

SCRUTINY COMMITTEE

AGENDA

Meeting to be held in the Civic Centre (Committee Room No. 1) on Thursday, 16th January, 2014 at 5.30 p.m.

Membership

Cllrs, Bonallie, Howe, Kay, T. Martin, Shattock, Tate, Waller and N. Wright

Co-opted Members - Ms A. Blakey, Ms R. Elliott and Ms. H. Harper

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Information contained in this agenda can be made available in other languages and formats on request

5.	<p>Reference from Cabinet 15th January, 2014, Capital Programme – Third Review 2013/2014, Provisional Resources 2014/2015 and Treasury Management Review 2013/2014</p> <p>Report of the Head of Law and Governance (copy attached).</p> <p>Part B – Scrutiny Business</p>	58
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Part D – Health Substantial Variations to Service

No items

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No items

E. WAUGH,
Head of Law and Governance,
Civic Centre,
SUNDERLAND.

30th October, 2013.

At a meeting of the SCRUTINY COMMITTEE held in the CIVIC CENTRE on THURSDAY, 5th DECEMBER, 2013 at 5.30 p.m.

Present:-

Councillor Tate in the Chair.

Councillors Bonallie, Howe, Kay, T. Martin, Shattock and N. Wright.

Apologies for Absence

An apology for absence was submitted on behalf of Councillor Waller.

Minutes of the last Meeting of the Committee held on 7th November, 2013

1. RESOLVED that the minutes of the last ordinary meeting of the Scrutiny Committee held on 7th November, 2013 (copy circulated), be confirmed and signed as a correct record.

Declarations of Interest (including Whipping Declarations)

There were no declarations of interest made.

Change in the Order of Business

At this juncture the Chairman advised that item 5 on the agenda (Draft Housing Financial Assistance Policy) would be taken at this juncture to allow Mr. Caddick to leave thereafter.

Draft Housing Financial Assistance Programme – April 2014 – March 2017

The Executive Director of People Services submitted a report (copy circulated) which informed the Committee of proposed changes to the Housing Financial Assistance Policy and which sought the Committee's input to the revision of the Policy prior to its submission to Cabinet in March 2014.

(For copy report – see original minutes)

Alan Caddick, Head of Housing Support and Community Living briefed the Committee on the following proposed changes to the policy;-

- FAP 1 – Advice and Information - this would be expanded to cover all areas of advice, so the reference to Independent Financial Advice in FAP 3 and Energy Advice in FAP 11 would now be included here and those references would be removed.

- FAP 3 – Independent Financial Advice – to be removed and included in a revised FAP 1.
- FAP 4 – Commercial Loan Product – this would be removed as it was not a loan that would be provided by the Council and therefore shouldn't be included.
- FAP 6 – Home Improvement Equity Loan – this would become an Equity Loan and would include for relocating to a replacement home as well as for home improvements.
- FAP 7 – Interest Free Loans – there would be some changes to the wording and in terms of what the loan could be used for there would also be an additional line added in which would assist an applicant to make their contribution towards work funded by a mandatory Disabled Facilities Grant where their costs exceed the maximum limit of £30,000.00.
- FAP 9 – Discretionary Assistance (loan or grant for disability related adaptations or relocation) – this will remain unchanged
- FAP 11 – Sunderland Energy Efficiency Programme – this programme has ended as it was reliant on funding from utilities in the main which has now ceased. Warm Front also no longer exists and this product would be removed. Information on Warm Up North would be included instead together with what's available under the scheme. The reference to Energy Advice would be included in FAP 1 as described above
- FAP 12 – Financial Assistance is available for works which will enhance confidence and perception of specific Neighbourhoods within the area – this to be amended to say “specific Neighbourhoods in renewal areas or other designated areas”.
- FAP 13 – Relocation Home Equity Loans – this would be removed and included in a revised FAP 6 – Equity Loans.
- FAP 14 – Homeswap and Homesteading – this would be removed and included in a revised FAP 12.
- FAP 15 – Empty Homes Assistance – in the cost section the amount of assistance would increase to £75k from £65k.
- FAP 16 – Mortgages – this would be removed as there was an ongoing review of mortgages being undertaken to take account of Government schemes such as Help to Buy and the increasing range of offers from High Street lenders.
- FAP 17 – Bond Guarantee Scheme – this would be removed and included in a new Access to Housing Strategy.
- FAP 18 - Repossession Prevention Fund – funding had come to an end for this so it would be removed.

- FAP 19 – Mortgage Rescue Scheme – funding has come to an end for this so it would be removed.
- FAP 19 – Home Security/Target Hardening Assistance – there was a doubt as to whether funding remained available for this so there was a likelihood it would be removed.

