

Statement to Parliament:

Northamptonshire County Council:

statement

Mr Speaker, with permission, I wish to make a statement about the independent inspection report on Northamptonshire County Council.

Everyone in this House, regardless of party, appreciates the crucial role that local government plays as the frontline of our democracy.

Delivering vital services on which we all depend and helping to create great places to live.

And, in doing so, making the most of every penny they receive from hard-pressed taxpayers to secure better outcomes.

All of which builds confidence and trust between local authorities and those they serve.

Which is why the situation in Northamptonshire is of such concern.

Prior to my instigation of the report, there were signs that Northamptonshire's situation was deteriorating.

External auditors at Northamptonshire had lodged adverse value for money opinions in audit reports....

...suggesting that the council was not managing its finances appropriately.

The former leader resigning in May 2016, also signalled the need for change.

As late as last year, the Local Government Association conducted a financial Peer Review...

...which concluded there were issues with delivering the Next Generation reforms and, again, with the mismanagement of its finances.

The then Chief Executive Paul Blantern resigned in October 2017.

These reports, along with the concerns raised by district councils in Northamptonshire...

...and by Hon Members of this House with local constituencies...

...prompted me to act, as I was concerned that there were potentially fundamental issues within the authority.

On 9 January 2018, I informed the House that I had concerns regarding the financial management and governance of the council.

I therefore decided to exercise my powers under section 10 of the Local Government Act 1999 to initiate a Best Value inspection of the council.

And I appointed Max Caller, an experienced former Chief Executive and Commissioner, to conduct this...

...and report on whether the council was complying with its Best Value duty.

Mr Caller submitted his report on 15 March.

And I placed a copy in the library of this House so that everyone could see what he had found and see his recommendations.

And before I go any further, I would like to thank Mr Caller, and his assistant inspector, Julie Parker...

...for their dedication and focus in conducting such a thorough and prompt review.

When I commissioned the Best Value inspection, I asked the Inspector to consider 4 things in particular:

First, whether the council has the right culture, governance and processes to make robust decisions...

...on resource allocation and to manage its finances effectively.

Second, whether the council allowed adequate scrutiny by councillors.

Third, whether there were strong processes and the right information available to managers and councillors...

...to underpin service management and spending decisions.

And fourth, whether the council was organised and structured appropriately to deliver value for money.

Mr Speaker, I have reflected on the contents of the Caller report.

It is balanced, it's rooted in evidence and compelling.

The Inspector has identified multiple apparent failures by Northamptonshire County Council in complying with its Best Value Duty.

Failures on all counts.

Whilst I recognise that councils across England have faced many challenges in recent years, the Inspector is clear that...

... Northamptonshire's failures are not down to a lack of funding or because it is being treated unfairly or is uniquely disadvantaged compared to other councils.

In fact, his report says that:

"for a number of years, NCC has failed to manage its budget and has not taken effective steps to introduce and maintain budgetary control".

Furthermore, the complex structure of financial support meant oversight was difficult and accountability blurred.

This report says that Northamptonshire's Next Generation approach – which envisaged outsourcing many of the council's functions – had no:

"hard edged business plan or justification to support these proposals".

This "...made it difficult to ensure a line of sight over costs and operational activity"...

...and "made it impossible for the council, as a whole to have any clarity or understanding as to what was going on".

Similarly, the inspector found that Northamptonshire County Council used capital receipts to support revenue spend...

...without documentary evidence demonstrating compliance with the Statutory Guidance and Direction.

Furthermore, until this February, there was no report to full council on the proposed projects and their benefits.

He says that "Savings targets were imposed without understanding of demand, need or deliverability..."

...and it is clear that some Chief Officers. did not consider that they were in any way accountable...

...for the delivery of savings that they had promoted."

On the question of scrutiny, the report says that:

"The council did not respond well, or in many cases even react, to external and internal criticism..."

...Individual councillors appear to have been denied answers to questions that were entirely legitimate to ask...

...and scrutiny arrangements were constrained by what was felt the NCC executive would allow."

Mr Speaker, I want to emphasise that the report also indicates that the hardworking staff of Northamptonshire County Council...

...are not at fault and have worked hard to provide quality services.

With all of this mind, it is clear that I must consider whether further action is necessary to secure compliance with the Best Value duty.

In doing so, I want to reassure the residents of Northamptonshire that

essential services will continue to be delivered.

