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NORTHUMBERLAND
ASSOCIATION OF
LOCAL COUNCILS

ANNUAL REPORT 2011-2012

NORTHUMBERLAND ASSOCIATION OF LOCAL COUNCILS

What we offer

Our over-riding aim is to develop and support active and effective local councils. This requires local councils to be aware of local needs and concerns, and to find a way of addressing them, whether by taking direct action themselves or by encouraging others to take the lead. Local councils have unlimited powers to raise money by precepting on the Council Tax, and this is an opportunity which can be used enthusiastically but prudently to support local initiatives and services.

To support local councils, we provide:

- A regular distribution of topical information, mostly by email
- Advice to clerks and councillors, on a wide range of topics: legal, managerial, financial, etc
- Training; mostly short events, but also support for the CiLCA qualification (Certificate in Local Councils Administration)
- Access to new opportunities, ranging from insurance policies, equipment schemes, ICT solutions.... and much more
- Representation on bodies such as the Standards Committee, local strategic partnership, and National Park and AONB governance bodies.

In addition to providing this direct help, we also undertake policy and partnership work, on behalf of the local councils' sector. This involves monitoring changes, policies and proposals which may impact on local councils, and working to influence the decisions which are made by local government agencies and public utility providers. It also means working with other bodies to develop opportunities which can benefit local councils and their communities.

About us

NALC is one of the forty, or so, county associations which together form the National Association of Local Councils (also shortened to NALC). We employ no staff: instead, we arrange for our partners, Community Action Northumberland (formerly the Community Council of Northumberland) to provide administrative and professional services on our behalf. Thus, David Francis is both the Honorary Secretary of NALC and the Director of CAN. This arrangement is cost-effective and it enables NALC and CAN to present a 'seamless' advisory and information service to parish councils of a sort which is much more fragmented in other parts of the country.

The policy and overall direction of NALC is organised through our County Committee which is composed of councillors and clerks drawn from all parts of our area. These representatives are appointed in thirds, on a rolling basis, each autumn at our Annual General Meeting.

NALC is a membership body, most of whose income is derived through the subscriptions paid by local councils in our area. NALC does not hold significant general reserves, nor does it own property.

NORTHUMBERLAND ASSOCIATION OF LOCAL COUNCILS

2011-2012

President

Mr Jim Rudd

Vice Presidents

Cllr David Woodard

Cllr Norman Dunn

COUNTY COMMITTEE

Cllr A Wallace (Chair)	East Bedlington
Mrs M Anderton	Broomhaugh & Riding
Cllr T Aynsley	West Bedlington
Cllr A Bowlas	Berwick upon Tweed
Cllr E Burt	Prudhoe
Cllr R Butler	Choppington
Cllr P Cowey	Ponteland
Cllr M Douglas	Hazlerigg
Cllr G Ferguson	Hexham
Cllr C Forster	Woolsington
Cllr W F Grant	North Sunderland
Cllr T Hood	Felton
Cllr I Knights	Newbrough
Cllr J McCormack	Ashington
Cllr G Miller	Horncliffe
Cllr D Parker	Morpeth
Cllr J Potts	Blyth
Cllr J Reynolds	Rothbury
Cllr W Rogers	Newbiggin by the Sea
Cllr R Thompson	Dinnington
Cllr B Watson	Seaton Valley
Cllr C Weir	Amble
Cllr S Willoughby	Widdrington Station & Stobswood

As at March 2012

Secretary: David Francis

Chairman's Foreword, by Cllr Alex Wallace

It is with pride that I have been asked as Chairman of the County Committee of NALC to write the foreword to the Annual Report. This affords me the opportunity to pay tribute to the many parish councillors for their continual voluntary commitment and the professionalism of local clerks who all continue to deliver local services to our Communities. Without them I am sure Northumberland would not be what it is today.

Last year I wrote of the need to gain your financial support following the withdrawal of funding to CAN and ultimately to us by NCC and the likelihood of increases to subscriptions to every parish. I am pleased to report that this need was met by the local parishes which demonstrate to me that NALC provides a valued service and I know later in the report that those services are outlined in detail. The increases to the newly formed parishes in S.E.Northumberland were in some cases quite large and on behalf of NALC would like to thank them in particular for their continued support

By the time this report has been circulated hopefully most parishes will have met with Executive members and officers of NCC to discuss additional transfer of services. Having met them myself I have found a huge difference in attitude since the first Charter was drawn in 2009 and this has manifested itself in a revised Charter which I hope your parish has had the opportunity to look at. Please provide your feedback wherever you think improvements can be made as it is an ever evolving document and demonstrates the necessity of a partnership approach in providing the best, affordable services to our residents.