Councillor Kay referred to FAP 15, he recalled that the Committee had considered the issue of Empty Homes on a previous occasion and suggested that in terms of outputs, these were fairly thin on the ground. Mr Caddick replied that in addition to the Draft Financial Assistance Policy before members, there was also a specific Empty Homes Action Plan which would contain the detail and the outputs to which Councillor Kay referred. He added that there was a need to take into account that the issue of money could be problematic in that funding regimes sometimes got in the way of dialogue with the landlords. The Plan before Member's was about the approach rather than the detail. There were multiple millions of pounds worth of equity locked up in properties within the city. Advice had to be about enabling this equity to be unlocked and utilised.

Councillor Howe referred to cases where tenants of a private landlord had made a complaint to that landlord only to be served with a section 31 notice. He asked if there was a mechanism to prevent this happening. Mr Caddick replied that all landlords were required to go through due process. If the Council felt that a tenant was being harassed, then it would take action. This was made easier where the Council had statutory backing, for example with the Selective Licensing Scheme in Hendon.

Councillor Shattock referred to FAP 19 (Mortgage Rescue Scheme) and asked whether there had been a great call on the service. Mr Caddick advised that there had not. In total there had been around 8 cases since 2011. The main thrust of Mr Caddick's team was to try and encourage people to seek help at the earliest possible stage. For every '8' cases where the Mortgage Rescue Scheme had been called on, there would be another '800' cases where this had been prevented through the provision of advice at an early stage. In response to a further enquiry from Councillor Shattock, Mr Caddick confirmed that approximately 75% of the people who sought such advice were ex Council tenants who had bought their property under the right to buy.

Councillor N. Wright stated that she shared Councillor Shattock's concerns regarding the proposed removal of FAPS 18&19. She acknowledged the rationale provided by Mr. Caddick but was disappointed that the assistance was being removed. She referred to Mr Caddick's comment that no Council mortgages had been issued over the last two years and questioned whether the service was being adequately promoted. Mr. Caddick replied that all independent financial advisors had been notified of the Council mortgages as this was the best means of raising awareness. Although the independent financial advisors were aware of the Council mortgages, they were also in a position offer the more attractive schemes that were coming onto the market.

Councillor N. Wright stated that she believed the Committee required more time to digest the proposals before making a final recommendation to cabinet. In reply to an enquiry from the Chairman, Mr Caddick advised that the consultation on the

proposals would also be undertaken via the Landlords Forum and on the Council's website. The Chairman asked Mr Caddick to resubmit the final draft Policy for the Committee's consideration immediately following the end of the consultation period. Mr. Caddick confirmed that he would do so and advised that this was likely to be at the Committee's meeting scheduled for February, 2014.

The Chairman having thanked Mr Caddick for his report it was :-

2. RESOLVED that the report be received and noted and that the final draft Housing Financial Assistance Policy be re submitted to the Committee at its February, 2014 meeting, following the conclusion of the consultation period.

Local Authority Trading Company

The Chief Executive submitted a report (copy circulated) which provided members with background information for a presentation to be given by Phillip Foster, Chief Operating Officer of Sunderland Care and Support on the establishment of a new Local Authority Trading Company (LATC) and the transfer of in-house care and support services to the Company.

(For copy report – see original minutes)

The Chairman welcomed Mr. Foster to the meeting who briefed the Committee on:-

- i) the key considerations leading to the decision to establish the local authority trading company.
- ii) the alternative models of delivery into which the Council's in house care and support would be moved (Sunderland People First Co-op CIC, Beckwiths Co-op CIC, Sunderland Care and Support LATC and Care and Support Sunderland Co op CIC).
- iii) the structure and governance arrangements of the companies

Mr Foster explained that Sunderland Care and Support would be made up of two companies, a holding company and a subsidiary company. The purpose of the Group Structure was to:-

- ensure tax arrangements were efficient for the purposes of VAT.
- enable it to comply with the Teckal tests for the procurement by the Council of care and support from the LATC.

All shares in the holding company would be owned by the Council and all shares in the subsidiary would be owned by the holding company (so in effect by the Council). Both Companies would have a common board of directors appointed by the Council acting as the shareholder of the holding company. The company would be guided by the Council's values of proud, decent and together to ensure that for every customer, the company would be providing the right care, in the right place and at the right time to meet their individual needs. The transfer to the company would allow the service to have a sustained, planned and well managed approach to its finances and create a future for its staff.

In response to an enquiry from Councillor Shattock, Mr. Foster confirmed that the required efficiency savings of £4.5m would be carried over to the new company.

Councillor Shattock replied that it would put huge pressure on the company which she feared could force it under at the cost of 1200 jobs and enormous worry for the service users and their families. Mr Foster advised that the main reason the service had been transferred to a company was that it would have the ability to trade which was something denied to the local authority. The company comprised excellent staff who had TUPE transferred over from the Council and who would remain in the Tyne and Wear pension fund. There was an excellent training scheme. The business plan had been highly scrutinised and there would be monthly financial monitoring meetings. The Governance arrangements had been carefully worked through and were in place as were the appropriate scrutiny arrangements. Investment had been made in an apprenticeship scheme and fifty people had been trained to date. The biggest test would come after three years when the Council would look to put the services out to tender and the Company would then need to be in a situation to bid successfully for the contract.

