Appendix Two

Annual Reports:
Overview and Scrutiny Committees
Standards Committee
Pension Fund Panel
ANNUAL REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEES

2015 - 2016
KEY HIGHLIGHTS

1 ECONOMIC GROWTH AND CORPORATE SERVICES OVERVIEW AND SCRUTINY COMMITTEE

1.1 The Committee members have played a valuable and constructive role in the Council’s strategic policy making areas this past year, and have been regularly engaged in a wide cross section of work. Some decisions have had a financial bearing, but others had or will have a major impact on the lives of our Northumberland residents - issues such as the new Council HQ and the relocation of services to 9 market towns; Arch Corporate Strategy which continues to bring in employment and monies into Northumberland; and a review of planning services which in addition was supported by parish and town councils on the parish liaison working group. The success of the Committee’s work is reflected in the number of occasions the Cabinet have enacted on our recommendations. These decisions have been ably assisted by the regular and willing attendance of Cabinet members, senior officers, outside bodies and organisations, supported by a continuing culture of cooperation. I believe the Committee has developed into a highly effective means of engagement in decision making with the Cabinet and ultimately on behalf of the residents we strive to work for.

1.2 I would like to thank my colleagues on the Committee, particularly my Vice-Chairman, Lynne Grimshaw who has ably assisted me throughout the past year. I am sure all the committee would wish to place on record their gratitude to the Scrutiny Officer, who has made our decision making and my role as Chairman easier, both inside and outside of the meeting room.

1.3 The Committee have considered 30 reports and strategy documents prior to determination by the Cabinet, and in addition to supporting the majority of them, members have put forward comments and suggested amendments, many of which have been accepted and included in the final decision. The following reports have been subject to that process:

- Write Offs 2014-15
- Northumberland Economic Strategy – Delivery Framework
- Arch Corporate Strategy 2015-2018
- Options for the Future of County Hall and Corporate Headquarters
- Review of Housing Management Service
- Core Strategy – Update
- Allendale Neighbourhood Plan – Adoption
- Living Wage
- Garage Allocation Policy
- Private Sector Housing Strategy for Northumberland
- Planning Protocols on Major Developments, Section 106 Obligations, the Pre-Application Process and Development Viability
• Northumberland Local Plan Pre Submission Core Strategy and Associated Documents
• Review of Traffic Issues in Blyth
• Delegation of approval of the Council Tax Base
• Council Tax Support Scheme for 2016-17
• New Council Headquarters
• NCC Rent Setting Policy 2015/16
• Joint Statement of Intent with the Voluntary and Community Sector (VCS)
• Setting of the Council Tax Base 2016-17
• Budget 2015-17 Update
• Occupational Health Service Provision Proposal
• Homelessness Strategy
• Asylum Seeker and Refugee Dispersal
• Medium Term Financial Plan 2016-20 and Budget 2016-17
• Northumberland Core Strategy
• Six Month Review of Planning Services
• Blawearie Excavation – Deposition of Archived Material & Proposed Transfer to the Great North Museum
• Morpeth Neighbourhood Plan
• North East Combined Authority (NECA) Transport Manifesto
• Asylum Seekers and Refugees Report

1.4. In addition, the Committee have considered a number of overview and scrutiny reports, including:

1.4.1 **Sill National Landscape Discovery Centre** – in July, the Committee welcomed news of this development which they believed would bring significant economic benefit to the County, improve the tourism offer and support the Council’s Economic Growth Strategy. The National Park Authority had confirmed that funding was in place with the Rural Growth Network having agreed £1m of funding. Work would commence on site later in 2015, with the Centre scheduled to open in the summer of 2017.

1.4.2 **Closure of Morpeth County Court** – in September, the Committee were dismayed to receive a report from the Legal Services Manager outlining the Government’s Courts and Tribunals Service published proposals announcing their intention to close an extensive part of the current court and tribunal estate in England and Wales, estimated to be approximately one fifth of the overall estate. Crucially for Northumberland, Morpeth County Court was amongst the 19 county courts which had been identified for closure. The majority of the business conducted at Morpeth would transfer to the combined court centre at Newcastle upon Tyne, with some moving to Bedlington Magistrates Court. The small court office at Berwick upon Tweed would continue to operate albeit on a limited basis, but otherwise all county court users would be required to attend the court centre at Newcastle upon Tyne, if not further afield to other locations such as South Shields at times when the court centre at Newcastle upon Tyne exceeds its operational capacity. This proposed closure would follow on from previous court closures in recent years

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at Hexham and Alnwick.

1.4.3 However, despite the Committee sending a strong objection to the proposed closure of Morpeth County Court on behalf of all Northumberland residents, they were advised in February that the Courts and Tribunal Service had announced that it would close on 31 May 2016.

1.4.4 ARCH – in December, the Committee received a regular update on the operations of ARCH. The key highlights outlined related to property investment; development; estate management and project management. Members welcomed the news the company had also supported over 470 businesses; helped create 300 jobs and provided a charitable contribution to Active Northumberland. The Committee was advised that Arch was delivering the new Rural Growth Network programme supporting micro to medium sized businesses to grow the rural economy. The Committee will continue to receive such updates in 2016/17.

1.4.5 Berwick and Newbiggin Portas Pilot Schemes – in March, the Committee received the final update on the progress made implementing the schemes. Members were advised that although 60% of the Berwick monies had been spent, the remainder had been allocated to a number of projects within the town.

1.4.6 Newbiggin Town Team Ltd (NTTL) has continued to be proactive in the identification and delivery of programme activity. Newbiggin Portas had a programme budget of £248,300 and by 31 December 2015 when conclusion of the programme was expected, NTTL had spent £230,340 (92.8%), leaving a balance of £17,960 (7.2%) to be committed. NTTL were given approval in January 2016 to continue with programme activity to fully utilise the remaining £17,960 in order to close the programme in preparation for the formation of a Development Trust during 2016.

1.4.7 The Committee were advised that the Leader and Deputy Leader stated that all projects/allocations had to be completed by the beginning of May 2016.

1.4.8 EU Funding – in April, members received an overview of the grants available from the European Union to both Northumberland County Council and other Northumberland based organisations.

1.4.9 The 2007-13 Programme in the North East was worth £375m in European Regional Development Fund (ERDF) grant and delivered 168 projects. Over 50% was delivered as regional business support projects, which Northumberland based businesses benefited. The 2007-13 European Social Fund was delivered as national programmes with local sub- contracting arrangements. The value of delivery in the North East was estimated to be £195m. In 2007-13, the County Council and other Northumberland based organisations directly secured £35m ERDF towards total investment of £73m.
14.10 This report was also considered by the Arts, Leisure and Culture and the Communities and Local Services OSCs.

1.5 The Committee continued to monitor issues across its remit, including:

- Sickness Management
- Debt Recovery
- Annual Complaints
- Information Services

**Alyson Wallace**  
Chairman – Economic Prosperity and Strategic Services OSC
2.1 I would like to take the opportunity to thank every member of the Committee, as well our Scrutiny Officer (Sean Nicholson) and the clerical staff for the support that they have extended to me as Chair, which has ensured professional meetings together with excellent presentations for members throughout 2015/16. Julie Foster, as my Vice Chair, has been helpful and supportive throughout the year.

2.2 Over the past year, we as a committee have engaged with a full and diverse work programme, covering a comprehensive list of scrutiny items, ranging from the road safety, installing central heating to fuel poverty homes, and monitoring improvements to the maintenance of our highways and environment to name but a few. To maintain momentum going I am liaising with members and officers to set out next year’s work programme.

2.3 The Committee have made comment on 6 reports and strategy documents prior to determination by the Cabinet. The following reports were approved subsequent to that process:

- Adoption of the Local Flood Risk Management Strategy for Northumberland
- Transport Asset Management Plan (TAMP) Policy and Strategy
- Corporate Enforcement Policy
- CCTV Provision in Northumberland
- Fire and Rescue Service Consultation: Retained Review – Working Towards 2020
- Front Garden Parking and Fencing in Open Plan Estates

2.4 The Committee have also considered many overview and scrutiny reports during the last year, including:

2.4.1 **Street Lighting Modernisation Project** – the Committee have received quarterly reports updating them on the progress in implementing this very important and high profile scheme. Members were keen to ensure that lessons learned and issues of good practice were identified early and carried forward into the next phases of the project.