The Inspector is clear that “the problems faced by NCC are now so deep and ingrained that it is not possible to promote a recovery plan...

... that could bring the council back to stability and safety in a reasonable timescale.”

He recommends that “a way forward, with a clean sheet, leaving all the history behind, is required”.

I am therefore minded to appoint Commissioners to oversee the Authority...

...using my powers under section 15 of the Local Government Act 1999.

From day 1, I propose that they take direct control over the council's financial management and overall governance.

Getting these basics right must be the first step in stabilising this authority.

I also propose giving them reserved powers to act as they see fit across the entirety of the authority's functions...

...if they consider that they must step in.

My officials are writing to the council and district councils today to this effect and they can make representations on my proposal.

I will consider any representations carefully before reaching a final decision.

The Caller report makes a clear recommendation on restructuring, and notes there are a number of options available.

So, in addition, I'm inviting Northamptonshire County Council and the district and borough councils in the area...

...to submit proposals on restructuring local government.

I would like those councils to think about what is right for their community and the people they serve...

...and to come forward with proposals.

This invitation and the letter to Northamptonshire that I mentioned earlier have been published today and copies placed in the Library.

It is clear to me that any proposals from the councils should seek to meet the criteria for local government restructuring...

...that I have previously shared with the House.

Namely, that proposals should:

- improve local government
- be based on a credible geography
- and command a good deal of local support

I will be particularly interested in hearing how the councils have consulted with their communities...

...to ensure that Northamptonshire's future is truly locally-led.

Mr Speaker, the findings of Mr Caller's inspection report on Northamptonshire County Council are extremely serious.

Which is why this government is prepared to take decisive action...

...to ensure that local people receive the high quality services they need and deserve.

And to restore faith in local government in Northamptonshire.

I commend this Statement to the House.

Press release: EU Auditors to examine Facility for Refugees in Turkey

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Pressemitteilung: EU-Prüfer untersuchen Fazilität für Flüchtlinge in der Türkei

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Daily News 27 / 03 / 2017

Travel with your digital subscriptions: Joint statement by the European Commission, the European Parliament and the Bulgarian Presidency of the Council of the EU

From 1 April 2018 onwards, Europeans will be able to access the online content that they have subscribed to at home, wherever they are in the EU. Vice-President Ansip, Commissioner **Gabriel**, Bulgarian Minister Ivaylo Moskovski and Members of the European Parliament Pavel Svoboda and Jean-Marie Cavada said the following: *"Citizens are at the core of all our digital initiatives. As of 1 April, wherever you are travelling to in the EU, you will no longer miss out on your favourite films, TV series, sports broadcasts, games or e-books, that you have digitally subscribed to at home. The rules will apply to paid-for services, but providers of free content may opt in. Providers of online content will also benefit from the new rules. They will no longer have to acquire licences for other territories where their subscribers are travelling to [...] Today we have taken another concrete step towards building a true Digital Single Market and a united European digital society, accessible for all our citizens and profitable for our businesses."* The full text is available [here](#). Watch the press statement by Commissioner **Gabriel** live on [EbS](#). More details on the new rules are available in the [Q&A](#) and a [factsheet](#), as well as a recent [Facebook chat](#). (For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Inga Höglund – Tel.: +32 229 50698)

Commission welcomes ambitious agreement on first ever EU legislation to monitor and report CO₂ emissions from heavy-duty vehicles

Yesterday evening, representatives from the European Parliament and the Council reached a provisional agreement on the Regulation for monitoring and reporting CO₂ emissions and fuel consumption data from new heavy-duty vehicles (HDVs), i.e. lorries, buses and coaches. This is the first ever EU legislation focusing on the CO₂ emissions from these vehicles. The new rules are part of the EU's [Strategy on low-emission mobility](#) and [Communication on delivering on low-emission mobility](#) laying out actions for a fundamental modernisation of European mobility and transport. Welcoming the political agreement, Commissioner for Climate Action and Energy Miguel **Arias Cañete** said: *"This agreement is proof of Europe's firm intention to curb the growing CO₂ emissions from heavy-duty vehicles. I thank the European Parliament and the Council for their work to reach this ambitious outcome. With this new robust, reliable and transparent monitoring and reporting system, we are on track for the next step: CO₂ emissions standards for heavy-duty vehicles to be proposed in May 2018."* Accelerating the shift to clean and sustainable mobility is essential to improve the quality of life and health of citizens and contribute to the EU's climate objectives under the Paris Agreement. The clean mobility transition offers major opportunities for the European economy and reinforces the EU's global leadership in clean vehicles. Monitoring and reporting CO₂ emissions and fuel consumption of new heavy-duty vehicles will also increase transparency enabling transport operators to make well-informed purchasing decisions and save fuel costs. It will also drive innovation amongst European manufacturers. Read full [STATEMENT/18/2603](#). (For more information: Anna-Kaisa Itkonen – Tel.: +32 229 56186; Anca Paduraru – Tel.: +32 229 91269; Nicole Bockstaller – Tel.: +32 229 52589