Councillor T. Martin advised that he had spoken to people at Farnborough Court who had expressed worries over the changes, however having heard Mr Foster's presentation he now felt easier. Mr Foster confirmed that a great deal of consultation work had been done with the staff and unions. A JCF had been established and the unions had been a key partner in reassuring staff. It had been made very clear that existing staff would transfer over on their current terms and conditions and remain in the pension scheme. Mr Foster stated that the proof of the pudding would be in the eating and that the company would need to prove that its plans worked. In this regard he would be more than happy to report back on progress to the Committee. In addition he invited the Committee to visit, or hold one of its meetings at Leechmere where the company were based. Although he was the public face of the company he was keen that members had the opportunity to meet the staff.

Councillor N. Wright stated that the cost of the transfer of staff to the local authority trading company on the conditions as described were greater than if the TUPE transfer had been to a private company. She asked how the company would remain competitive and what would be the key issues? Mr Foster replied that the key issue was that the staff that had transferred were the company's strength. They were staff with a high level of quality who provided excellent services that people wanted to buy and use. The company would be helped by the growth of personal contracts. It had a business plan that allowed it to trade. It would have the ability to sell more equipment and widely market its telecare service. It would also have the ability to bid for contracts across other local authority borders. The Company would also look to diversify into health provision as well as social care.

Councillor N. Wright stated that what she had heard was reassuring but that anxieties would remain. Councillor Shattock stated that both she and Councillor Howe had family members in receipt of the Company's services. Such people especially those suffering from autism got very anxious at the thought of change this in turn created anxiety for their families. She asked Mr Foster what form of consultation had been undertaken with families. Mr Foster replied that consultation had been undertaken with Age UK, Carers Centres, forums, and groups at the Washington Multi Purpose Centre. Direct consultation with families was being done by staff who were well known to the families concerned. These 'soft' discussions were being done in very small groups and the service was trying to engage on as many different levels as possible. The message was that 'everything was changing

but nothing would be changing' (in that service users should not notice any differences).

There being no further questions or comments for Mr Foster the Chairman thanked him for his presentation and it was:-

3. RESOLVED that :-

- i) the report be received and noted
- ii) a further progress report be submitted in due course; and
- iii) investigations be made into the possibility of holding a future meeting of the Committee at the Sunderland Care and Support Headquarters at Leechmere.

Introduction of 20mph Zones in the City - Update

The Lead Scrutiny Members submitted a report (copy circulated) providing details of the current position in relation to the introduction of 20mph zones in Sunderland following the findings of the work undertaken by the City Services Scrutiny Panel in relation to a revised methodology and criteria for priority schemes.

(For copy report – see original minutes).

The Chairman welcomed and introduced Les Clark, Head of Street Scene and Ken Heads, Network Development Manager who presented the findings as outlined in the report.

Councillor Kay referred to the proposals and questioned the appropriateness given the spending pressures facing the Council and the statistical insignificance of the accident rate against the city's population of 280,000. Mr Clarke advised that there were two principal reasons behind the proposals:-

- i) the minimisation of risk; and
 - ii) to enhance the public's perception of the safety of the city's neighbourhoods.
- There was a direct link between reduced speeds and residents' feelings of well being.

Mr Clarke also added that it was the most cost effective way of tackling the issue.

The Chairman expressed the view that as a planning authority the Council should be seeking a contribution from developers towards the introduction of 20mph zones in any new development.

The Committee having endorsed the approach being taken in the implementation of the scheme including the changes to the order of priorities reflecting the current performance of the respective areas and the inclusion of public concern sites in future programmes, it was:-

4. RESOLVED that the report be received and noted.

Request to Attend Seminar – Centre for Public Scrutiny Parliamentary Seminar.

The Chief Executive submitted a report (copy circulated) requesting the Committee to consider nominating two delegates to attend the Centre for Public Scrutiny's Parliamentary Seminar to be held on 7th January, 3rd February and 31st March 2014.

(For copy report – see original minutes).

Consideration was given to the matter and expressions of interest were registered by Councillor T. Martin and Councillor N. Wright. Members however expressed the view that to undertake the session all in one day was unreasonable and that consideration should be given to an over night stay.

5. RESOLVED that approval be given to the attendance of two members at the above mentioned seminar subject to the inclusion of an overnight stay. Such expenditure to be funded from the Scrutiny budget.

Notice of Key Decisions

The Chief Executive submitted a report (copy circulated) providing Members with an opportunity to consider those items on the Executive's Notice of Key Decisions for the 28 day period from 5th November, 2013.

(For copy report – see original minutes).

The Chairman asked any Members having issues to raise or requiring further detail on any of the items included in the notices, to contact the Scrutiny Co-ordinator, Ms. Helen Lancaster for initial assistance.

6. RESOLVED that the Notice of Key Decisions be received and noted.

Annual Work Programme 2012/13

The Chief Executive submitted a report (copy circulated) attaching for Members' information, the work programme for the Committee's work being undertaken during the 2013/14 council year.