2.4.2 **Household Waste Recovery Centres: Introduction of Charges for Soils, Rubble and Plasterboards** – in July, following detailed discussions, the Committee agreed to support arrangements for the introduction on charges for DIY soils, rubble and plasterboards at HWRCs from September 2015, in order to try and mitigate the need for site closures and reduced opening times at HWRCs in 2016/17.

2.4.3 **Review of Public Conveniences** – over two meetings in September and October, the Committee supported changes to the provision of public
conveniences, following the review of the service as part of the Council’s revenue budget savings for 2015/16. The consultations had included seeking views from Town and Parish Councils. Local businesses and other organisations had also been approached that already provided toilets for their customers, many of whom confirmed their willingness to make them more widely available to the general public to improve the overall quality and accessibility of toilet facilities in the county as part of a ‘Your Welcome to use our Loos’ scheme.

2.4.4 **Road Safety at Schools** – in November, the Committee supported measures to address some of the safety concerns raised by the public regarding issues outside of schools including speeding, inconsiderate parking and the safety of children accessing school. This included more collaborative working with the school, the local member and parent governors to address particular issues as they arise; the introduction of 20 mph speed limits, and the deployment of a Parking Enforcement Vehicle.

2.4.5 **Central Heating Fund (CHF)** – in March, the Committee received details of the Department of Energy and Climate Change’s (DECC) award to NCC of £6,568,141 of funding from the DECC sponsored CHF to provide first time central heating for fuel poor households in the county. The Council, through the Procurement Service, was actively promoting the scheme to seek referrals for grant aid. Members hoped that enough referrals would be received by the end of April 2016 to enable the connection of 1900 – 2000 installations by the end of August 2016.

2.4.6 **Members’ Local Improvement Programme** – in March, the Committee commenced a review of this programme in response to members concerns about the length of time to deliver schemes, communication issues and whether the minimum cap of £2000 could be reduced or removed. This examination is ongoing and a final resolution will be sought early in the next Council year.

2.4.7 **Northumberland County Council’s Response to the Highways Peer Review** – in March, following the review in Autumn 2015, in which the Council received a positive outcome, the Committee considered areas where further improvements could be made. Members will continue to monitor progress on this issue.

2.4.8 **EU Funding** – in March, members welcomed a comprehensive overview of the grants available from the European Union to both Northumberland County Council and other Northumberland based organisations.

2.4.9 The Committee were pleased to be advised that funding would be available to support and retrain workers who had recently been made redundant from the oil industry. They were contented further to note that funding would be available for the disabled and those with mental health problems.

2.5 The Committee continued to monitor issues across its remit, including:
- Supported Bus Services
- Community Transport
- Fleet Replacement Programme
- Annual Parking Report
- Green Energy
- Grounds Maintenance Programme
- Flood Alleviation

2.6 As Chairman, I continue to monitor any actions arising from the committee minutes and ensure, as far as possible, that they are followed up. In particular, when a Cabinet Member or officer has indicated that a response to a particular question is provided after a meeting, I will ensure that it is answered, and if appropriate, reported to the next meeting.

Brian Gallacher
Chairman – Communities and Place OSC
3 CARE AND WELLBEING OVERVIEW AND SCRUTINY COMMITTEE

3.1 Introduction - 2015/2016 has been a busy year for the Committee, also my first year in the chair. We have seen the introduction of most provisions of the Care Act 2014, which has rewritten the statutory framework for adult social care, and the opening of the new accident and emergency Northumbria Hospital, a national first of its kind. Performance information from the North East Ambulance Service (NEAS) has again been a feature of our work programme, but mental health issues have been the most dominant area covered in our business, with several reports brought to the Committee by officers and partners, and the recommendations of our themed scrutiny project on dementia awareness have been approved by Cabinet. We have continued to engage with our partners in committee and through visits and contributions to engagement and consultation events. We have observed this year that joint working is continuing to grow as a feature of the healthcare scene.

3.2 Mental Health - in June 2015 the Northumberland Clinical Commissioning Group (CCG) reported to the Committee on the Joint Northumberland Dementia Strategy and Action Plan. The strategy and plan were developed in partnership with members of the Northumberland Dementia Strategic Partnership Group (NDSPG), to outline future commissioning priorities for health and social care. The action plan was developed to ensure implementation of the ten key priorities identified within the strategy:

1. Public and professional awareness
2. Timely diagnosis and intervention
3. Information and support
4. Support to remain independent and prevent unnecessary hospital admissions
5. Supporting carers and families
6. Safeguarding
7. Young people with dementia
8. Care in hospital
9. Prescribing of antipsychotic medication for people with dementia

3.3 These priority areas arise in the Committee’s discussions on a regular basis. We heard at the June Meeting that a regional diagnostic toolkit had been implemented and a national directed enhanced service for identifying people with dementia had been issued. These tools have given the CCG additional mechanisms to support general practices to increase their diagnosis rates, and the dementia diagnosis rate derived from dementia registers within primary care in the county at the end of March 2015 was 62.3%, increased from 53.3% in September 2014. This work is ongoing and is being monitored by the Committee.

3.4 The Committee was also informed in June that through clinical test group analysis within the high risk patient pathway, it had been recognised that a significant number of patients on the pathway had dementia. The CCG considered there was merit in
increasing dementia awareness amongst practice staff and had commissioned the Alzheimer’s Society to provide dementia awareness sessions for a GP dementia lead and a non-clinical dementia champion from each practice. The practice representatives were encouraged to participate in the resultant Alzheimer’s Society Dementia Friends initiative.

3.5 In recognising the need for more dementia-friendly services within the county, the Committee undertook a themed scrutiny project entitled ‘How to establish Dementia-friendly Services in Northumberland’. The project recommended that:

1. a Northumberland Dementia-Friendly Toolkit citing general guidance on best practice for developing dementia-friendly initiatives, with links to a range of appropriate websites, be produced for publication on the NCC website and at other NCC distribution points

2. an existing dementia awareness training package suitable for use/adaptation by NCC be selected for a pilot training session for Councillors, subject to the availability of funding from current budgets,

and this was agreed by Cabinet.

3.6 During 2015/2016 the Committee also received the following reports, presentations and demonstrations relating to mental health:

- Primary Care Psychological Therapies Procurement
- Safeguarding Adults Annual Report
- Making Safeguarding Personal
- Ageing Well in Northumberland: Annual Report 2014/15
- Northumberland Tyne & Wear NHS Trust Transforming Services - Joint Update with Adult Service

3.7 Committee Members also participated on three occasions this year in NTW workshops and briefings to contribute to their priorities for 2016/2017.

3.8 **North East Ambulance Service** - Northumberland’s particular mix of urban and rural areas has been a challenge for the ambulance service and performance/response times have been a standing item on the Committee’s work programmes for a number of years. Although the winter has been relatively mild this year, the service has again been required to perform under pressure. Reports from the CCG and NEAS have explained this by referring to contributing factors such as unexpectedly high numbers attending the new specialist emergency care hospital in Cramlington, the need for specialist staff (now reaching required numbers for Northumberland) and spikes in demand. In January 2016 Members received a joint report from the CCG and NEAS. Members understood that joint working between the CCG, NTW and Northumbria Healthcare was in progress to address identified issues, including analysis of journey cycle times, aiming to identify appropriate means of achieving improvements. Reports in 2015/2016 were:
- NEAS Winter Service Update
- North East Ambulance Service Resilience Update
- North East Ambulance Service Performance Update (Ambulance and A & E Activity Report)
- North East Ambulance Service Future Priorities and Quality Account 2015/2016 - Presentation
- Northumberland Winter Readiness and system Resilience - Debrief Update.

The Committee will continue to monitor ambulance performance.

