote on the amendment, which was supported by the required number of members.

Members sought clarification on the decision making process, which the Lead Executive Director advised on. Council was being asked to make financial provision but the decision would fall to Policy Board in due course, having been considered by Scrutiny. Where the Leader felt that a decision was so significant it should be taken by Council, this was an option. The Leader confirmed that this would be done in this case.

On the amendment being put to the vote the votes were cast as follows:-

FOR: 18 as follows:-

E. Armstrong	C.W. Horncastle
D. Bawn	J.I. Hutchinson
C. Cessford	P.A. Jackson
W. Daley	V. Jones
R.R. Dodd	A.H. Murray
J.B. Fearon	H.G.H. Sanderson
B. Flux	T.N. Thorne
R. Gibson	J.G. Watson
C. Homer	J. Woodman

AGAINST: 42 as follows:-

G.R. Arckless	J.A. Lang
S.C. Bridgett	D. Ledger
E. Burt	I.P. Lindley
H. Cairns	K. Nisbet
K. Cairns	K. Parry
D. Campbell	B. Pidcock
E. Cartie	L. Pidcock
P.A.M. Dale	A.W. Reid
J.G. Davey	J. Reid
S. Davey	M.E. Richards
S. Dickinson	L.J. Rickerby
M.I. Douglas	A. Sambrook
S. Dungworth	A. Sharp

J. Foster	E. Simpson
B. Gallacher	I.C.F. Swithenbank
J.J. Gobin	A. Tebbutt
K.O. Graham	V. Tyler
L. Grimshaw	A. Wallace
A. Hepple	R.J.D. Watkin
T. Johnstone	G. Webb
P. Kelly	T.S. Wilson

ABSTENTIONS: 0

Whereupon the Chair declared the amendment lost.

The debate then continued with the following:-

- Councillor Tebbutt paid tribute to the Lead Executive Director and his proven acumen as a director of finance, and reminded members that all alternative budget proposals needed to be approved by him before coming to members. He did oppose the closure plans for County Hall but accepted the need to be pragmatic and find a redevelopment solution which was right for both Morpeth and Ashington. He was concerned about cuts to non-statutory services including supporting people, and would have supported acceptance of the council tax freeze grant. He was therefore unable to support the proposed budget.
- Councillor L. Pidcock dismissed the opposition expressed to the budget, which she felt should be commended. No-one wished to see funding removed from public services but there was a real need for fairer settlement, with a place weighting to reduce gaps between affluent and deprived areas. She could not accept that some members felt Northumberland received a fair deal, and drew members' attention to the equality impact assessment which showed the impact of the Coalition Government's policies on minority communities.
- Councillor A.W. Reid agreed that local government was seen as an easy target and felt that the Liberal Democrats were setting out to destroy local government with their commitment to the Conservatives. He was suspicious of Conservative support for the library service and its motivation. It was a difficult budget, but the imaginative approach to the capital programme would ensure that all areas got a fair deal.

In response to some of the points which had been made, the Leader agreed that deprivation was much higher in Northumberland than in many other areas. The County was £16m worse off from having accepted the council tax freeze grant in previous years, and support was being provided to the working poor on benefits through council tax support. The proposed 1.99% increase represented less than the cost of a Mars bar per week and removing car parking charges had saved

the economy of Northumberland. As regards the library service review, access to libraries would be maintained, but in different buildings. Finally, the budget would allow the Council to pay a living wage from October 2015.

The Business Chair then reminded members that Parts 1 and 2 of the budget had been moved and seconded and would be taken together. In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014/165) a named vote was taken and the votes were cast as follows:-

FOR: 35 as follows:-

G.R. Arckless	P. Kelly
S.C. Bridgett	J. A. Lang
E. Burt	D. Ledger
D. Campbell	I.P. Lindley
E. Cartie	K. Nisbet
P.A.M. Dale	K. Parry
J.G. Davey	B. Pidcock
S. Davey	L. Pidcock
S. Dickinson	A.W. Reid
M.I. Douglas	M.E. Richards
S. Dungworth	A. Sambrook
J. Foster	E. Simpson
B. Gallacher	I.C.F. Swithenbank
J.J. Gobin	V. Tyler
K.O. Graham	A. Wallace
L. Grimshaw	G. Webb
A. Hepple	T.S. Wilson
T. Johnstone	