This again will cause concern for the only choice to parishes is to accept those services and increase the precept or refuse and our residents will still pay through 'special expenses' on their council tax. I am pleased to write that I have been assured by the NCC leadership that there are no hidden extras to be unleashed in the foreseeable future although the transfer of burial functions and parks is being planned for the following year.

I was pleased this year as a Planning Champion for the Campaign to Protect Rural England (CPRE) to visit 3 of the road shows planned with NALC to meet and listen to discussions on neighbourhood planning. Problems, concerns and questions in Stannington were different to those in Alnwick and quite different to those in Hexham. These were very well attended and it was rewarding for me to learn first hand the diversity of our Northumberland residents. I feel most benefited from these well put together sessions and will be something NALC intends to continue, meeting, training and listening and ultimately improving our service to you and your communities.

All this of course is only made possible by the professionalism and dedication of the staff on CAN and NALC and it is only fitting that on your behalf I put in writing our grateful thanks. None more so than to David Francis who helps keeps the County Committee and me in particular on an even keel. May I also thank the 3 vice chairs of

that committee Ray Butler, Peter Cowey and David Parker who have responded this year well beyond the call of duty.

We know this next year will throw up many challenges but I am confident with those thanked above NALC will continue to work on your behalf and continue to deliver. I hope you enjoy the Annual Report and finally, once again many thanks for your continued support to our work.

Cllr Alex Wallace

Introduction

This was another busy and challenging year for our Association. The array of individual advisory 'casework' which we carried out was as diverse as ever: local councils undertaking new projects; securing DCLG approvals to borrow money; employment advice; VAT-minimisation; addressing local disputes; coping with ICT; and so-on. In addition, we found ourselves supporting local councils first to challenge, but then to address, a plethora of new bureaucratic impositions, arising from a Government which claimed to be lifting the burden of red-tape: data transparency, PAYE administration, controls over parish newsletters, the threat of capping Council Tax precepts, and more.

Locally, partnership work with the County Council continued, but at a much slower pace, to finalise the review of the local Charter, and to oversee the latest phase in the orderly handover of 'parish services' from the County Council to those local councils who were not already providing them.

Within our organisation, we faced some financial challenges due to the County Council's withdrawal of financial support for CAN, which had hitherto included built-in support for NALC. This, in turn caused us at short notice to consult with our members, before introducing an above-inflation increase in the subscription of the larger councils in our membership. This was a very testing time in our relationship with the County Council, but we hope that we have put NALC back on a sustainable footing again.

The Government's Localism agenda

This year, the Coalition Government took the opportunity to introduce a wide variety of reforms and initiatives under the theme of 'localism', ranging from abolition of the Standards Board and the Audit Commission, to new opportunities for community-run

services, neighbourhood planning and financial transparency. Many but not all, of these initiatives required legislation and the Localism Act 2011 was the centrepiece.

Briefly, for local councils. this 241-section Act contained the following provisions:

- a new 'General Power of Competence' for certain authorities (including qualifying local councils) as a slightly-more flexible successor to section 137 of the Local Government Act 1972
- clarifying the ability of councillors to hold opinions, without the accusation of 'pre-determination'
- new powers for a Code of Conduct and standards
- potential controls on council tax increases via referendums
- 'community rights' to take over principal authority assets and services
- New neighbourhood planning provisions
- A new National Planning Policy Framework
- A new planning gain-type Community Infrastructure Levy
- Reform of social housing
- Plus a variety of opportunities and requirements for authorities other than local councils.

Following its Royal Assent in November 2011, the Act has been implemented in stages, via statutory Government Orders. At various times last year we publicised the array of initiatives that are in the Bill/Act, and we subsequently ran events on the planning and community rights aspects. We also responded to DCLG consultations on some of the specific 'chapters: for example, on the audit regime, and on planning matters.