Visite du commissaire Stylianides en République démocratique du Congo: plus de 60 millions d'euros en faveur de la région des Grands Lacs

La Commission européenne a annoncé aujourd'hui l'octroi d'une aide d'urgence de 49,5 millions d'euros afin de faire face à l'aggravation de la crise humanitaire en République démocratique du Congo (RDC). Un montant supplémentaire de 10,9 millions d'euros sera alloué aux pays voisins (Tanzanie, Rwanda et République du Congo), principalement pour venir en aide aux réfugiés congolais. Cette annonce s'inscrit dans le contexte de la visite officielle du commissaire chargé de l'aide humanitaire et de la gestion des crises, Christos **Stylianides**, en RDC, où il a visité des projets d'aide de l'UE au Nord et au Sud-Kivu et rencontré des responsables congolais à Kinshasa. Le commissaire **Stylianides** a déclaré: «Les besoins humanitaires en République démocratique du Congo sont de plus en plus importants. C'est devenu la plus grande crise liée aux déplacements en Afrique. L'UE renforce son aide en octroyant de nouveaux fonds permettant de fournir d'urgence une aide alimentaire, de l'eau, des abris et une éducation pour les enfants, ainsi qu'une assistance sanitaire contre les épidémies. Il n'y a pas de temps à perdre pour venir en aide à ceux qui en ont le plus besoin. Il est désormais essentiel que tous les donateurs renforcent leur soutien à la population de RDC. En même temps, je demande aux autorités congolaises d'assurer la sécurité des travailleurs humanitaires et de faciliter l'accès de l'aide humanitaire dans tout le pays, de sorte que l'assistance puisse atteindre toutes les personnes dans le besoin.» Le communiqué de presse complet est disponible [ici](#). (Pour plus d'informations: Carlos Martin Ruiz De Gordejuela – Tel.: +32 229 65322; Daniel Puglisi – Tel.: +32 229 69140)

Antitrust: Commission invites comments on TenneT's proposed commitments to increase cross border electricity capacity with Denmark

The European Commission has invited comments on commitments by the German grid operator TenneT to increase capacity on the electricity interconnector between Western Denmark and Germany. The commitments are in response to Commission concerns that capacity restrictions may breach EU antitrust rules. Prior to the [opening of the investigation](#) and sending of a preliminary assessment on 19 March 2018, TenneT had already been in commitment discussions with the Commission. The opening of the investigation allowed TenneT to formally submit a set of commitments to address the Commission's concerns. In particular, TenneT is proposing to ensure that the maximum capacity of the interconnector between Denmark and Germany would be made available to the market, while preserving the security of the German high-voltage electricity network. The Commission invites all stakeholders to submit their views on the commitments. Taking into account all comments received, the Commission will then take a final view on whether the commitments address its competition concerns. Commissioner Margrethe **Vestager**, in charge of competition policy, said: "Electricity interconnectors must be open to cross-border trade if we are to build a real Energy Union. To achieve this we need to ensure that energy flows freely without any capacity

restrictions that may breach EU antitrust rules. In this context, we will assess whether TenneT's proposed commitments address our competition concerns in light of the responses of interested parties." A full press release is available in [DE](#), [DA](#), [EN](#), [FR](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

State aid: Commission approves reductions on offshore surcharge for electro-intensive and railway companies in Germany

The European Commission has found German plans to grant reductions on an offshore surcharge to electro-intensive users and railways to be in line with EU State aid rules. The measure will contribute to the competitiveness of these companies without unduly distorting competition in the Single Market. Following an amendment to the German Energy Act (EnWG), as of 2019 the costs of connecting offshore wind installations to the main electricity grid will be financed via an offshore surcharge (Offshore-Netzumlage), to be paid by electricity consumers. The amended German Energy Act also provides for reductions from this offshore surcharge for certain electro-intensive industrial users, as well as for railway companies. The reductions will confer an advantage to these companies, as it will lower their financial burden compared to other companies that will not benefit from them. The Commission has assessed the measure under both its Guidelines [on State aid for environmental protection and energy 2014-2020](#) as well as its Guidelines [on State aid for railways undertaking](#) and concluded that the German plans to grant reductions on offshore surcharges to electro-intensive users and railways are in line with EU State aid rules, because they will contribute to the competitiveness of these companies without unduly distorting competition in the Single Market. A full press release is available in [DE](#), [EN](#), [FR](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