3.9 **Consultations**

The Committee has responded to, or is in the process of responding to, consultations on:

- Northumbria Healthcare Future Priorities and Quality Account 2015/2016
- Northumberland, Tyne and Wear NHS Trust Future Priorities and Quality Account 2015/2016

3.10 **Monitoring Reports**

The Committee has monitored the following:

- Update on the former Supporting People Programme
- Customer Experience: Joint Children’s and Adult Services Customer Compliments and Complaints Annual Report 2014/2015
- Care Act - Update on Implementation
- NHS Blood and Transplant Service - Presentation
- Berwick Hospital - Update
- Health and Well-being Board Minutes.

**Councillor Alan Sambrook**
**Chairman - Care and Wellbeing Overview and Scrutiny Committee**
4.1 **Introduction** - This year we have met on eight occasions and our work programme has been dominated by the pre-scrutiny of reports on consultation processes for a number of proposals to change school structures and funding. Issues with school performance, particularly in secondary schools, have been the other main focus for the Committee in 2015/2016, including a discussion on the position with academies, schools and colleges and the impact of Education and Skills Services in bringing about improvement. We received the second Annual Report of the Director of Education and Skills, and completed a second phase of our Poverty Issues themed scrutiny project.

4.2 **Proposals for the Alnwick Partnership** - the process for changes to schools in the Alnwick Partnership began in 2014 with requests from individual schools. Our Committee was involved throughout the process in 2015/2016, pre-scrutinising Reports due for decision by Cabinet over the course of three meetings held in June and November 2015, and January 2016. This was a long and challenging process involving consultations on different structural models. Each of the Committee meetings was attended by parent governors and members of the public, in addition to the local Members, all of whose views were expressed to the meetings. The process ended with consensus support for Officers’ recommendations to Cabinet. On reflecting about the process we felt that we had given the maximum possible input, seeking in common with Officers always to provide the best possible outcome for the pupils. Cabinet took the Committee’s recommendations into account when making their decision.

4.3 **The Local Offer and SEND Reforms** - in July 2015 the Committee received an update on progress in the key areas for development, including Local Offer, arising from the new Special Educational Needs & Disability Code of Practice (Sept 2014), and patterns of SEN and Disability prevalence in Northumberland for those aged 0-18 years. The key issues identified in the report were that:

1. National legal reforms required a much larger volume of SEND statutory work during 2014-2018. The breadth of statutory responsibilities had also increased significantly
2. there was a net increase in the number of learners with SEND, with patterns of growth in key areas of disability
3. the local authority was conducting training events, consultation events and localised planning activities to meet the new levels and patterns of demand for SEND support
4. the Department for Education monitoring visits had been successful, including the most recent in June 2015. This would be followed by a new formalised OFSTED inspection of all local authorities from 2016.

4.4 Members were informed that the categories of SEND had changed in one key respect. The previous Code included a category ‘Behaviour, Emotional or Social Difficulties’
Learners with mental health issues had fallen outside the Code. In 2014 the Government removed BESD and replaced it with ‘Social, Emotional and Mental Health needs’ (SEMH), bringing in a large cohort of new learners whose needs had been formerly met in other ways. During 2014-2016 there has been a general increase in the number of children and young people identified with this type of need. The increase is mainly for those with the most severe and complex needs.

The SEND Local Offer is subject to annual review, including responses from member of the community who raise specific questions or requests for improvement. A series of consultation events was held during Autumn 2015. Issues raised at any time in 2015 were collated and answered. This has resulted in a new Local Offer website being launched in April 2016. The next review will be Autumn 2016.

4.5 Education Update - in July 2015 we received an update on the position with academies, schools and colleges in Northumberland and the impact of Education and Skills Services on bringing about improvements. The key issues were to raise achievement across all key stages, with a continuing focus on the secondary phase, and to reduce the attainment gap between disadvantaged and other pupils by:

1. strengthening the Northumberland school improvement service so that it has a more effective role in improving the leadership of schools and academies
2. improving the current support and challenge for secondary schools and academies to ensure they deliver outcomes for Key Stage 4 pupils that are at least in line with national averages
3. developing further the recently-introduced strategy, and associated restructure, to support the rapid identification of schools in decline
4. promoting and supporting better school to school and partnership working alongside good or outstanding schools, particularly in the secondary phase.

4.6 We noted from the Report that, although Northumberland was moving closer to the national average in relation to the attainment of disadvantaged pupils at GCSE, there remained a wide gap between Northumberland and the national average. The progress that those students made in secondary schools and academies was a matter of concern. In order to better understand the impact academies were having on the quality of education in the County, we agreed to invite the Regional Schools Commissioner for the North of England to a attend a forthcoming meeting to provide information on the performance of academies, however the Commissioner declined this invitation on the grounds that she was not accountable to local authorities.

4.7 In January 2016 the Committee discussed the draft second Annual Report - Summary of School Performances, and heard that there had been some significant improvements in Northumberland in the last year specifically in relation to the recommendations made in the focused inspection of October 2013. Ofsted had continued to monitor progress and although there had been some disappointing individual inspection results in some schools and academies, there had also been many reports containing positive feedback and outcomes. Schools been praised for the improvements they had achieved, and the Authority had been congratulated for the improvements made to the quality of support and challenge it now offered. Members were advised that overall schools were in a better position than two years ago but
improvements were still required in order to reach the Council’s aspiration that all schools would be judged ‘good’ within the next five years.

4.8 **Refocusing the Youth Service** - the January 2016 Meeting received a report on plans to reshape the Youth Service, including a greater focus on the most disadvantaged or vulnerable young people, reduced management and back office costs, and a modest increase in the number of youth work staff directly supporting young people. Members welcomed the changes, which would avoid having an impact on the level of front-line services and refocus and direct services to those children and young people who most needed the support of the service. Members also welcomed the requirement for more partnership work with third sector organisations and for youth service provision to be established in some of the county’s more rural areas. An update on progress made in refocusing the Youth Service was requested in twelve months’ time.

4.9 **Pre-Scrutiny** - the Committee has also considered and made recommendations to Cabinet on the following:

- Formula Funding of Schools from April 2016
- Consultation on Proposed Closure of Herdley Bank CE Primary School
- Proposal to Amalgamate James Calvert Spence College South Avenue with James Calvert Spence College Acklington
- Outcomes of Consultation on Proposed Amalgamation of James Calvert Spence College (Middle) and James Calvert Spence College (High) schools
- The Ponteland Partnership.

4.10 **Information Reports** - other Reports received for information this year included:

- Sexual Exploitation Strategy and Action Plan
- Safeguarding Peer Review
- Outcomes in Schools and Academies (Presentation)
- Children and Young People’s Emotional Health and Well-being Strategy.

4.11 **Monitoring Reports** - the Committee periodically receives the following Monitoring Reports:

- Members Rota Visits to Children’s Homes
- Regulation 44 Summary Reports
- Performance Benchmarking
- Safeguarding Activity Trends Report
- Finance and Performance Quarterly Report
- Permanence Planning and Adoption in Northumberland
- Northumberland Safeguarding Children Board Annual Report
- Fostering Service Annual Report for 2014/2015
- Adoption Agency Annual Report for 2014/2015
- Director of Children’s Services Role - Review of Test of Assurance.

**Councillor Bernard Pidcock**  
Chairman - Family and Children’s Services Overview & Scrutiny Committee
5.1 **Introduction** - our Committee was established this year as a forum for monitoring the performance of Active Northumberland providing services in the arts, leisure and culture. From the wide ranging services provided by Active Northumberland, the Committee has been introduced to aspects of the County’s cultural, sporting and tourism activities, as well as the Council’s cultural strategy and financial elements of the leisure centres over the course of five meetings. Active Northumberland (AN) is progressing through a management and staffing review and the Committee has taken this into account when reviewing performance.

5.2 **Northumberland Cultural Strategy** - in the first half of the year we received three reports and presentations on the emerging cultural strategy. The strategy sets out the Council’s vision and objectives for providing services and promoting quality of life, health and well-being for the County’s residents and visitors. We pre-scrutinised the AN Report to Cabinet on the draft Northumberland Cultural Strategy and, in endorsing the strategy, we made some suggestions for improvements which Cabinet supported. The Committee will continue to monitor progress with delivery of the strategy through the Cultural Action Plan, in which the Northumberland Cultural Partnership has a key role. Active Northumberland is providing initial leadership and coordination of the Partnership.