Employment matters

We were disappointed to learn that HMRC (Revenue and Customs) were introducing new PAYE rules (or rather, they were ceasing a long-standing concession) which would require even small councils with part-time clerks to register with HMRC and to operate PAYE re income tax and National Insurance. We tried to challenge this, on the grounds that it was a disproportionate imposition of 'red-tape', but to no avail. At the same time, HMRC re-emphasised its view that a paid clerk was an 'office of profit' which by its nature could not be a self-employed position.

We also learnt that the Government had altered the financial arrangements regarding clerks' retirement, when they repealed the regulations which controlled the level of one-off gratuities which could be paid. Apparently, DCLG believed that they had removed the power, but our view was that they had simply deregulated it. In our view, the 1972 Local Government Act enables a local council to pay a retirement award in recognition of good-service.

Planning matters

This was a busy year on the 'planning' front. The DCLG had commissioned CPRE (Campaign to Protect Rural England) to provide information and training to interested

individuals and groups, both on the planning system and on the new neighbourhood planning. In turn CPRE commissioned NALC/CAN, to run 10 events, in various parts of Northumberland, which met with significant success. We appreciated the enthusiastic input from staff of NCC's Development Services department. We hope we gave an appropriate perspective to the pros and cons of carrying out a neighbourhood plan.

We also raised with NCC a number of concerns, mostly on the local development management process. We wanted to ensure that local councils were able to develop appropriate ICT solutions over the next few years, before the planners introduce an all-electronic consultative system. We successfully sought a reinstatement of TPO (Tree Preservation Order)-related consultations, and we received agreement to local councils' input to NCC planning committee meetings.

'Natural communities' and partnerships

A key feature of the post-LGR (local government reorganisation) map of Northumberland was the Natural Communities concept: a way of viewing the county and its communities at a number of different spatial levels. Since the idea emerged in 2006, we had worked to promote support among local councils, not least as a means of encouraging mutual-support and communication among parishes at the locality or 'belonging community' level. This had developed well in some areas, (such as Eastern Tynedale, North Tyne & Redesdale and Glendale) but had met with mistrust in others. Also, it had become a matter of party political differences within the County Council. It was therefore, with some disappointment, but no surprise, that the County Council removed its 'recognition' and financial support for, the locality-led community forums, early in the year.

At the same time, steps were taken to rationalise the NSP's (Northumberland Strategic Partnership) structures, removing the 3 Area and also the thematic sub-partnerships, and reducing the central NSP to a smaller NSP Leadership Forum, on which NALC is represented.

Money matters

Local councils faced conflicting expectations from Government. On the one hand, the Big Society and Localism have placed greater expectations on local councils to use their initiative, spend money on new projects and be responsive to local needs, but with no financial support from the Treasury. On the other, they have faced the threat of Council Tax capping referendums and the possible reduction in the Council Tax-base due to reform of the benefits system.

During the year, we submitted evidence via our National Association on why 'capping referendums' would be a bad idea, and why the budgets of many local councils are much more liable to fluctuations than those of principal authorities. We responded to a DCLG consultation on changes to the external audit system, making some

supportive comments about local sourcing of audit. We voiced concern about attempts to include local councils in new 'Data Transparency' requirements, with some success.

We were less successful in trying to put in place an 'early warning system' for local councils over County Council financial shocks: 11th-hour budget proposals which allow little time for prior consultation with local councils.

Charter

The review of the Northumberland Charter for Local Councils progressed slowly, but by the year-end it was finalised and ready for NCC approval. Although the format was significantly different, most of the key provisions remained unchanged. There was a continuation of the clarity between: 'parish services' (those that a local council would necessarily deliver); NCC services that a local council could negotiate to deliver under a contract; NCC services which a local council might pay to enhance; NCC services and assets which face closure, but for which a local council could take a direct responsibility. The new charter also attempted to make clear the appropriate routes for local councils to engage with NCC, under varying circumstances (for example, directly to the right officer, via the local County Council member, via the Customer Relationship Management system etc).

Regrettably, the revised Charter introduced a provision for the County Council to recover the cost of contested parish elections, but we were pleased that the officer concerned devised a formula for minimising these costs.