State aid: Commission publishes the non-confidential version of decision to open in-depth investigation into the Netherlands' tax treatment of Inter IKEA

Today, the Commission has published the non-confidential version of its decision, adopted on 18 December 2017, [to open an in-depth investigation](#) into the Netherlands' tax treatment of Inter IKEA, one of the two groups operating the IKEA business. The Commission has concerns that two Dutch tax rulings may have allowed Inter IKEA to pay less tax and given them an unfair advantage over other companies, in breach of EU State aid rules. The opening of an in-depth investigation gives the Netherlands and interested third parties an opportunity to submit comments. It does not prejudge the outcome of the investigation. The decision is available under the case number [SA.46470](#) on the [competition](#) website. (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Yizhou Ren – Tel.: +32 229 94889)

Mergers: Commission clears acquisition of Sits Holding by 3i Group

The European Commission has approved, under the EU Merger Regulation, the acquisition of Sits Holding of the Netherlands by 3i Group Plc of the UK. Sits Holding is active in the manufacturing of personal care products for retailers and brand owners. 3i is an international investor and investment

management business, specialising in core investments markets in Europe and North America. The Commission concluded that the proposed acquisition would raise no competition concerns given the companies' moderate combined market positions resulting from the proposed transaction. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8836](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

La Commission enregistre une nouvelle spécialité traditionnelle de République tchèque

La Commission européenne a approuvé la demande d'inscription du «[Pražská šunka](#)» dans le registre des Spécialités Traditionnelles Garanties (STG). Le «Pražská šunka» (Jambon de Prague) est un jambon élaboré à partir de parties de cuisses de porc parées, cuites et fumées. Sa production repose, depuis son origine, sur la sélection des matières premières et sur la méthode de salaison. La dénomination «Pražská šunka» est utilisée depuis les années 1860 pour désigner ce qui est l'un des produits les plus renommés de la République tchèque, et de Prague en particulier. Le label "Spécialité Traditionnelle Garantie" met l'accent sur la tradition plutôt que sur l'origine et désigne des produits dont la composition ou les moyens de production présentent un caractère traditionnel. Il s'agit du 5^{ème} produit tchèque à être enregistré comme Spécialité Traditionnelle Garantie. Cette nouvelle appellation va rejoindre plus de 1425 produits déjà protégés dont la liste est disponible dans la base de données [DOOR](#). Pour plus d'informations, voir aussi les pages sur la [politique de qualité](#). (pour plus d'information: Daniel Rosario – Tel: +32 2 29 56185; Clémence Robin – Tel: +32 229 52 509)

Eurostat: La moitié des jeunes sans emploi dans l'UE prêts à s'établir ailleurs pour décrocher un emploi

Quelque 50% des chômeurs de 20 à 34 ans dans l'Union européenne (UE) hésitent à changer de lieu de résidence pour décrocher un emploi; 21% sont disposés à déménager pour les besoins d'un emploi dans le même pays et 12% sont prêts à s'établir ailleurs dans l'UE. 17% seraient même prêts à quitter l'UE pour décrocher un emploi. Un communiqué de presse est disponible [ici](#). (Pour plus d'informations: Christian Wigand – Tel.: +32 229 62253; Sara Soumillion – Tel.: + 32 229 67094)

ANNOUNCEMENTS

First Vice-President Timmermans holds roundtable with European Muslim leaders

Tomorrow, Commission First Vice-President Frans **Timmermans** will hold a roundtable discussion with ten European imams and scholars as part of the Future of Europe debate and the Commission's engagement with Muslim communities in Europe. The imams and scholars hail from six Member States –