5.3 **Destination Management Plan** - we have received two presentations on the County’s Destination Management Plan:

5.3.1 In September 2015 from Northumberland Tourism (who are contracted by NCC to provide tourism related services for Northumberland under a Service Level Agreement). This presentation revealed that the tourism sector now accounted for 13 per cent of overall employment, up 18 per cent in the past 3 years. Tourism was now the County’s second largest employer behind the public sector. Highlights last year were the success of the Tour of Britain and the attraction of the Weeping Window Poppies display at Woodhorn Museum. The latest statistics had shown that visitor numbers to the County had increased with a related increase in the economic impact and employment within the industry. Examples of the return of investment in different campaigns/promotions were provided and the planned activities for 2016 were outlined.

5.3.2 In March 2016 from AN. This presentation introduced the AN Tourism Development Team, whose range encompassed commercial business, tourism infrastructure development, project management, events management, facilities management, tourist information management, financial controls, working directly with the visiting public and businesses across the visitor economy, and marketing. Some statistics quoted were:

5.3.3 In 2014 - 9.3 million people visited Northumberland - a rise of 4.6% - the value of tourism to the county was £765 million - a rise of 2.3%
- total employment remained at 13,400
- 4.2% net increase in visitors
- 4.2% net increase in the value of tourism
- 1.3% net increase in employment.

5.4 **Tourism Training Opportunities with Northumberland College** - this Report provided an update on tourism training opportunities developed through partnership and collaboration with Northumberland College. The collaboration was initiated in 2013 on the basis that aspirations for growth in the visitor economy would benefit substantially from a range of front line businesses and employees being skilled in providing excellent customer service and visitor experiences. We were informed that there was as positive direction of travel for employment in the sector, however the message that the range of opportunities in the tourism sector made it a good career destination needed to reach young people. It was planned to develop a rural tourism academy at Kirkley Hall, Ponteland, to provide a focus on tourism and hospitality and allow young people from age 14 to progress to higher education. The Academy would also be available to resource business training and up-skilling initiatives including employer led courses focussing on employability, skills and job outcomes. It was envisaged that the Rural Tourism Academy, for which there was little precedent in England, could become a centre of excellence, however it would need promotion and assistance. Our Members welcomed the Report and agreed to bring the Rural Tourism Academy to the attention of Cabinet, with a request that they consider supporting the Northumberland County Council/Northumberland College initiatives in progress and, in particular, the development of the Academy. This received the support of Cabinet.

5.5 **Arts Support in Northumberland** - the Committee requested information on financial support in Northumberland for the arts, in particular for theatres, and two reports have been given this year:

5.5.1 in September 2015 we received an introductory overview of the financial support provided by the Council for Queens Hall Arts Centre, Berwick Maltings Theatre and Cinema, Alnwick Playhouse and the Phoenix Theatre. Some theatres received direct funding from Arts Council England, including Queens Hall and the Maltings Theatre, Berwick Film Festival, the November Club and Blood Axe Books, and

5.5.2 in January 2016 a further report gave an overview of support for the Arts provided through Active Northumberland / Northumberland County Council. The Council, through Active Northumberland, supported the Arts in a variety of ways. This included providing core funding to venues and arts organisations, funding arts development activity, Arts Award training to support creative education and providing strategic leadership, direction and advice to build resilience and growth in the sector e.g. support with funding applications. We asked how Arts Council England funding was applied for and heard that it was open to all organisations to apply, however there were stringent criteria and funding could be withdrawn at any time. Funds were difficult to obtain, therefore the receipt of
awards by five organisations within Northumberland was a major achievement. Support could be provided by Active Northumberland to organisations who wished to bid.

5.5.3 A further update on arts support in Northumberland is on the Committee work programme.

5.6 **Sports** - In January the Committee received updates on the impact of the Northumberland Stages of the 2015 Tour of Britain. Members expressed their thanks and congratulations to staff, both on the front line and managers, for their excellent work in helping to make the event such a success in the County. In relation to the encouragement of more healthy lifestyles for residents, information would be sought from partners to ascertain if increased participation levels in cycling had been sustained following the event. Promotion of existing events could be undertaken. The Committee has requested a further update on maintaining the continuity of the Tour of Britain through local cycling events.

5.7 In January we also heard about plans for the North Sea Tall Ships Regatta 2016, to be held in Blyth from 26 - 29 August 2016. The event is part of a series of internationally acclaimed annual competitions. Northumberland County Council in partnership with Port of Blyth (PoB) submitted the successful bid to act as a host port. The aim of the Regatta is to:

- provide a world class spectacular event which will be enjoyed by hundreds of thousands of people
- provide economic growth (with an estimated £8m economic impact)
- inspire people to gain skills for life with the opportunity for over 50 trainees to sail on board one of the registered Tall Ships in the Regatta and up to 200 volunteers recruited and trained to work on the event
- to raise the profile of Northumberland nationally and internationally.

5.8 All ships will be in port by midday on Friday 26 August with a Parade of Sail undertaken on the afternoon of Monday, 29 August. NCC and PoB are responsible for the delivery of the event, however once the ships are at sea the Regatta itself will be the responsibility of Sail Training International (STI).

5.9 **Governance** - after preliminary discussions at the Committee’s first meeting, we requested information on the governance arrangements for Active Northumberland within the context of the Committee’s remit. The Committee received a presentation at the March 2016 Meeting on information available at that stage, when an ongoing management and staff review was in progress. A further presentation is to be scheduled early in 2016/2017 on the NCC/AN management agreement currently being drafted.

5.10 **EU Funding** – in April, members received an overview of the grants available from the European Union to both Northumberland County Council and other Northumberland based organisations.
5.11 The Committee were advised that in order to access European funds, match funding was required and therefore applications must fit with the Council’s priorities, with NCC proactive in supporting applications for funding. At present it was Government departments who were responsible for the granting of contracts and monitoring of projects with the Combined Authority only having an advisory role. As part of the Devolution proposals it was expected that the Combined Authority would have special status and would be able to make decisions on European strategic funding. Information would be provided to Members on Erasmus funding.

Councillor Terry Johnstone
Chairman - Arts, Leisure and Culture Overview & Scrutiny Committee
6 CORPORATE PERFORMANCE OVERVIEW AND SCRUTINY COMMITTEE

6.1 Introduction - the Corporate Performance Overview and Scrutiny Committee was established in May 2015 with a remit to:
- maintain an overview of the Council’s performance management arrangements, operational performance and overall performance
- review the State of Northumberland and the Council’s activity in delivering its Corporate Plan
- highlight areas of underperformance and monitor delivery of recovery plans
- make recommendations to Cabinet as appropriate.

The Committee meets bimonthly and has held five meetings this year.

6.2 Committee Remit and Resources - At our first meeting in June 2015 we considered the Committee’s remit, and resources for fulfilling the remit. We were informed that:

6.2.1 although there was less regulation and inspection than there had been five years previously, the Council and some of its services were still subject to inspections by, for example, Ofsted and the Care Quality Commission. As well as regulatory inspections, the Council was also involved in Local Government Association (LGA) peer reviews as part of the sector-led improvement programme. Recent examples included an operational review of Northumberland Fire and Rescue Service, a peer review of the Children’s Social Care Service and a peer review of the Council’s corporate arrangements. The detail of individual reviews would be dealt with elsewhere but the Committee would receive an overview of external inspections and reviews to support a broad view of the Council’s performance, and

6.2.2 a corporate performance system had been developed by Information Services in conjunction with the Heads of Service which was fully in the public domain to support openness and transparency and to promote a self-service approach for anyone interested in accessing performance information. Information was available by Council service, by each overview and scrutiny committee’s remit, by each Cabinet portfolio, and users could set up a list of particular indicators in which they were interested. The system would continue to be developed and all the information would be available for everybody who wished to access it, and training would be provided for Members.

