

NORTHUMBERLAND COUNTY COUNCIL

**CORPORATE RESOURCES AND REGIONAL AFFAIRS
OVERVIEW AND SCRUTINY COMMITTEE**

At a meeting of the **Corporate Resources and Regional Affairs Overview and Scrutiny Committee** held in Committee Room 1, County Hall, Morpeth on Thursday, 26 January 2017 at 2.00 p.m.

PRESENT

Councillor I. Lindley
(Chairman, in the Chair)

MEMBERS

Cairns, H.
Davey, S.
Foster, J.

Purvis, M.
Tebbutt, A.
Woodman, J.

CABINET MEMBER

Ledger, D.

Deputy Leader

OTHER SCRUTINY COMMITTEE MEMBERS

Gallacher, B.
Grimshaw, L.
Pidcock, B.

Reid, A.W.
Wallace, A.

OFFICERS IN ATTENDANCE

Mason, S.
Elsdon, A.

Nicholson, S.
Todd, A.
Ward, A.

Chief Executive
Director of Corporate
Resources
Scrutiny Officer
Democratic Services
Communications

33. APOLOGIES FOR ABSENCE

Ch.'s Initials.....

Apologies for absence were received from Councillors G. Davey, S.J. Dickinson and L. Pidcock.

34. MINUTES

RESOLVED that the minutes of the Corporate Resources and Regional Affairs Overview and Scrutiny Committee held on Thursday, 24 November 2016 be confirmed as a true record and signed by the Chair.

35. REPORT OF THE CHIEF EXECUTIVE

Medium Term Financial Plan 2017 - 2020 and Budget 2017 - 2018

The purpose of this report was to present the revised Medium Term Financial Plan 2017-2020 and revised Budget for 2017-2018 (year two of the budget approved by County Council at its meeting on 24 February 2016) to the Committee for scrutiny, before it was presented to the Cabinet who would make formal budget recommendations to the County Council. (The budget document has been enclosed with the signed minutes).

Dave Ledger, Deputy Leader of the Council, together with Steven Mason, Chief Executive, presented the report. Alison Elsdon, Director of Corporate Resources, was also in attendance to respond to any comments from members. It was reported that the overall budget reduction target over the period of the Medium Term Financial Plan had reduced when compared to the figure reported to Council in February 2016. The main reasons for the reduction were increased income from Council Tax receipts linked to economic growth and housing development in the county, and, increased income from third party loans.

Members were advised that there may need to be some revisions to the figures following receipt of the final funding settlements figures which were expected in February 2017.

On the completion of the presentation, the Committee were invited to comment on the report.

Members raised concerns regarding the impact the changes to the Business Rate system may have on some businesses in the county, although it was acknowledged that the new rateable values had been set by government and was revenue neutral to the Council. Members noted that there was discretionary relief and government grants available particularly for new businesses.

Members were also disappointed at the significant reductions in Education Services Grant, whilst the authority would continue to provide statutory services that would remain the responsibility of the Council. Members discussed the Government's

Ch.'s Initials.....

aspiration for all schools to become academies and the difficulties for the local authority in possibly losing that pot of funding while still being responsible for special educational needs disabilities, placement planning, transport, standards and protection.

Members expressed concern regarding the new proposed school funding formula which would increase pressures faced by schools and particularly those of small rural schools; of which Northumberland had a number. Discussion took place about the sparsity of the county and the affect central government policies had on a rural areas such as Northumberland.

The Committee welcomed the work achieved by the debt recovery team who continued to perform well compared to other local authorities.

The Committee requested that more information be provided at the Council meeting on 22 February 2017, regarding the revenue implications of the capital expenditure proposals.

Members were provided with an explanation on how capital receipts could be used to fund individual projects but only if it could be demonstrated that using revenue expenditure would lead to revenue savings. It was envisaged that by utilising capital receipts in this way it would help to protect revenue reserves.

With regard to the LGPS Pension Partnership Pool Share Capital clarification was sought outside of the meeting as to the exact figure to be allocated.

It was reported that the Alnwick Garden Project Contribution detailed within the capital programme was a proposal to enter into a financial arrangement with the Trust. Details of which would be made available in the next couple of weeks and authorisation of the proposal would need be considered and agreed before County Council.

A member queried the delegated power of recommendation no. 22 where the Chief Executive and the Leader of the County Council would be able to approve any third party loans and raised concerns about the broad provision. It was suggested that this be utilised if the loan request was that of one of the organisations aligned to the Council but should not be a blanket approach to all loan requests received. The Committee agreed to seek an amendment to recommendation 22, so it would read:- *“Agree the approval of individual loans to third parties be delegated to the Chief Executive in conjunction with the Leader of the Council, where the recipient of the loan is ARCH, Active Northumberland or Northumbria Healthcare.”*

Ch.'s Initials.....

RESOLVED that Cabinet be requested to consider comments made above, in particular the suggested amendment to recommendation no. 22, when determining the recommendations set out in the report.

CHAIRMAN _____

DATE _____

Ch.'s Initials.....