(For copy report – see original minutes).

7. RESOLVED that the information contained in the work programme be received and noted.

Lead Scrutiny Member Update

The Lead Scrutiny Members submitted a joint report (copy circulated) providing an update to the Scrutiny Committee regarding the work of each of the six Lead Scrutiny Members and supporting Panels.

(For copy report – see original minutes).

Consideration having been given to the report it was:-

8. RESOLVED that the update of the Lead Scrutiny Members be received and noted.

The Chairman then closed the meeting having thanked Members and Officers for their attendance and contributions to the meeting and offered his best wishes for Christmas and the New Year.

(Signed) R.D. TATE,
Chairman.

REFERENCE FROM CABINET – 15 JANUARY, 2014

REVENUE BUDGET 2014/2015 PROPOSALS AND PROVISIONAL REVENUE SUPPORT SETTLEMENT 2014/2015

Report of the Head of Law and Governance

1. Purpose of this Report

- 1.1 To set out for advice and consideration of this Committee a report which will be considered by Cabinet on the 15 January, 2014 on the provisional budget proposals 2014/2015 and provisional Revenue Support Settlement, as a basis for consultation, prior to the receipt of the final Local Government Finance Settlement.
- 1.2 Members' views are requested in accordance with the Budget and Policy Framework Procedure Rules.

2. Background and Current Position

- 2.1 The Cabinet, at its meeting held on 15 January, 2014, will give consideration to a joint report of the Chief Executive and the Head of Financial Resources on the Revenue Budget 2014/2015 Proposals and Provisional Revenue Support Settlement 2014/2015 (attached at Appendix A). The report advises of the provisional budget proposals for 2014/2015 including the impact of the Provisional Revenue Support Settlement, as a basis for the continuation of budget consultation, prior to the receipt of the final Local Government Finance Settlement 2014/2015.
- 2.2 The report contains a number of issues for Cabinet to consider and approve and it is passed to this Committee in accordance with the Budget and Policy Framework Procedure Rules.
- 2.3 Attached, for information to assist this Committee in providing advice and consideration to Council on the provisional budget proposals are the following reports:
 - Council Tax Base 2014/2015 (Appendix B) - Calculation of the Council Tax Base 2014/2015 in accordance with the Local Government Finance Act 1992 as amended by the Local Authorities (Calculations of Council Tax Base) (Amendment) (England) Regulations 2012 as reported to Cabinet on 15 January 2014;
 - Business Rates Income Forecast 2014/2015 and Projected Business Rates Income Outturn 2013/2014 (Appendix C) as reported to Cabinet on 15 January 2014 which sets out arrangements for estimating:
 - the forecast outturn for business rates income for 2013/2014 and
 - the business rates income for 2014/2015

to be included in the NNDR 1 return which must be submitted to Government by 31st January 2014 in accordance with the Non Domestic Rating (Rates Retention) Regulations 2013, following approval by Council.

It will be noted from the report that in the event that there is a delay in receiving the NNDR 1 form for completion from government, as a result of which the form is to be completed or amended after the date of the Cabinet meeting, Cabinet is asked to provide delegated authority to the Head of Financial Resources, in consultation with the Leader of the Council and Cabinet Secretary, to approve the version of the NNDR1 form to be submitted to Council for approval.

- 2.4 Copies of 15 January, 2014 Cabinet agenda have been circulated to all Members of the Council. The decisions and recommendations of the Cabinet will be reported orally to the Scrutiny Committee.

3. Conclusion

- 3.1 The report is referred to this Committee for advice and consideration. The comments of this Committee will be reported to the Council meeting on 29 January 2014.

4. Recommendation

- 4.1 The Scrutiny Committee is invited to give advice and consideration on the attached joint report of the Chief Executive and the Head of Financial Resources.

5. Background Papers

- 5.1 Cabinet Agenda, 15 January, 2014.
- 5.2 A copy of the Agenda is available for inspection from the Head of Law and Governance or can be viewed on-line at:-

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8009/Committee/1636/Default.aspx>

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CABINET MEETING – 15 JANUARY 2014

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Revenue Budget 2014/2015 Proposals and Provisional Revenue Support Settlement 2014/2015

Author(s):

Chief Executive and Head of Financial Resources

Purpose of Report:

To report the provisional budget proposals for 2014/2015 including the impact of the Provisional Revenue Support settlement, as a basis for the continuation of budget consultation, prior to the receipt of the final Local Government Finance Settlement 2014/2015.

Description of Decision:

Cabinet is requested to approve the provisional budget proposals, as a basis for the continuation of budget consultation, prior to the receipt of the final Local Government Finance Settlement 2014/2015.

Is the decision consistent with the Budget/Policy Framework?

Yes – it is seeking to inform a future decision to change the Budget and Policy Framework for 2014/2015.

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To enable constitutional requirements relating to the development of the Revenue Budget to be met.