Broadband and ICT

We joined with others to bring the benefits of better ICT to Northumberland, one element of which is the provision of 'Superfast Broadband'. Local councils can benefit from the fuller use of ICT, but they can also help by encouraging local residents and businesses to harness its potential and be devising local solutions to improve the infrastructure. We supported the 'Northumberland case' for government funding and, with CAN, we supported a number of projects which were seeking Rural Community Broadband Fund support. Through ACRE and our National Association, we also made representations to the Government for a change in the law, to enable local councils to operate ICT infrastructure, where local conditions justify it.

National Park Governance

We contributed to a DEFRA-led review of the governance of national park authorities. This had a greater impetus in Northumberland as LGR had reduced from 4 to 1 the number of principal authorities to be represented on the NPA. Representation by local councils on Northumberland NPA had provided local involvement in its governance, alongside input from a range of other interests and specialisms.

In our response, we questioned the wisdom of introducing direct elections for some of the NPA seats, on several grounds:

- the role of directly-elected members would not be sufficiently distinct from that of local councils' representation
- there was no obvious mechanism to ensure the continued accountability of directly-elected members, following their election
- it was doubtful that the high cost of organising an election, over a very extensive area, could be justified.

By the year end, these proposals had not reached a conclusion.

Broadband

We took action locally and nationally to secure better and faster Broadband provision in Northumberland. We joined with other partners to explore and develop a strategy, which formed the basis of the County Council's case for securing Government funding. We also encouraged local councils to promote the use of ICT opportunities, and to gather evidence of need or demand for a better service. On the national stage, we promoted legislative change to enable local councils (if they wish) to develop and operate ICT and Broadband networks. We also worked with DEFRA to ensure that local councils could access the Rural Community Broadband Fund.

By the close of the year a number of communities had a 'foot in the door' for possible RCBF support. One community had secured 'Village SOS' Lottery support, and the County Council was well on the way towards implementing the National Strategy.

Communication

During the year we issued 7 NALC e-newsletters on a range of topical issues, as well as including material in the quarterly CAN News. We also took steps to improve the NALC website which, for convenience, is part of the CAN website. On a range of very-urgent matters, we also sent out direct emails to all local councils, including some to non-member councils.

We continued to press the case with the County Council for an updated directory of key contacts among the officers, to replace the October 2009 edition. The council's Executive were committed to this, but there appeared to be a blockage in the system, even though it has always been a policy commitment within the Charter for Local Councils in Northumberland.

Some of our members also raised concerns about problems with the single 0845 NCC telephone number, which is costly for some callers using mobile phones, and was failing to connect calls to the responsible staff in an efficient manner.

Our finance

Although we are an independent organisation that can set its own budgets, in practice there is a strong inter-relationship with two other bodies, whose changing fortunes can impact on our own:

- National ALC, who prescribe to us the levy which constitutes their 'share' of the members' subscription fees
- Community Action Northumberland, which provides us with the staffing, offices and other infrastructure for our operation.

For many decades, CAN had received funding from the principal authorities (and for several years, from the Northumberland Strategic Partnership as well) in order to support both its own and also NALC's activities. This pattern of support continued after LGR. However, without consultation, the County Council decided first that NALC should not continue to be supported by this funding and then that the financial support for CAN itself would cease, which resulted in over £100k per annum of NCC money being diverted from CAN to a new Consortium. Following several months of negotiation, NCC's Executive finally agreed to provide a modest level of financial support directly to NALC,

NALC's County Committee resolved to continue the long-standing and close relationship with CAN, which not only provides the most cost-effective means of running the service, but also enables a more joined-up approach by NALC and CAN to meeting the needs of Northumberland's communities.

Despite the financial uncertainties during the year, we managed to arrive at a modest deficit of £19, compared with the projected deficit of £237 which we assumed when we first set the budget in Autumn 2010.

Thanks

We are grateful to the many people and organisations that help us to function:

- within our organisation, to the volunteers of our County Committee, our honorary officers, auditor and supporters
- the staff and trustees of CAN (Community Action Northumberland) that provide us with our professional services, as well as our premises in Morpeth
- staff and volunteers of partner bodies who are happy to co-operate with us – not least the County Council, City Council and National Park Authority
- Morpeth Town Council, for 'hosting' many of our meetings
- colleagues in the National Association, who provide us with a wide range of topical information and advice.