6.3 We received a presentation about the Council’s corporate performance management arrangements and a demonstration of some of the detail available on the website, including the Corporate Plan agreed in November 2013, and all the Service Statements produced by Heads of Service, which included descriptions of the services provided by each, their primary functions, staffing resources priorities over the next two years and a performance management framework for the service.
6.4 Responses to some of our Members’ questions about the performance management system were:

6.4.1 it was not expected that the Committee would look in detail at every measure currently not reaching target performance and the role of the Committee was to maintain a high level overview of performance rather than duplicate effort elsewhere;

6.4.2 if Councillors had a concern about a particular issue, they could bring it to the attention of this committee. Members were advised that the work programme would identify issues and ensure a focus on high level issues. Particular issues could be referred by the Chairmen’s Group to the respective overview and scrutiny committee or Cabinet Advisory Group;

6.4.3 a number of high level issues, such as the recovery plan for schools at risk of being judged Requires Improvement or Inadequate, would be presented to this Committee. Such issues would then be monitored separately. There would not be duplication between this Committee and the respective themed overview and scrutiny committees because of this Committee’s higher level overview, and

6.4.4 the performance system had started with current data and further data would be added as it became available, although some back data would be captured where possible.

6.5 We have received an overview of the Council’s performance at each meeting during the year which has enabled us to keep track of a number of areas where improvement has been required such as management of planning applications and use of independent foster agencies.

6.6 State of Northumberland and Progress with Corporate Plan - in September we considered the State of Northumberland Digest and achievements in delivery of the Corporate Plan 2013 - 2017. The update on the state of Northumberland covered a framework of about 45 key indicators reflecting the Corporate Plan’s key priorities. Most were very high level measures which were refreshed infrequently, mainly by external agencies, and served to provide a picture for the context of Northumberland, for example gross value added, life expectancy at birth, and GCSE results. The data showed Northumberland’s current position and compare the position with previous data and with comparative information at a regional and national level. This meant that for a range of measures the Council could understand Northumberland’s current performance and how it compared with others, and could also see Northumberland’s direction of travel and how that compared with others.

6.7 Members made a number of comments and received responses to questions, including:

6.7.1 a considerable amount of work was continuing to be done to tackle key indicators and drive performance to improve the state of Northumberland and deliver the objectives set within the Corporate Plan;
6.7.2 concern regarding the percentage increase in the level of homeless and the strong possibility that the figure could rise further due to Government changes such as Welfare Reform and Universal Credit;

6.7.3 with regard to the quoted low number of business start-ups a query was raised as to whether the Council had a role in encouraging and supporting growth in this area perhaps through the development of small business hubs in towns. A number of initiatives had taken place to promote the area to external businesses, and Arch, Northumberland’s Development Company, had undertaken work to bring about improvements. Members hoped that this recent work would result in an increase in the performance indicator;

6.7.4 it was suggested that the impact of recent welfare changes on residents be monitored in order to collate a portfolio of evidence to present to Government to demonstrate why more funding was needed in this area. The Council has a Welfare, Employability & Inclusion Strategic Partnership looking at this, and

6.7.5 concerns were raised regarding the number of children classed as obese and the possible correlation with areas of deprivation in the County. In response, Members were advised of a number of recent initiatives which had taken place with families to educate about and promote healthy eating, exercise and cooking on a budget, with the overall aim to improve health and wellbeing.

6.8 The report on achievements in delivering the Corporate Plan served as a timely reminder that the Council is continuing to deliver a good deal despite significant financial constraint.

6.9 Resident Perception Survey - in January the Committee received a presentation from Ipsos Mori of the 2015 ‘Living in Northumberland - Challenges and Opportunities’ survey. The aim of the survey was to track changes of residents’ views on issues covered in previous research carried out in 2008 and 2012 which would inform the Council’s understanding of local priorities and the planning of local public services. Conclusions of the survey were that:

6.9.1 all key council measures had improved significantly and in particular environmental services;

6.9.2 the proportion who felt informed had remained relatively static. The local media remain a preferred source of information;

6.9.3- top priorities were road and pavement repairs, clean streets and job prospects. Reassurance was required on crime and antisocial behaviour;

6.9.4- the Council should reflect local concerns given diversity, and

6.9.5 there was strong attachment to the local area, but signs that community resilience had weakened.
6.10 We welcomed the survey and agreed that it provided a very positive set of results, showing an increase in the rate of satisfaction with the Council. An area of concern was the increasing gap between rich and poor, and although fewer people were dissatisfied, how much more dissatisfied were those who were?

These survey results were also presented at an all-Member briefing.

6.11 **Financial Monitoring** - at each meeting, we received a presentation on financial monitoring for the previous quarter. The presentations included details of the overall position for each directorate, a detailed breakdown of each directorate by service, and an update on the efficiency targets for each directorate during 2015-2016. Key details for individual service areas were drawn to Members’ attention, and Members then discussed and asked questions about the information, offering comment as appropriate. This monitoring exercise provided the Committee with up to date information which illustrated any exceptions in performance that could lead to referrals for further investigation.

6.12 This has been the first year of operation of the Corporate Performance Overview and Scrutiny Committee. During that time we have welcomed the open and transparent approach to information on performance, financial monitoring, resident perception, the state of Northumberland and progress in delivering the Corporate Plan. The information is all available on the Council’s website so as well as helping us to maintain an overview of corporate performance it is also open to scrutiny by all Members, staff and residents.

**Councillor Kate Cairns**
Chairman - Corporate Performance Overview & Scrutiny Committee
7 THEMED SCRUTINY

7.1 The in-depth scrutiny projects known as ‘themed scrutiny’ are now well established, whereby the Vice-Chairman of each Overview and Scrutiny Committee takes the lead on one or more projects at a time, working with Task & Finish Groups that undertake research over a period typically of between three and four months, depending on the nature of the work. The Vice-Chairman reports progress monthly to both the parent Committee and the Chairmen’s Group. The Task and Finish Groups submit their final report to the Committee and, when appropriate, the Committee submits its own recommendations to the Cabinet for approval. This year the following projects have been completed or are ongoing:

7.1.1 Care and Wellbeing Overview and Scrutiny Committee
(a) How to establish Dementia-friendly Services in Northumberland

The Cabinet accepted the recommendations arising from this project, which were:

1. a Northumberland Dementia-Friendly Toolkit citing general guidance on best practice for developing dementia-friendly initiatives, with links to a range of appropriate websites, be produced for publication on the NCC website and at other NCC distribution points

2. an existing dementia awareness training package suitable for use/adaptation by NCC be selected for a pilot training session for Councillors, subject to the availability of funding from current budgets.

7.1.2 Communities and Local Services Overview and Scrutiny Committee
(a) Transport Asset Management Programme (TAMP)

This Working Group was established in March 2015 to review the output from the previous TAMP Working Group; to debate and make recommendations with regard to: maintenance strategy for all assets; service standards to maintain that strategy, and performance measures to monitor strategy delivery. At that time, the TAMP fell under the remit of the Economic Prosperity and Strategic Services OSC, but following the review of scrutiny functions agreed by Council in May 2015, it switched to the Communities and Local Services OSC. It is anticipated that the Group will present its final report in Autumn 2016.

7.1.3 Economic Prosperity and Strategic Services Overview and Scrutiny Committee
(a) Review of Supported Bus Services

In May, the Cabinet agreed recommendations made by the review of Supported Bus Services Task and Finish Group on the consultation and engagement process to be adopted in carrying out the review. The Group was then quickly re-established (albeit under this OSC following the scrutiny review (previously the Communities and Place
Appendix Two Annual Reports 2015/16

OSC)) to oversee the implementation of that process and to assess the outcomes. That work has been completed in the west of the county to the Group’s satisfaction. Work in now ongoing in the north and it is anticipated that the results of that process will be evaluated early in the new Council year.