Alternative options to be considered and recommended to be rejected:

There are no alternative options recommended for approval.

Impacts analysed:

Equality Privacy Sustainability Crime and Disorder

Is this a “Key Decision” as defined in the Constitution?
Yes

Is it included in the 28 Day Notice of Decisions?
Yes

Scrutiny Committee:

**REVENUE BUDGET 2014/2015 PROPOSALS AND PROVISIONAL
REVENUE SUPPORT SETTLEMENT 2014/2015****Report of the Chief Executive and Head of Financial Resources****1. Purpose of Report**

- 1.1 This report sets out the provisional budget proposals for 2014/2015 including the impact of the Provisional Revenue Support settlement, as a basis for the continuation of budget consultation, prior to the receipt of the final Local Government Finance Settlement 2014/2015.

2. Description of Decision

- 2.1 Members are requested to approve the provisional budget proposals, as a basis for the continuation of budget consultation, prior to the receipt of the final Local Government Finance Settlement 2014/2015.

3. National Economic Context to 2014/2015 Budget

- 3.1 Government Autumn Statement - Impact of the Deficit Reduction Plan

The Government confirmed in the Autumn Statement that it intends to continue to address the deficit by following its deficit reduction plan with the Office of Budget Responsibility predicting a surplus position by 2018/2019.

The Government has revised its growth forecasts to 1.4% in 2013 (from 0.6%), 2.4% in 2014 (from 1.8%), and for the following four years to 2.2%, 2.6%, 2.7% and 2.7%. Despite the improving economic position the chancellor has indicated that public sector funding will continue to be reduced up until 2019/2020 to bring about a small budget surplus

The Government also announced additional Public Sector spending cuts of £3bn over 2014/2015 to 2016/2017, i.e. £1bn per year (equivalent to a 1.1% reduction per year). The chancellor indicated Local Government would be protected in 2014/2015 on the basis that they will assume a freeze in council tax. The indicative settlement for 2015/2016 implies this protection has also been applied to 2015/2016 but this would need to be confirmed as part of the 2015/2016 final local government finance settlement in January 2015.

- 3.2 National Funding Totals

As reported as part of the Budget Planning Framework in October, the Spending Review 2013 resulted in a reduction in core local government funding of £5.5bn across 2014/2015 and 2015/2016 equivalent to a 25% real terms cut. As set out in paragraph 3.1, Local Government appears

to have been protected from the further cuts announced as part of the Autumn statement for 2015/2016 on the basis of an assumed freeze in Council Tax. The Government has yet to release its Council Tax referendum principles for 2015/2016 which could see a zero % increase introduced to achieve this aim.

4. Provisional Local Government Settlement for 2014/2015 and Indicative Settlement 2015/2016

Provisional Settlement 2014/2015

- 4.1 On 18th December 2013 Government announced the Provisional Local Government Settlement for 2014/2015 and Indicative Settlement 2015/2016, together with a consultation paper on its contents.
- 4.2 The deadline for responses to the Government consultation is January 15th 2014. Officers are preparing the proposed response in consultation with the Leader and Cabinet Secretary for submission in accordance with this timeline.
- 4.3 Detailed tables underpinning the announcement are set out at Appendix 1, with the main points of note set out below.
- 4.4 In overall terms, the provisional settlement confirms the expected headline funding reductions trailed by the government in both the Spending Review 2013 and the recent Autumn Statement for 2014/2015 of circa 10% with a further 15% in 2015/2016. The prognosis therefore continues to remain very challenging in the short to medium term.

While the provisional settlement is as expected, it should be noted the previously reported anomalies in the way the funding reductions have been applied remain in place i.e:

- the disproportionate cuts across Councils arising as a result of the methodology used for allocating the cuts,
- the continued unfairness of the New Homes Bonus top-slice,
- the erosion of the council tax resource equalisation,
- the inappropriateness of the safety net top-slice.

All of the above points would suggest that there has been an ineffective equalities impact assessment undertaken by the Government to assess the impact on differing sections of the population. The Council response to the consultation will take these points into account.

- 4.5 The Council's Settlement Funding Assessment (SFA) is being reduced significantly year on year;
 - 2014/15 - 9.7% reduction
 - 2015/16 -14.0% reduction

Excluding grants rolled into this measure means that the real cut, to the broadly comparative formula grant component, shows a much higher reduction;

- 2014/15 -12.9% reduction
- 2015/16 -19.0% reduction

and excluding Business Rates and Council tax growth from the figures, revenue support grant for Sunderland is reducing by

- 2014/15 - 17.4% reduction
- 2015/16 - 27.7% reduction

This means that the elements of funding within the grant mechanism that are based on needs and recognise low income resources and deprivation are constantly being eroded in favour of measures that reward growth. The consequence of this is that the more affluent areas of the country are being relatively protected from the cuts at the expense of some of the more deprived areas of the country such as Sunderland.