NORTHUMBERLAND ASSOCIATION OF LOCAL COUNCILS

Statement of Income & Expenditure

1 April 2011 - 31 March 2012

<u>2010-2011</u>		<u>2011-2012</u>	<u>2010-2011</u>		<u>2011-2012</u>
£	<u>Expenditure</u>	£	£	<u>Income</u>	£
12,358.90	National Association - Membership Fee	12,741.97	27,257.60	Membership Subscriptions	26,955.68
15,000.00	Community Action - Agency Fee	25,000.00	-	Northumberland County Council	10,000.00
1,392.00	Local Council Review	1,354.50	1,822.50	Local Council Review	1,747.75
108.00	Publications & Printing	43.00	192.26	Publications	94.36
106.00	Meetings & Events	86.00	255.00	Training Events	370.00
-	General Activities	-	183.33	General Activities	35.00
-	-	-	3.07	Bank Interest	3.09
-	-	-	-	Excess of Expenditure over Income	19.59
748.86	Excess of Income over Expenditure	-	-	-	-
29,713.76		39,225.47	29,713.76		39,225.47

NORTHUMBERLAND ASSOCIATION OF LOCAL COUNCILS

Balance Sheet at 31 March 2012

<u>2010/2011</u>			<u>2011/2012</u>	
£		£	£	£
	<u>CURRENT ASSETS</u>			
700.66	Sundry Debtors	387.20		
8,274.91	Cash on Deposit	8,568.78	8,955.98	
	<u>LESS CURRENT LIABILITIES</u>			
-	Sundry Creditors	-	-	
-	Receipts in Advance	-	-	
8,975.57				8,955.98
	<u>FINANCED BY</u>			
	General Reserve			
8,226.71	- Accumulated Surplus		8,975.57	
748.86	- Surplus for Year		-	
-	- Deficit for Year		19.59	
8,975.57				8,955.98

MEMBERS 2011-2012

Acklington	Falstone	Norham
Acomb	Featherstone	North Gosforth
Adderstone with Lucker	Felton	North Sunderland & Seahouses
Allendale	Glanton	Nunnykirk
Alnmouth	Greenhead	Ord
Alnwick	Haltwhistle	Otterburn
Alwinton	Harbottle	Ovingham
Amble	Hartburn	Ovington
Ancroft	Hartleyburn	Pegswood
Ashington	Hauxley	Plenmeller with Whitfield
Bamburgh	Haydon	Ponteland
Bardon Mill	Hazlerigg	Prudhoe
Bavington	Healey	Rennington
Beadnell	Hebron	Rochester & Byrness
Belford with Middleton	Heddon on the wall	Rothbury
Bellingham	Hedgeley	Sandhoe
Berwick upon Tweed	Hedley on the Hill	Seaton Valley
Birtley	Henshaw	Shoreswood
Blakelaw & North Fenham	Hepple	Shotley Low Quarter
Blanchland	Hepscott	Simonburn
Blyth	Hexham	Slaley
Bowsden	Hexhamshire & District	Stamfordham
Branxton	Horncliffe	Stannington
Brinkburn & Hesleyhurst	Horsley	Tarset & Greystead
Broomhaugh & Riding	Humshaugh	Thirlwall
Broomley & Stocksfield	Ingram	Thropton
Brunswick	Kielder	Tillside
Bywell	Kirkwhelpington	Togston
Capheaton	Knarsdale with Kirkhaugh	Tritlington & West Chevington
Cartington	Kyloe	Ulgham
Chollerton	Lesbury	Wall
Choppington	Longframlington	Wallington Demesne
Coanwood	Longhirst	Warden
Corbridge	Longhorsley	Wark
Cornhill	Longhoughton	West Allen
Corsenside	Lowick	West Bedlington
Cramlington	Lynemouth	Whalton
Craster	Matfen	Whittingham, Callaly & Alnham
Cresswell	Meldon	Whittington
Dinnington	Melkridge	Widdrington Station & Stobswood
Doddington	Milfield	Widdrington Village
Duddo	Mitford	Wooler
East Bedlington	Morpeth	Woolsington
Edlingham	Nethererton with Biddlestone	Wylam
Eglingham	Netherwitton	
Ellingham	Newbiggin by the Sea	
Ellington & Linton	Newbrough	
Elsdon	Newton by the Sea	
Embleton		