AGAINST: 17 as follows:-

E. Armstrong	J.I. Hutchinson
D. Bawn	P.A. Jackson
C. Cessford	V. Jones
W. Daley	A.H. Murray
R.R. Dodd	H.G.H. Sanderson
B. Flux	T.N. Thorne
R. Gibson	J.G. Watson
C. Homer	J. Woodman
C.W. Horncastle	

ABSTENTIONS: 6 as follows:-

H. Cairns	A. Sharp
J. Reid	A. Tebbutt
L.J. Rickerby	R.J.D. Watkin

Part 1

RESOLVED that:-

1. the revised Medium Term Financial Plan covering the period 2015-2019 detailed within Appendix 1; be approved, including the requirement to deliver budget reduction measures equating to £28.8 million in 2015-2016, £15.5 million in 2016-2017 and £95 million over the period 2015-2019;
2. the contribution to general balances in 2015-2016 of £5.5 million and the usage of balances of £7.5 million in 2016-2017 and £15 million in 2017-2018 be noted;
3. the increase in Revenue Support Grant of £0.86 million in 2015-2016 following the Final Settlement in comparison with the Medium Term Financial Plan contained in the Policy Board report of 9 December 2014 be noted;
4. the estimated receipt of the New Homes Bonus of £5.0 million for 2015-2016, which is £0.25 million lower than the figure contained in the Policy Board report on 9 December 2014, be noted;
5. the reduction in Council Tax Support and Housing Benefit Administration Grant of £0.175 million, which is £0.001 million lower than the figure contained in the Policy Board report of 10 February 2015, be noted;
6. Council agree not to accept the Council Tax Freeze Grant for 2015-2016;
7. Council Tax be increased by 1.99 per cent in 2015-2016. It is also proposed to increase Council Tax by 1.99 per cent in 2016-2017 subject to referendum limits;
8. the use of £1.8 million of the protected Collection Fund surplus for 2015-2016 be approved;
9. the decision taken by the County Council on 3 December 2014 to approve the implementation of the Council's Local Council Tax Support Scheme for 2015-2016 be noted and the subsequent revisions to the Revenues and Benefits Service Rates Relief Policy in Appendix 2 be approved;
10. the inflation funding schedule highlighted in Appendix 3 be approved;
11. the schedule of budget reduction measures highlighted in Appendix 4, be approved for consultation;
12. the overall equality impact assessment of the budget proposals at Appendix 5 be noted, (noting that where necessary more detailed assessments of the

impacts of specific savings will be taken into account when final decisions are made) and the equality impact assessment of the Pay Policy Statement at Appendix 14 be noted;

13. the report contained within Appendix 6 transferring the Culture, Libraries and Tourism service along with the strategic management of Parks and Open Spaces to Active Northumberland be approved, and the Lead Executive Director be given delegated authority to work with the Chief Executive of Active Northumberland to effect the transfer;
14. the Summary of the Reserves contained within Appendix 7 be noted;
15. the increase in the ring-fenced Dedicated Schools Grant (DSG) of £7.0 million in 2015-2016 be noted;
16. the Housing Revenue Account (HRA) 2015-2016 budget be agreed and the indicative 30 year HRA business plan as detailed within Appendix 8 be noted;
17. Council agree that rents for Council tenants are set on the basis of Consumer Price Index (CPI) plus 1% in line with the new Government rent policy for social housing rent. For 2015-2016 actual rents will therefore increase by 2.2% (CPI September 1.2% plus 1.0%);
18. Council note the original debt cap of £107.3 million in respect of housing, which will allow investment of £8.4 million over the Medium Term Plan in social housing and the recent Secretary of State approval of an increase to the debt cap of £8.3 million to enable investment in affordable housing subject to a revised determination;
19. the revised Capital Programme as detailed within Appendix 9 be approved;
20. Council approve, in exceptional circumstances, Members' Small Schemes Capital monies to be exchanged for revenue. Cases:
 - will be agreed on a scheme by scheme basis; and,
 - would require the approval of the Deputy Leader and the Lead Executive Director; and,
 - would only be permissible if there was sufficient revenue funding available; and
 - must not exceed £50,000 in aggregate in any one financial year;
21. the recommendation of the Members' Capital Working Group to allow Members to aggregate the Members' Small Schemes capital monies over the term of the administration be approved;
22. the Prudential Indicators based on the proposed Capital Programme detailed within Appendix 10 be approved;
23. the Minimum Debt Provision Policy as detailed in Appendix 11 be approved;

