

NORTHUMBERLAND COUNTY COUNCIL

CABINET

At a meeting of the **Cabinet** held at County Hall, Morpeth on Tuesday 6 December 2016 at 10.00 am.

PRESENT

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

CABINET MEMBERS

Arckless, G.R.
Hepple, A.
Jackson, P.A.
Kelly, P.

Ledger, D.
Reid, J.
Swithenbank, I.C.F.
Tyler, V.

OTHER MEMBERS

Dale, P.A.M. (part)
Dickinson, S.

Sambrook, A.G.

OFFICERS IN ATTENDANCE

Bainbridge, V.

Frances, K.
Hadfield, K.
Henry, L.
Johnson, A.
Mason, S
Stewart, A.
Turner, M.

Young, J.

Director of Adult and Community
Care Services
Principal Inclusion Policy Officer
Committee Services Manager
Legal Services Manager
Director of Education and Skills
Chief Executive
Finance Manager
Head of Property and Capital
Programming
Strategic Housing Manager

Two members of the press and public were also in attendance

43. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Dungworth.

44. MINUTES

RESOLVED that the minutes of the meeting of Cabinet held on Wednesday 2 November 2016, as circulated, be confirmed as a true record and signed by the Chair.

45. REPORTS OF THE DEPUTY CHIEF EXECUTIVE

(1) Delivery and Commissioning of Children's Centres 2017-21

The report provided members of the Cabinet with an overview of the proposed plan for the delivery of children's centre services. It also set out how this aligned with the wider transformation of early help services within children's social care and provided a recommendation for the future commissioning of children's centre services in the South East and Central localities (copy attached to the signed minutes as Appendix A, along with the report of the Family and Children's Services OSC circulated at the meeting).

Councillor Arckless introduced the report highlighting the Administration's commitment to sustaining children's centres, and its belief that the strategy of putting funding into frontline services and making management change was the best way forward.

Queries by members included the following:-

- Councillor Reid sought assurances that services in the south east of the County were not being privatised. Councillor Arckless confirmed this was correct; services had been provided by voluntary sector organisations for some time and this would not change. Some management oversight of delivery however was being proposed.
- With regard to key issue 7, Councillor Reid sought clarification of the potential for duplication of services. Councillor Arckless confirmed that there was not scope to duplicate any activity and the proposals would refocus activity on the core services for children's centres. Mr Johnson clarified that therapeutic adult learning activities would in future be signposted as part of the adult learning service programme. This would provide better clarity on the lines of funding.
- Councillor Jackson welcomed the consideration given by Scrutiny on this issue but felt that more detail was needed on how £700k would be saved, and asked where the reduction in buildings from 20-16 would be made. Mr Johnson understood that £700k had already been achieved in savings by reducing the number of children's centres from 20-16, and from the reduction in the cost of contracts with the community and voluntary sector. However, he would confirm this and respond to Councillor Jackson in writing.

RESOLVED that:-

- (a) the recommendations be noted;
- (b) the proposals in relation to the delivery and commissioning of children's centre services for the period April 2017 to March 2021 be approved; and
- (c) the report of the Family and Children's Services OSC be noted.

(2) Formula Funding of Schools from April 2017

The report set out revised funding arrangements in respect of the cash values of the formula factors for the Income Deprivation Affecting Children Index (IDACI) bands which determine part of the deprivation funding for schools from April 2017, as well as proposals to reduce the financial pressures on the Dedicated Schools Grant (DSG) which was predicted to overspend this year by £2.2m (copy attached to the signed minutes as Appendix B).

Councillor Arckless introduced the report, drawing members' attention to recommendation two and the predicted overspend.