4.6 The government uses Revenue Spending Power to describe the changes to Local Government funding. Revenue Spending Power is made up from a combined total of Council Tax, Business Rates, and Government grant funding. The council is receiving a cut in Revenue Spending Power more than the national average for England in both 2014/2015 and 2015/2016:

- 2014/2015 council cut 4.7% national average 2.9%
- 2015/2016 council cut 3.9% national average 1.8%.

However, if increases in Health / Care funding are excluded (i.e. ring fenced Public Health Grant, NHS Social Care Funding (2014/2015), Pooled Better Care Funding (2015/2016) and Adult Social Care New Burdens(2015/2016), the remainder of the Council funding included within Revenue Spending Power is being cut by 5.9% in 2014/2015 and 9.1% in 2015/2016.

4.7 The Spending Power reduction for Sunderland in 2014/2015 represents a cash reduction of £13.9m. However, it should be noted that this takes into account:

- Assumed council tax freeze grant for 2014/2015 of £0.987m
- An additional years New Homes Bonus Grant of £0.522m
- An increase in NHS funding to Support Social Care of £1.575m to £7.186m
- The Settlement Funding Assessment (business rates top up grant, assumed business rates and revenue support grant) has reduced by £18.3m (9.7%) compared to 2013/2014. Included within this is:
 - the Government assumed level of Retained Business Rates income, however this will differ from the actual amount to be

included within the Council Budget position, which will reflect up to date data;

- a reduction of Early Intervention Funding of £0.895m compared to the previous year;
- within the RSG allocation government have also included £100m of the £800m hold back amount in respect of New Homes Bonus in 2014/2015;
- the government has also returned £28m of monies held back for capitalisation resulting in additional funding of £0.202m for the council.

More detail is included at Appendices 1a) and 1c) for information.

Provision for the above variations was already factored into the budget planning framework.

- 4.8 Therefore, as outlined above, in overall terms the provisional settlement has confirmed that the original budget planning framework assumptions of a reduction in resource of £18.4m need to be maintained.

Indicative Settlement 2015/2016

- 4.9 For 2015/2016 spending power reduces by 3.9% representing a £11.3m reduction in funding. The position however is distorted by the inclusion by Government of:

- Pooled NHS and LA Better Care funding of £22.4m within the calculation. The Council needs to work with Clinical Commissioning Group (CCG) to develop a 2 year plan for 2014/2015 and 2015/2016 to show how the funding will be used across health and social care. Work is on-going to understand the detail and the share of the £22.4m which the Council will access.
- Assumed council tax freeze grant for 2015/2016 of £0.994m.
- An additional years New Homes Bonus of £0.521m.

- 4.10 The inclusion of the above masks:

- a 14% reduction in Settlement Funding Assessment (Business Rates, Top-up Grant, and Revenue Support Grant) of £23.92m. Within this Revenue Support Grant has reduced by £26.03m or 27.7%. This is as anticipated following the CSR 13.
- removal of a separate allocation for Local Welfare Provision Grant (Community Care and Crisis funding) of £1.44m. Government have indicated this has been rolled into RSG, however this loses its visibility. This is a concern given this was a new burden transferred to the Council from DWP in April 2013, and the impact that further Welfare reforms may have on the city.
- removal of the full Local Council Tax Benefits Burden grant of £0.18m
- the inclusion of Adult Social Care New Burdens Funding of £1.862m which will bring significant additional costs associated with the new burdens.

More detail is set out in Appendices 1b) and 1c) for information.

- 4.11 In addition the Government has removed from the Revenue Spending Power calculation Housing and Council Tax Benefit Administration grant of £2.67m. At this stage there is no indication of the Government plans for this funding in 2015/2016.
- 4.12 Planning figures for 2015/2016 will be updated as further details emerge.

5. Detail of Key Funding Elements for 2014/2015

5.1 For 2014/2015 the key funding elements to support the revenue budget comprise:

- Retained Business Rates
- Revenue Support Grant
- Top Up Grant
- Section 31 Grant - Cap on Business Rates RPI increase
- Other Core Grant Funding
- Council Tax

5.1.1 Retained Business Rates

Key features of the Business Rates Retention system are:

- 50% of business rates forms part of the national 'central' share retained by Central Government to be redistributed; 50% is retained locally. Of this 50% the Council must distribute 2% to the Tyne and Wear Fire and Rescue Authority.
- A safety net arrangement is included with the intention of protecting Authorities from significant falls in their Business Rates income which has been set at 92.5% of their base line funding limit.

The forecast income from Business Rates for 2014/2015 which will be retained by the Council is reported elsewhere on this agenda for approval prior to submission to Central Government.

In forecasting the level of Business Rates Income, the Council are required to make provision for the impact of reductions in income as a result of successful valuation appeals, including amounts backdated prior to 1st April 2013. The level of backdated appeals in 2013/2014 which are currently forecast to be successful is anticipated to result in a deficit on the Business Rates Collection Fund at 31st March 2014. As a consequence the level of retained Business Rates available to support the Revenue Budget in 2014/2015 is reduced. The impact of this on the Revenue Budget for 2014/2015 is provided for within the Safety Net Reserve Budget Provision.