7.1.4 Family and Children’s Services Overview and Scrutiny Committee

(a) Poverty Issues (Phase 2)

The Family and Children's Services Overview and Scrutiny Committee received the Report on Phase 2 of its Poverty Issues project from the Poverty Issues Task and Finish Group on 23 July 2015. This second phase of the project involved an in depth study of identified education and communication issues identified in Phase 1. The following recommendations were submitted to Cabinet in September 2015 and were supported:

Communications

(i) The Council consider extending its links with County-wide charitable organisations (for example the Citizens Advice Bureau) and local media by cooperating in the distribution of messages targeting the ‘hard to reach’ among 18 - 25 year olds and the elderly, using the Council’s existing Facebook and Twitter social media channels

Education

(ii) The Family and Children’s Services Overview and Scrutiny Committee inform Cabinet that it endorses the Council’s Education and Skills - Pupil Premium Strategy, with particular emphasis on the following identified as ‘next steps’ in the Strategy:

- establish a website in order to share resources and case studies for best practice
- deliver training on weaker areas identified in audits and share relevant research
- ensure that School Improvement Partners (SIPs) discuss Pupil Premium with Headteachers during their termly visits

(iii) The Council consider a continuation of funding for the Pupil Premium Champion as a means of raising the academic achievement of disadvantaged children by delivering training on effective Pupil Premium practice

(iv) The Committee receive regular updates on progress with delivery of improvements in raising the academic achievement of the target cohort through Pupil Premium funding.

8 POLICY DEVELOPMENTS - IMPACT ON SCRUTINY

8.1 The Overview and Scrutiny function will play an important role in subjecting policy proposals to independent analysis and help the Cabinet and its Partners consider the
long-term implications of the decisions being taken. Scrutiny can also provide valuable assurance to the public and stakeholders that their views and concerns will be taken into account in the way the new measures are shaped and implemented.

8.2 To retain public confidence, it is important that all existing and new forms of service delivery are subject to robust and public accountability. Scrutiny can harness the challenging and investigative aspects of its work together with its positive role in contributing to policy development and the restructuring of local services.

9 WORK PROGRAMMES

9.1 The work programmes will continue to be delivered through a number of mechanisms, for example:

(a) Revisiting previous reviews and issues considered, focusing on progress made with recommendations contained in the reports
(b) Light touch reviews on particular issues
(c) Task and Finish Working Groups to look at in depth investigations;
(d) Receiving information on policy/strategy areas as part of their overview function
(e) Cross cutting issues will be considered by joint meetings
(f) Referrals from the Executive or Full Council.

9.2 The Overview and Scrutiny Committee Chairmen and Vice-Chairmen have regular briefings from Directors and Service Heads on current and potential issues which may impact on the respective committee’s future workload. These meetings are crucial in managing the work programmes, to ensure that particularly significant issues are given priority.

9.3 In addition, the Council’s Business Chair has confirmed the following methods by which members can influence the scrutiny work programme:

9.3.1 Scrutiny

(a) Any scrutiny member can ask for an issue relevant to their remit to be scrutinised by giving notice to the scrutiny officer and notifying the Chairman.

(b) Any five non-scrutiny members can also request an issue is scrutinised by informing the scrutiny officer and the relevant Chairman.

(c) These requests then go to the Chairmen’s Group for consideration and referral. It might not always be the case that the item requested by a committee member is best suited to that committee or workloads and overlap may see it given to another committee to carry out.
(d) Equally often items are raised that need more work and may be sent to working groups (Policy) to do the initial report which will then come back to the committee to scrutinise and do further work if needed.

(e) Scrutiny should also respond to any requests from Council or Cabinet to review particular areas of Council activity.

9.3.2 Pre-scrutiny

Items on the Forward Plan requiring a decision by Cabinet will be subject to Pre-scrutiny by the relevant Scrutiny Committee.

9.4 It is envisaged that the scrutiny function will continue to contribute positively to policy development, community engagement and participation, performance monitoring and scrutiny of partners and improvements in services provided.

10 CALL-INS

10.1 Overview and Scrutiny Committees can exercise their right to call-in, for reconsideration (through the Chairmen's Group) of decisions made but not yet implemented by the Cabinet and/or any policy or area committees. There was one call-in (New County Hall Headquarters) in 2015/2016, which was rejected and no further action was required.

11 VISITS

The Committees have made a number of visits in 2015/2016

11.1 The Care and Wellbeing O & S Committee visited:

- Northumbria Hospital, Cramlington, on 1 June 2015
- Northumbria Hospital, Cramlington, on 2 June 2015
- Northumbria Healthcare Annual Members Meeting, on 15 July 2015
- Alzheimer’s Society Meeting, Newbiggin-by-the-Sea, on 27 July 2015
- Healthwatch Annual General Meeting, on 11 September 2015
- Northumberland, Tyne & Wear (NTW) NHS Trust, St George’s Park Morpeth, on 16 September 2015
- NTW Quality Priorities Engagement Event, Gateshead, on 26 November 2015
- Royal Society for Public Health Member Health Improvement Programme, Gateshead, on 16 December 2015
- Ageing Well Conference, Ashington, on 18 February 2016
- Northumbria Hospital, Cramlington, on 4 March 2016
- NTW Quality Account 2015/2016 Briefing, Walkergate Park, Newcastle, on 14 April 2016
11.2 **Family and Children’s Services O & S Committee** Members visited:
- Branton Community First School, on 8 September 2015

11.3 **Arts Leisure & Culture O & S Committee** Members visited:
- Ashington Leisure Centre (previous site), on 22 July 2015
- Ashington Leisure Centre (new site), on 14 December 2015
- Concordia Leisure Centre, Cramlington, on 23 March 2016.

12 **CHALLENGES/AREAS FOR DEVELOPMENT**

12.1 The key challenge for both members and officers this year is to continue to make scrutiny more effective and outcome focused.

12.2 To maintain and build on the current levels of member engagement and attendance by focusing on priority issues of concern to members, providing concise information in appropriate formats and offering a range of training and development opportunities which meet member requirements.

12.3 To take on board the increased powers and responsibilities of the relevant legislation.

12.4 The Overview and Scrutiny Committees will continue to monitor the status of their recommendations to Cabinet. The aim, as always, will be to achieve best practice standards and to make a positive contribution to partnership working and service improvement.

13 **FURTHER INFORMATION**

Feedback on scrutiny work or suggestions for possible issues to be included in the work programmes is always welcome. Members are invited to contact the Chairmen, Vice-Chairmen or either member of the Scrutiny Team.

14 **SCRUTINY TEAM**

**Arts, Leisure and Culture**
**Care and Wellbeing**
**Corporate Performance**
**Family and Children’s Services:**

Paul Allen, Scrutiny Officer (01670 622604)
[Paul.Allen01@northumberland.gov.uk](mailto:Paul.Allen01@northumberland.gov.uk)
Chairmen’s Group
Communities and Local Services
Economic Growth and Corporate Services:

Sean Nicholson, Scrutiny Officer (01670 622605)
Sean.Nicholson@northumberland.gov.uk
1. **THE LOCALISM ACT 2011 - THE STANDARDS REGIME**

   The new standards regime came into effect on 1 July 2012. The Council, at its meeting on 4 July 2012, agreed the membership of eight Councillors and three Town and Parish Council non-voting co-optees. The Independent Chair was appointed by Council on 3 September 2013. An Independent Person was also appointed by Council on 4 July 2012. The Independent Person is not a member of the Committee but does attend its meetings and hearings.

   The Standards Committee has met on three occasions during the Council Year 2015-2016 and in addition a two day hearing was held in August 2015.

2. **REGISTRATION OF INTERESTS - MEMBERSHIP OF THE FREEMASONS AND OTHER BODIES**

   The Standards Committee agreed that the registration of interests form should be amended to clarify the term ‘bodies with charitable purposes’. A note has been added to the effect that this term can include organisations which do not fall within the legal definition of a charity. Members with a query about an interest in this category, or any other, are able to contact one of the officers named in the guidance notes at the end of the form.