24. the proposed Treasury Management Strategy detailed at Appendix 12 be approved;
25. the Pay Policy Statement for 2015-2016 detailed at Appendix 13 be approved; and
26. the outcome of the 2015-2016 Budget Consultation process detailed at Appendix 15 be approved.

Part 2

RESOLVED that:-

1. **The following be agreed:**
 - (a) the Council Tax Requirement for the Council's own purposes for 2015-2016 (excluding Parish precepts) is £139,527,936
 - (b) the following amounts be calculated for 2015-2016 in accordance with Sections 31 to 36 of the Act:
 - i) Being the aggregate amount of gross expenditure which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils: £710,105,692
 - ii) Being the aggregate of the gross income which the Council estimates for the items set out in Section 31A(3) of the Act: £563,231,666
 - iii) Being the amount by which the aggregate at (b) i) above exceeds the aggregate at (b) ii) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act) (including Parish precepts): £146,874,026
 - iv) Being the amount at (b) iii) above (Item R), all divided by Item T, above, calculated by the Council, in accordance with Section 31B of the Act as the basic amount of its Council Tax at Band for the year (including Parish precepts): £1,502.79
 - v) Being the aggregate amount of all special items referred to in Section 34 (1) of the Act (total all Parish precepts): £7,353,083
 - vi) Being the amount at (b) iv) above less the result given by dividing the amount at (b) v) above by Item T, above, calculated by the Council, in accordance with Section 34 (2) of the Act, as the

basic amount of its Council Tax at Band D for the year for dwellings in those parts of its area to which no Parish precept relates: £1,427.55

- (c) the Council Tax for 2015-2016, excluding the Police Precept, will be increased by 1.99%, equating to a charge per Band D household of £1,427.55 (Band A - £951.70), excluding special expenses. Therefore, the County Council is not eligible for the Council Tax Freeze Grant.

As a result of this increase and the recommendation not to accept the Government's grant funding alternative, the Council Tax for Northumberland will be set at £1,427.55 (excluding special expenses) for 2015-2016. The relevant valuation bands are as follows:

Valuation Band	Northumberland County Council £ : p
A	951.70
B	1,110.32
C	1,268.93
D	1,427.55
E	1,744.78
F	2,062.02
G	2,379.25
H	2,855.10

- (d) Under Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2015-2016 is not excessive in accordance with principles approved under Section 52ZC(1) of the Act.

(i.e. the proposed Council Tax increase for 2015-2016 means that the Council does not need to hold a referendum on its proposed council tax. The regulations set out in Section 52ZC of the Act requires all billing authorities (council and precept authorities (i.e. Fire and Police authorities)) to hold a referendum on their proposed level of basic Council Tax each year if they exceed government guidelines which are set out annually. For 2015-2016 the guideline increase is 2.0%.

As the Council is proposing a Council Tax increase of 1.99% (including special expenses) for 2015-2016 then the above regulations have no impact for 2015-2016.

2. The following be approved:

- (a) The matters listed in Appendix 1 to the report are identified as special expenses and that all other matters which might otherwise be considered to be special expenses under the prevailing legislation are deemed to be general expenses.
- (b) The Council Tax Leaflet continues be made available via the Council's website rather than enclosed with Council Tax bills which reflects a relaxation of the rules and that due to timings the final document be delegated to and finalised by the Lead Executive Director.