5.1.2 Revenue Support Grant

The amount of Revenue Support grant to be received by Sunderland announced as part of the Provisional Local Government Finance Settlement is £93.946m.

5.1.3 Top up Grant

The amount of Top-up grant to be received by Sunderland announced as part of the Provisional Local Government Finance Settlement is £35.274m.

5.1.4 Section 31 Grant - Cap on Business Rates RPI increase

As part of the Autumn Statement the Government capped the annual increase on Business Rates at 2% instead of RPI (3.2%). The Government is to compensate Councils for the consequential shortfall in income through provision of a Section 31 Grant. For 2014/2015 this is estimated to be £0.812m.

5.1.5 Other Core Grant and Revenue Funding

The core and revenue grants of significant value which have been confirmed as part of the provisional settlement are:

- The New Homes Bonus Grant is intended to incentivise local authorities to build and bring into use more homes, with a special emphasis on creating more affordable housing. The level of grant awarded is based on the increase in housing stock through new build properties and through returning empty properties back into use. Each year's allocation is awarded for a 6 year period after which the grant ceases.

The Government has top sliced total available resources to fund the New Homes Bonus each year since its introduction in 2011/2012. The cumulative impact for Sunderland up to and including 2014/15 means that £4.3m more resource has been lost than gained since the New Homes Bonus was introduced. It is therefore proposed to follow the practise adopted in 2013/2014 of utilising NHB to support the overall budget position. The provisional total allocation for 2014/2015 of £2.226m comprises:

2011/12 - year 4 of allocation	£0.575m
2012/13 - year 3 allocation	£0.577m
2013/14 - year 2 allocation	£0.552m
2014/15 - year 1 allocation (prov)	£0.522m

Support to Housing investment initiatives will continue to be addressed via the Capital Programme and revenue budget as required.

- NHS funding to support Social Care and Benefit Health Grant has increased by £1.575m to £7.186m. The additional resource has already been taken into account in addressing the overall savings requirement and to meet ongoing pressures in this area in 2014/2015.
- A reduction in Housing and Council Tax Benefit Administration grant of £0.207m to £2.675m was notified to the Council after the Budget Planning Framework was presented to Cabinet in October but has been built into the planning assumptions.
- Local Welfare Provision (administration and programme) Grant of £1.435m has reduced by £0.021m. This level of funding was taken into account in assessing the impact of the Governments Welfare Reform agenda in 2014/2015.
- The Public Health Grant has been confirmed at £21.234m which is as anticipated.

The PFI core grant has not yet been confirmed but the allocation for the Council is not expected to change from the previous year's allocation.

5.1.6 Council Tax

Capping Powers and Reserve Powers

The Localism Act provides for the provision of referendums to veto excessive council tax increases. This effectively places a limit on council tax increases and if councils exceed Government limits then the public will be able to vote to agree or veto any considered 'excessive' increase.

In the Provisional Settlement the Government announced that the referendum threshold principles would not be announced until the New year. It has also indicated that it is receptive to lowering the current limit of 2% for 2014/2015 for 'all or some categories of authorities'.

Council Tax Freeze Grant

As part of the SR13 the Government indicated they would provide funding for the impact of the 2013/2014 Council Tax Freeze Grant through to 2015/2016 at which time it would be subsumed into Revenue Support Grant. This treatment is consistent with the fact the 2011/2012 Council Tax Freeze Grant was also subsumed into Revenue Support Grant as part of the 2013/2014 settlement process.

The SR13 further indicated grant funding would be available to allow local authorities to freeze council tax for 2014/2015 and 2015/2016 (based on a 1% council tax increase) with this funding being built into the Spending Review baseline. This measure is designed both to encourage councils to take up the freeze grant and provide certainty that extra funding will be made available to 2015/2016 at least.

The funding is offered to compensate those Authorities who decide not to increase their Council tax in 2014/2015 and 2015/2016. As it is unclear whether the funding will be available beyond 2015/2016 any use of the grant to support on-going revenue expenditure may require alternative funding to be identified in the following years should the Council decide to access and accept the grant.

5.2 Schools Funding

New funding arrangements were introduced from April 2013 for all schools and academies. This is the first stage of introducing a national funding formula in the next spending review period. The Government through the new formula is seeking to develop a clear and transparent funding formula that supports the needs of pupils and enables Schools and Academies to be funded on a broadly comparable basis.

5.2.1 Dedicated Schools Grant

The distribution of the Dedicated Schools Grant (DSG) to local authorities will continue to be based on the current “spend-plus” methodology for 2014/2015, set out in three spending blocks for each authority: an early years block, a schools block and a high needs block. The underlying schools budget will be kept at flat cash per pupil for 2014/2015.

The October 2013 census data shows that pupil numbers have decreased by 342 and consequently school block funding has reduced by £1.220m.