3. **APPLICATION FOR DISPENSATION - ARCH**

   The Standards Committee agreed to grant a dispensation to Members who, as members of the Board of Arch, had a registerable personal interest under the Northumberland Members’ Code of Conduct. The dispensation would allow the members to participate, in full, in all decisions relating to the business concerning Arch. The dispensations were approved until 18 January 2020, although some might fall in 2017 depending on appointments made by the new Council.

4. **REGIONAL MONITORING OFFICERS’ MEETING**

   The Monitoring Officer updated the Standards Committee about discussions held at the Regional Monitoring Officers’ meeting. The Group had drafted a letter to be sent to the Department of Communities and Local Government raising concerns about the lack of effective sanctions available under the Localism Act 2011 and when dealing
with persistent complainers. The Standards Committee Members endorsed the draft letter and agreed that it should also be sent to all Northumberland MPs.

The Monitoring Officer’s Group had also agreed that an on-going investigation should be halted if the subject member resigned, unless the matter was extremely serious or relating to a matter of real principle. This decision would be made by the Monitoring Officer, Independent Person and Chair.

5. REVIEW OF ISSUES SURROUNDING THE FORMAL HEARING OF COMPLAINTS

The Standards Committee considered a number of proposals which had been made following the conduct of a Code of Conduct hearing in August 2015 along with other general issues pertaining to the ethical framework.

Members agreed that future hearings should be heard in public as this would promote the openness and transparency of the hearings unless there were sufficient and strong grounds to hear them in private. There was some concern that this may prevent some complainants from coming forward or deter witnesses from attending and it was agreed that safeguards must be put in place to enable a hearing in private to take place, if necessary. Criteria would be drawn up to ensure that safeguards were in place to protect the subject member, complainant and witnesses, if appropriate.

Members agreed the principle of audio recording proceedings. These recordings would be for internal use only, not released to the public and would include the deliberations of Members which took place in private. Arrangements would be made for the secure storage of the resulting recordings. It was agreed that portable audio recording equipment should be sourced with a view to hearings being recorded with immediate effect.

Members agreed that the Standards Committee should send a letter to the DCLG to reinforce the view of the Regional Monitoring Officers’ group expressing its dissatisfaction at the ineffectiveness of the sanctions available to it under the Localism Act 2011 in the event of a member being found to have failed to comply with their Members’ Code of Conduct. This letter would be copied to all Northumberland MPs.

Members agreed that a new social media protocol be developed and introduced taking into account national guidelines and best practice. The Standards Committee would consider the protocol at a future meeting.

Members considered the current assessment criteria and felt that it should be amended to include complaints that may be viewed as vexatious. The criteria along with a definition of the term vexatious would be considered by a future meeting of the Standards Committee.
6. **CASELOAD**

The Monitoring Officer, in conjunction with the Independent Person has dealt with 21 complaints this year, 13 of which were related to Parish and Town Councils and the remaining 8 concerning members of the County Council.

No action required - 16 (1 of which was referred to the Local Government Ombudsman but was rejected without investigation)

Investigation - 1

Apology Requested - 0

Apology Requested but not received - 0

Ongoing - 2

Withdrawn - 1

Mediation recommended - 1

Mr. J. Jackson
Independent Chair
1. **Appointment of Chairman and Vice-Chairman**

Councillor A. W. Reid was appointed Chairman and Councillor A. Tebbutt was appointed Vice-Chairman of the Pension Fund Panel for the 2015/2016 Council year.

2. **Government requirement on pooling LGPS investments**

The Chancellor announced in July 2015 that the Government planned to work with LGPS administering authorities to ensure that they pool investments to significantly reduce costs, while maintaining overall investment performance. This announcement was followed up with the formal DCLG consultation on LGPS pooling, published on 25 November 2015, which laid out the criteria to be met by prospective pooling groups.

In order for the Panel to consider the implications of pooling for the NCC Pension Fund, two additional special Panel meetings were held in October 2015 and February 2016 respectively, with a further informal meeting in January 2016.

At the 5 February 2016 meeting, the Panel formally ratified the decision made at the informal meeting on 21 January 2016 to join the Border to Coast (B2C) Pool. This decision was to work with the other funds in the B2C Pool to submit initial proposals to DCLG by the 19 February 2016 deadline.

Following positive feedback from Government on the B2C initial proposal, work is ongoing with regard to the potential legal and governance structures of the pool with fully costed proposals for each pool to be submitted to Government by 15 July 2016.

Given the importance of the decision on pooling, the S151 Officer attended certain Panel meetings and briefings with the Chairman and Vice-Chairman of the Panel, and kept the Leader of the Council informed.

3. **Fee reduction proposals**

The Panel approved proposals from both Wellington (the Fund’s corporate bond manager) and Legal & General (the Fund’s passive manager) to reduce the fees charged to NCC Pension Fund, with immediate effect.

Both managers’ fee reductions were offered as a result of changes in the fund management industry in light of the Government requirement to pool LGPS investments.
4. **Disclosure of members’ interests in the Local Government Pension Scheme (LGPS)**

Pension Fund Panel members’ and officers’ membership of the LGPS does not represent a personal interest to be declared at Panel meetings because members cannot influence the terms of the Scheme which apply to them individually. However, for transparency, once a year the LGPS membership for all members, observers and officers involved in the operation of the Pension Fund Panel has been reported.

5. **Northumberland County Council Pension Fund annual report and accounts for 2014/2015**

The Panel received the Fund’s annual report and accounts for the year to 31 March 2015 together with the external audit planning report and findings from Deloitte ahead of their final year as the Fund’s external auditors.

6. **Quarterly monitoring of investments with information from Mercer, NCC Pension Fund’s investment managers and WM Company**

Each quarter, the Pension Fund Panel received quarterly performance information, Mercer’s research information and ratings of NCC Pension Fund’s investment managers, and presentations from selected managers following an agreed programme. The Panel received a presentation from WM Company in September 2015 to compare Fund returns against benchmark for the year, the five years, and the ten years to 31 March 2015.

An additional Panel meeting was held in October 2015 to enable further monitoring of the Fund’s two private equity fund of funds managers.

7. **DCLG statistical release 2014/2015**

Members received a report with details of the DCLG statistical release on LGPS funds in England in 2014/2015 which compared NCC Pension Fund information with other funds’ information.
8. Estimated funding position for NCC Pension Fund

The Panel received quarterly updates of estimated actuarial funding position for NCC Pension Fund (at whole Fund level).

Estimated funding level reduced to 77% as at December 2015 compared to 81% at the last formal actuarial valuation as at 31 March 2013. The estimated funding level fell largely due to:

- Fund returns to December 2015 being lower than assumed in the 2013 valuation; and
- An increase in the estimated value of liabilities reflecting a discount rate decrease due to Aon Hewitt’s Capital Market Assumptions model predicting lower future returns on the investments.

9. Formal measurement of the performance of the investment adviser

Panel members conducted the annual formal assessment of the performance of the Pension Fund Panel adviser, Mercer.

10. Formal measurement of the effectiveness of the Pension Fund Panel

The Panel approved a report formally assessing the effectiveness of the Panel as a decision making body to ensure compliance with CIPFA guidance on decision making in the LGPS.

11. Future meetings of the Pension Fund Panel

The Panel agreed to hold five “ordinary” meetings per year, as opposed to the previous four ordinary meetings, to facilitate more time for monitoring of appointed investment managers’ performance. A programme of proposed meetings with each investment manager was agreed.


The Panel approved the Action Plan 2015 for NCC Pension Fund, which was intended to act as a checklist and progress monitoring tool for one-off and regular items to be brought to the Pension Fund Panel in the following year and beyond.

13. NCC Pension Fund’s Procedure for Reporting Breaches of the Law

The Panel adopted a Procedure for Reporting Breaches of the Law for the LGPS administered by NCC in line with a new requirement, applicable from 1 April 2015, which makes clear that certain people involved in the governance and administration of the LGPS must report breaches of the law to the Pensions Regulator where they have
reasonable cause to believe a breach of material significance to the Regulator has occurred.

14. Monitoring of breaches of the law

The Panel received quarterly monitoring reports about various breaches of the law which had occurred, and in particular the breach in relation to the provision of 2014/15 annual benefit statements to the Fund’s LGPS members, which was rectified by the end of November 2015.