A number of member points were made including:-

- Councillor Kelly feared that per capita funding would affect almost all schools in Northumberland, and some very badly. The Authority would have almost no discretion to support small or rural schools. The issue today was only one element of schools funding which would need to be looked at overall.
- Councillor Arckless commented that it was not yet known what the impact of the formula funding proposals overall would be. Robust representations had been made to the Government as their interpretation of a small school differed greatly to the position in Northumberland, and there was a great challenge to be faced. The issue in front of members was a more immediate budget problem, and the proposals being put forward would have the least impact in addressing that.
- Councillor Reid queried whether the overspend was a one-off or whether there were likely to be more to follow in future years. Mr Johnson advised that there would be challenges year on year. The proposal outlined represented the least painful solution for the current year, but a three year detailed plan would have to be prepared when the Government published funding details. Until then, officers were working in a vacuum.
- The Leader asked for details of education funding grants which the Authority currently received. Mr Johnson advised that these comprised Dedicated Schools Grant which went to schools via the Authority enabling an element to be top sliced to support small schools, and Education Support Grant which funded the Local Authority's education team. This was projected to be lost within the next three years and would be funded from the DSG. However, it was unclear how much

would be provided via the DSG, which made forward planning impossible. There was also a plan to remove statutory duties from the local authority and place them instead with academies and teaching schools.

- Councillor Reid queried whether the current overspend was likely to increase from other pressures. Mr Johnson confirmed this would be the case as some schools were already at the edge of financial viability. However, until full details had been made available by the Government it was difficult to say exactly what would happen.
- Councillor Jackson commented that there had been a lot of negative press speculation on this topic and he hoped the new arrangements would be fairer to the Authority. He commented that the £2.2m figure was influenced by the cost of school reorganisation and that it was a small percentage of the overall education budget.

RESOLVED that:-

- (a) authority be delegated to Deputy Chief Executive/DCS to make modifications to the cash values of the formula factors of the IDACI bands in consultation with the Schools Forum; and
- (b) the current financial pressures on the DSG and the predicted overspend of £2.2m for 2016/17, and the ongoing work to find viable solutions to reduce these pressures going forward, be noted.

46. REPORT OF THE CHIEF EXECUTIVE

Setting of the Council Tax Base 2017-18

The report advised Cabinet of the tax base calculation for 2017-18 for all domestic properties liable to pay council tax. The tax base must be set by the statutory deadline of 31 January 2017 (copy attached to the signed minutes as Appendix C, along with the report of the Corporate Resources and Regional Affairs OSC).

Councillor Ledger highlighted the consideration given at Scrutiny to holiday lets and caravans and the collection of council tax from all such eligible properties.

In response to a query from Councillor Jackson regarding collection from second homes, the Chief Executive advised members that the Authority had done all it was permitted to do by Government for a number of years to maximise income from second homes. Regarding residential caravans, a successful campaign had been held to identify eligible properties.

It was unanimously **RESOLVED** that:-

- (a) Cabinet approve the council tax base as detailed within Appendix A equating to 101,147.70 Band D equivalent dwellings. This is an increase of 2,090.14 Band D equivalents from 2016-17; and
- (b) the report of the Corporate Resources and Regional Affairs OSC be noted.

47. REPORT OF THE DIRECTOR OF LOCAL SERVICES AND HOUSING

Rent Setting Policy 2016-17

The report sought approval of the draft Rent Setting Policy 2016/17 which would apply to all council-owned residential properties. The draft policy applied to the supported and general needs tenants of all Northumberland County Council housing. It covered social and affordable rents across the social housing tenures operated (copy attached to the signed minutes as Appendix D, along with the report of the Economic Growth and Strategic Transport OSC).

Councillor Hepple reminded members that the Council now had very limited discretion in setting its rent policy. He also reported that the government had decided not to go ahead with its 'Pay to Stay' policy which would have seen tenants on joint incomes of £31,000 pa or more pay the higher market rent.

Julie Young provided an explanation of the different types of rent for members' information.

It was unanimously **RESOLVED** that

- (a) the content of the report be noted and the proposed Rent Setting Policy be approved;
- (b) in doing this, Cabinet noted that it was proposed to exercise discretion not to:
 - replace social housing rents with affordable rents when properties are re-let,
 - apply the formula rent, based upon the relevant criteria, when a property is re-let; and
- (c) the report of the Economic Growth and Strategic Transport OSC be noted.