Belgium, Bulgaria, Germany, France, Italy and The Netherlands – and represent the Sunni, Shia, Ahmadiyya and Alevi branches of Islam. Ahead of the roundtable, First Vice-President Timmermans said: “*The Muslim community, in all its diversity, has an important role to play in Europe’s future. Muslims will find a loyal friend in the European Commission that will support everyone’s right to practice their faith and traditions in peace*”. The European Commission holds high-level meetings with religious and non-confessional organisations (see events in [June](#) and [November](#)), as part of the regular dialogue with churches, religions, philosophical and non-confessional organisations foreseen by the Lisbon Treaty (Article 17). In September 2017, First Vice-President Timmermans hosted a seminar with Muslim university students from across the continent together with European Parliament Vice-President Mairead McGuinness. Tomorrow’s meeting is an opportunity to further deepen this much needed conversation, bringing in new voices and perspectives. More information on the Commission’s actions on combating anti-Muslim hatred and its dialogue with religions can be found [here](#) and [here](#). (For more information: Christian Wigand – Tel.: +32 229 62253; Mélanie Voin – Tel.: +32 229 58659)

Commissioner Hahn in Jordan to promote sustainable economic development

Johannes **Hahn**, Commissioner for European Neighbourhood Policy and Enlargement Negotiations is in [Jordan](#) today 27 March and tomorrow 28 March to launch the [External Investment Plan](#) with the country and support its economic development. Johannes **Hahn** will meet with key political authorities of the country including Deputy Prime Minister Jafar Hassan, Foreign Minister Ayman Safadi and Minister of Planning and International Cooperation Imad Fakhoury. Ahead of the visit Commissioner **Hahn** said: “*It is with great pleasure that I am travelling to Jordan. I will be focussing on how the EU can further support economic development in Jordan and in particular, how the EU can help Jordan to attract foreign investors. I will launch the External Investment Plan, which is a concrete proof EU engagement to respond to the demands of Jordanian citizens for economic growth and jobs*”. He added “*We deeply respect the contribution Jordan makes by hosting so many Syrian refugees. The 24 and 25 April [Brussels II Conference](#) will re-confirm the EU support to Syrian refugees and host communities in Jordan.*” In Jordan, Commissioner **Hahn** will also sign two measures supporting reform work in Jordan including trade for Development. Videos and photos of the visit will be available on [EbS](#). (for more information: Maja Kocijančič – Tel.: +32 229 86570; Alceo Smerilli – Tel.: +32 229 64887)

[Upcoming events](#) of the European Commission (ex-Top News)

Travel with your digital

subsciptions: Joint statement by the European Commission, the European Parliament and the Bulgarian Presidency of the Council of the EU

From 1 April 2018 onwards, Europeans will be able to access the online content that they have subscribed to at home, wherever they are in the EU. European Commission Vice-President **Andrus Ansip**, Commissioner **Mariya Gabriel**, Bulgarian Minister of Transport, Information Technology and Communications **Ivaylo Moskovski** and Members of the European Parliament **Pavel Sloboda** and **Jean-Marie Cavada** issued the following statement:

“Citizens are at the core of all our digital initiatives. As of 1 April, wherever you are travelling to in the EU, you will no longer miss out on your favourite films, TV series, sports broadcasts, games or e-books, that you have digitally subscribed to at home. The rules will apply to paid-for services, but providers of free content may opt in. Providers of online content will also benefit from the new rules. They will no longer have to acquire licences for other territories where their subscribers are travelling to.

Removing the boundaries that prevented Europeans from travelling with digital media and content subscriptions is yet another success of the Digital Single Market for our citizens, following the effective abolition of roaming charges that consumers all over Europe have enjoyed since June 2017.

Our new rules directly respond to new behaviours and habits amongst European citizens using new technologies. For example, consumer spending on video subscription services rose by 113% per year between 2010 and 2014, and the number of users by 56% between 2014 and 2015. It is also estimated that at least 29 million people, or 5.7% of consumers in the EU, could make use of cross-border portability, and many more in the future – up to 72 million people by 2020.

In addition, almost 60% of young Europeans say that being able to travel with their subscriptions is an important factor in choosing to subscribe to online services. Making portability a reality addresses this concern, and in turn, will help service providers increase the numbers of subscribers.

Reaching an agreement on portability is a great result of close collaboration between the EU institutions and European companies and stakeholders; and we have full confidence that broadcasters and platforms will take this as an opportunity to enhance the user experience. Today we have taken another concrete step towards building a true Digital Single Market and a united European digital society, accessible for all our citizens and profitable for our businesses.”

For More Information

[Q&A](#)

[Factsheet](#)

[Statement by Vice-President Ansip after the vote in the European Parliament](#)