15. NCC’s LGPS Local Pension Board

The Public Service Pensions Act 2013 and the LGPS Governance Regulations 2015 included a provision to establish a local pension board to assist each administering authority with the effective and efficient management and administration of the Scheme.

The Panel received information about the establishment and appointment of members of NCC’s LGPS Local Pension Board.

Board members can attend Panel meetings as observers, and vice versa.

16. Governance Policy and Compliance Statement

The Panel approved a revised Northumberland County Council LGPS Governance Policy and Compliance Statement, necessitated by the establishment of the NCC’s LGPS Local Pension Board.

17. Training Policy for NCC Pension Fund

At the May 2015 meeting, the Panel adopted a formal Training Policy for the Fund to apply to members of the Pension Fund Panel and the Local Pension Board, as well as key officers involved in administering the LGPS.

The Panel approved an amendment to the Training Policy in February 2016 to ensure compliance with CIPFA’s Knowledge and Skills Framework for Local Pension Board Members, with the only significant change being the addition of an Annex to the Policy to list competencies for members and officers to assess themselves against.

18. Conflicts of Interest Policy for NCC Pension Fund

The Panel adopted a Conflicts of Interest Policy for the Fund to apply to members of the Pension Fund Panel and the Local Pension Board, as well as key officers involved in administering the LGPS. The Policy was developed to ensure compliance with the
Pensions Regulator’s Code of Practice and the (then) Shadow Scheme Advisory Board’s guidance for local pension boards.

A Register of Conflicts of Interest for the Fund was introduced, and each Panel member, Local Pension Board member and supporting officers completed a declaration of interests form.

19. **Northumberland County Blind Association (NCBA)**

The Panel received a report detailing NCBA’s exit from NCC Pension Fund and the agreement reached in April 2015.

20. **Review of the active global equity manager’s appointment**

In October 2015, the Panel reviewed the appointment of M&G and selected Baillie Gifford’s Long Term Global Growth fund to replace M&G as NCC Pension Fund’s active global equity manager, subject to contract. A report was provided at the November 2015 Panel meeting of the due diligence work then underway, and a transition date of mid-January 2016 was anticipated. The Panel noted the cost of the transition could be as high as 0.5% (about £500,000) of the assets to be transferred.

At the 14 December 2015 meeting, the Panel discussed the likelihood of pooling leading to a “double transition” of NCC Pension Fund’s active global equity portfolio, with the planned transition from M&G to Baillie Gifford in 2016 being followed by a transition within the pool to a different investment manager. In December 2015, the Panel accepted Mercer’s advice to defer the transition to Baillie Gifford and continued this stance in February 2016 until the likely impact of pooling had been determined more clearly.

21. **GMP reconciliation**

The Panel was updated on GMP reconciliation work being carried out by the NCC Pensions Administration Team. A Guaranteed Minimum Pension (GMP) is the minimum benefit an occupational pension scheme must provide for a member in relation to the periods of scheme membership during which the member was contracted out of the State Earnings Related Pension Scheme between 6 April 1978 and 5 April 1997.

Due to ‘contracting out’ ceasing from April 2016, GMP reconciliation work must be carried out to compare the Fund’s GMP records with those held by HM Revenue and Customs.
22. **Freedom and choice**

The Panel received information about the new options available from April 2015, described as “freedom and choice”, which allow members of defined contribution pension schemes to access their pension pots as cash, the impact on the Fund, and the implications for the Pensions Administration Team caused by additional onerous requirements to ensure that any transfer paid out is “recognised”.

23. **HM treasury consultations on limiting exit payments on redundancy across the public sector**

The Panel was informed of three separate Government consultations, each published with the aim of curbing the incidence and cost of exit payments on redundancy across the public sector, these being proposals to:

- recover termination payments for higher earners (i.e. those paid over £80,000 p.a.) who are re-employed in the public sector within 12 months of redundancy;
- introduce a cap on exit payments of £95,000; and
- make changes relating to the calculation of discretionary exit payments as well as the early release of pension benefits resulting from redundancy terminations.

24. **Shared pensions administration service with Durham County Council**

The Panel received information about the proposed six month trial of working with Durham County Council to develop a shared pensions administration service.

25. **Risk Management Policy**

The Panel adopted a NCC LGPS Risk Management Policy which was drafted to comply with guidance from CIPFA ("Managing Risk in the LGPS" Publication) and the Pensions Regulator’s code of practice, both of which effectively recommend that LGPS administering authorities have a Risk Management Policy in place.

26. **The Pensions Regulator’s Survey**

The Panel received information regarding the results of the Pensions Regulator's survey on the governance and administration of public service pension schemes, published in December 2015, which was completed by half of the LGPS funds in England and Wales, including NCC. The survey results demonstrated that NCC Pension Fund has similar strengths and weaknesses as the majority of LGPS funds that completed the survey, and there remains further development work to be done to ensure full compliance with the Regulator’s code of practice.
27. **NCC LGPS: the Pensions Regulator’s code compliance checklist**

The Panel accepted a report providing information about NCC Pension Fund’s first assessment against the standards set out in the Pensions Regulator’s code of practice number 14.

28. **NCC Pension Fund’s objectives**

The Panel approved a Statement of NCC Pension Fund’s Objectives in order to comply with LGPS Regulations, the Pensions Regulator’s code of practice and other related guidance.

29. **Statement of Investment Principles (SIP) and Compliance Statement**

The Panel approved an update of the Northumberland County Council Pension Fund Statement of Investment Principles (SIP).

30. **NCC Pension Fund’s Administration Strategy Statement**

The Panel approved an update to NCC’s LGPS Administration Strategy Statement. LGPS Regulations 2013 provided administering authorities with an option to publish a policy on administration. Compliance with the Pensions Regulator’s code of practice has increased the level of recording required, and therefore, with advice from Aon Hewitt, NCC’s Administration Strategy Statement has been developed.

31. **NCC Pension Fund’s Communication Strategy Statement**

The Panel approved a revised and updated NCC LGPS Communication Strategy Statement, with the main changes to the original (2006) Statement being the addition of the role of the LGPS Local Pension Board, and information about how the effectiveness of communication will be monitored.

32. **Pensions Ombudsman’s ruling on academy conversion**

The Panel received information about a recent Pensions Ombudsman’s ruling whereby a newly formed academy challenged the legality of the employer contribution rate set by the LGPS administering authority. The administering authority used the prioritised share of fund approach to deficit transfer which is also the approach used by NCC Pension Fund.
33. Fund value

The Panel has received quarterly performance information for the Fund as a whole and for each fund manager, as well as the total Fund value analysed by manager. The total Fund value at the last ten year ends and the (unaudited) value at the most recently available quarter end are shown below:

<table>
<thead>
<tr>
<th>Date</th>
<th>Fund Value (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2015 (unaudited)</td>
<td>1,039</td>
</tr>
<tr>
<td>31 March 2015 (audited)</td>
<td>1,067</td>
</tr>
<tr>
<td>31 March 2014 (audited)</td>
<td>944</td>
</tr>
<tr>
<td>31 March 2013 (audited)</td>
<td>914</td>
</tr>
<tr>
<td>31 March 2012 (audited)</td>
<td>802</td>
</tr>
<tr>
<td>31 March 2011 (audited)</td>
<td>763</td>
</tr>
<tr>
<td>31 March 2010 (audited)</td>
<td>719</td>
</tr>
<tr>
<td>31 March 2009 (audited)</td>
<td>520</td>
</tr>
<tr>
<td>31 March 2008 (audited)</td>
<td>661</td>
</tr>
<tr>
<td>31 March 2007 (audited)</td>
<td>667</td>
</tr>
<tr>
<td>31 March 2006 (audited)</td>
<td>612</td>
</tr>
</tbody>
</table>

Value of Fund Over 10 Years

Acknowledgements

The Chairman acknowledges the hard work of the NCC Pension Team, all members of the Pension Fund Panel, and members of the NCC LGPS Local Pension Board.