48. REPORT OF THE CHIEF EXECUTIVE

Setting the Transport Levy for North East Combined Authority Budget

Cabinet was asked to approve the Council's budget for 2017/18 with regard to Supported Bus Services and Concessionary Travel to subsequently define the transport levy for Northumberland to be incorporated into the Combined Authority's budget for 2017/18 (copy attached to the signed minutes as Appendix E).

In response to a query from Councillor Reid regarding Northumberland's levy, the Chief Executive advised members that NECA had been established in such a way as to protect the position of Northumberland and Durham. This meant their agreement would be needed to change any levy arrangements, though of course the Government could change this position if it wished.

RESOLVED that the Northumberland Transport Budget and Levy be agreed and it be incorporated into the Combined Authority's Budget for 2017/18.

49. AREA COMMITTEE FEEDBACK

Cabinet was asked to consider feedback from recent Area Committee meetings (copy attached to the signed minutes as Appendix F).

RESOLVED that the feedback be received.

50. NOTES OF THE CAPITAL WORKS CABINET ADVISORY GROUP

Cabinet was asked to receive the notes of the Capital Works Programme CAG meeting held on 10 November 2016 and to agree all of the recommendations highlighted within Minute No.s 30 (a), (c)(1-2) and (4-6) (copy attached to the signed minutes as Appendix G).

RESOLVED that the notes be received, and the recommendations highlighted within Minute No.s 30 (a), (c)(1-2) and (4-6) be approved.

51. EXCLUSION OF PRESS AND PUBLIC

RESOLVED

- (a) That under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the Agenda as it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A of the 1972 Act, and

- (b) That the public interest in maintaining the exemption outweighs the public interest in disclosure for the following reasons:-

Agenda Item Paragraph of Part I of Schedule 12A

- | | |
|----|--|
| 12 | 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)
The public interest in seeking this exemption outweighs the public interest in disclosure because of the serious consequences for the Authority and others if the information should come into the public domain. |
| 13 | 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)
The public interest in seeking this exemption outweighs the public interest in disclosure because the report contains information which may be commercially sensitive. |

52. MINUTES

RESOLVED that the confidential minutes of the meeting of Cabinet held on 2 November 2016, as circulated, be confirmed as a true record and signed by the Chair.

53. REPORT OF THE CHIEF EXECUTIVE

County Hall, Morpeth

The report sought endorsement from Cabinet members regarding the sale of the County Hall, Loansdean and Merley Croft sites (copy attached to the signed minutes as Appendix H, coloured pink and marked "Not for Publication").

A number of points were raised by members.

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

Recommendation 1 FOR:6; AGAINST:2 (PAJ/JR)

Recommendation 2 FOR:6; AGAINST:2 (PAJ/JR)

Recommendation 3 FOR:7; AGAINST:1 (JR)

Recommendation 4 FOR:8; AGAINST:0

Recommendation 5 FOR:8; AGAINST:0

It was therefore **RESOLVED** that:-

- (1) the proposal for the future redevelopment of the County Hall site which was approved on 18th October 2016 by the Chief Executive under delegated powers, be endorsed;
- (2) the proposal for the future redevelopment of the Loansdean and Merley Croft site which was approved on 10th October 2016 by the Chief Executive under delegated powers, be endorsed;
- (3) the proposal to retain part of the County Hall site for the development of a new First School, which will be reported separately to Cabinet through the Capital Strategy Group and Capital Works Programme CAG, be endorsed;
- (4) the proposal to redevelop the Morpeth Riverside site through Arch to create a new Leisure Centre, Library (including Customer Service), Restaurant and Hotel offering be endorsed. A full business case to be brought through Capital Strategy Group, Capital Works Programme CAG and hence Cabinet once feasibility work has been completed; and
- (5) the provision of a multi-storey car park to alleviate the current and future pressures on parking within the town, which will be incorporated in the Medium Term Financial Plan subject to agreement by Council, be endorsed. This will enhance and protect the retail offer in Morpeth town centre.

CHAIR.....

DATE.....