3. The following be noted:

- (a) The Northumberland Police Authority Precept of £8,632,868 which represents a 1.99% increase on last year. The Police and Crime Commissioner has agreed the recommended level of precept of £8,632,868 for 2015-2016; the resulting valuation bands will be as follows:

Valuation Band	Northumbria Police
	Authority
	£: p
A	58.89
B	68.70
C	78.52
D	88.33
E	107.96
F	127.59
G	147.22
H	176.66

- (b) The total amount of parish precepts requested is £7,346,090 as referred to in paragraph 6 and detailed in Appendix 2. This represents an increase of £314,871 when compared to 2014-2015.
- (c) The total amount of special expenses (Appendix 1) equating to £6,993 compared to £15,726 in 2014-2015. The reduction relates to six special expenses ceasing.

62. FEEDBACK ON STATE OF THE AREA DEBATE

The report asked members to receive feedback from the state of the area debates conducted at the three Area Committees and to conclude the debate for the County as a whole.

Councillor J. Reid referred members to paragraph 13 of Part 5 of the Constitution relating to the state of the area debate and the form it took as he did not feel that the annual state of the area debate was currently meeting its requirements. He asked for an explanation and that the position be reviewed. The Business Chair agreed that this would be done.

RESOLVED that the report be received.

63. REPORT OF THE LEAD EXECUTIVE DIRECTOR

Establishing the LGPS Pension Board

The report advised the Council of its legal obligation as administering authority for the LGPS in Northumberland to establish a LGPS local Pension Board before 1 April 2015. An officer/member Working Group was established by the NCC Pension Fund Panel to make recommendations to Council to implement the requirements contained in new LGPS Governance Regulations to establish a NCC LGPS Pension Board. The report recommended an amendment to the NCC Constitution to establish the Pension Board, and two further updating amendments to the NCC Constitution.

RESOLVED that:-

- (a) the recommendations of the Working Group to establish NCC's LGPS Pension Board, described in paragraph 23 and set out in full in Appendix 1 to the report, be endorsed;
- (b) approval be given to such other amendments to the Constitution as are necessary in the opinion of the Monitoring Officer to establish NCC's LGPS Pension Board by 1 April 2015, based on the proposed Terms of Reference as set out in Appendix 1; and
- (c) the two further proposed amendments to the Constitution, as set out in paragraphs 33 and 37 of the report be approved.

64. REPORT OF THE LEAD EXECUTIVE DIRECTOR

Extension of Appointment of Independent Persons to the Audit Committee

The report sought approval to extend the appointment of the two current independent persons sitting on Audit Committee.

RESOLVED that:-

- (a) Council approve an extension to the appointment of the two independent persons sitting on Audit Committee to 1 January 2017; and
- (b) Council approve the continuation of the current special responsibility allowance paid to the appointed persons.

65. 3 REGIMENT ROYAL HORSE ARTILLERY – WELCOME FROM THE DEPUTY LEADER

The Deputy Leader advised that the regiment, currently located in Hohne Germany was being relocated to Albemarle Barracks near Stamfordham over the next few months. Around 400 soldiers, 135 spouses and approximately 206 dependent children would be sited either on camp or housed within Northumberland and Newcastle. A few families were expected in April, with the majority joining in July and the remainder in August.

The Council was working closely with Newcastle and the Army to help them adjust to relocation to the North East and ensure that all services such as school places, housing, and health, and welfare etc would be in place for their arrival and the Council would continue to monitor their needs once settled.

Servicemen and women did a fantastic job on behalf of the nation, and the Council regarded the service community as an enormous asset to the area. He called on all members to support him in welcoming 3RHA to the County, and becoming a vital part of our community.

Councillor J. Reid suggested that a welcome letter and ceremony would be appropriate, and that a Northumberland flag could be presented for the barracks.

RESOLVED that Council extend a warm welcome to 3RHA in their relocation to the County.

The Common Seal of the County Council
of Northumberland was hereunto affixed
in the presence of

.....
Chairman of the County Council

.....
Duly Authorised Officer