The Government is to continue to apply a national protection arrangement for schools whereby no school will see a per pupil reduction compared to its 2013/2014 budget (excluding sixth form funding) of more than 1.5 per cent before the pupil premium is applied.

Included within the Early Years Block is additional funding to support the increase in early learning places for two-year-olds from lower income households. From 1 September 2013 early learning became a statutory entitlement for around 20% of two-year-olds across England, which will extend to 40% of two-year-olds from September 2014.

5.2.2 Pupil Premium Funding

The Pupil Premium level of funding for 2014/2015 for Sunderland Schools and Academies is based on January 2014 pupil numbers and funding allocations will not be confirmed until September by the Education Funding Agency. Provisional allocations will be calculated by the Local Authority and notified to Schools in February 2014.

5.2.3 Education Services Grant

The ESG is allocated on a simple per-pupil basis to local authorities and academies according to the number of pupils for whom they are responsible. The amount of funding to be received by the Council reduces with each school that transfers to an academy. Current planning assumes funding of £2.5m will be received in 2014/2015.

6. Provision for Spending Pressures and Commitments

6.1 When the Budget Planning Framework was approved in October 2013 Cabinet agreed that the following spending commitments would be taken into account:

- Prudent assumptions in respect of a pay-award based on indications by Government of a limit on public sector pay of 1.0%;
- price increases on the basis of prudent assumptions in respect of energy and contractual arrangements;
- the results of the Actuarial review of the Local Government Pension Scheme 2013;
- provision for spending commitments in respect of debt charges and interest receipts;
- the impact of demographic changes in respect of adult social care;
- pressures relating to safeguarding, and external placements;
- service pressures as a result of the economic downturn;
- replacement of one off resources utilised in setting the 2013/2014 budget of £3.55m.

6.2 In this context it is proposed to make provision to address a number of spending commitments and pressures as set out below:

6.3 Cabinet Secretary

The following proposals are made:

6.3.1 Capital Financing

Prudential borrowing has been provided for within the medium term financial position in relation to known investments over that period, together with a provision to provide future flexibility to enable strategic priorities of the Council to be addressed.

6.3.2 Workforce Transformation and Workforce Planning

Financial implications of workforce transformation and workforce Planning will be kept under review and accommodated from transitional resources set aside for this purpose.

6.4 Adults Health and Housing

The following proposals are made:

6.4.1 People - Adult Services Demand / Demographic Issues

The increasing longevity of the national and specifically, the city's, population continues to place significant pressure on Adult Social Services budgets. In addition, client expectations and increasing demand to support clients with complex cases to enable clients to maintain independent living, is requiring reconfigured services and additional investment.

The impact of additional cost pressures and necessary investment have been factored into plans on an appropriate basis.

6.5 Children's Services

The following proposals are made:

6.5.1 People - Children's Services Demand Pressures

There continues to be increasing demand pressures in relation to safeguarding and specifically external placements and prudent provision has been made for this purpose.

6.5.2 People - Children's Services Special Guardianship and Residence Orders

In October 2013, Cabinet approved the alignment of special guardianship and residence order allowances, and future adoption allowances to the age related core fostering allowance rate from 18th October 2013. The additional cost has been taken into account within the 2014/2015 budget planning.

7. Summary Funding Gap

The financial provisions proposed for the areas of spending pressures outlined are set out in the following table. When taken alongside the current forecast reduction in funding the overall gap to be addressed is summarised below.

	2014/2015		2015/2016	
	£'m	£'m	£'m	£'m
Government Grant Changes		18.42		24.84
Spending Pressures				
Pay, Prices and Other pressures	8.72		5.24	
People - Adults Demand Pressures	2.51		2.29	
People - Children's Demand - External Placements	1.20		0.00	
People - Children's Special Guardianship and Residence Orders	0.65		0.00	
Capital Financing	0.50		2.50	
Replacement 2013/14 Use of One Off Resources	3.55		0.00	
Replacement 2014/15 Use of One Off Resources		17.13	0.50	10.53
Total Estimated Pressures and Grant Reductions		35.55		35.37

8. Proposals to Meet the Funding Gap 2014/2015

- 8.1 As part of the Budget Planning Framework for 2014/2015 Cabinet agreed in October 2013 to meet the funding gap by progressing the existing savings programme and developing a further programme of activity based around the Councils Community Leadership approach including:
- understanding demand and prioritising service provision to protect core services and particularly those most vulnerable
 - maximising non frontline savings
 - ensuring services are responsive to local needs
 - targeting resources rather than universal service provision
 - developing alternative ways of providing services not necessarily by the Council
 - greater collaboration and community involvement
 - continued focus on progressing Regeneration, funding leverage and commercial opportunities.

8.2 Summary of Proposed Plans To Meet Funding Gap

Proposals to fully meet the funding gap for 2014/2015 are summarised below together with an indication of plans for 2015/2016;

	2014/15 £'m	2015/16 £'m
Total Estimated Pressures and Grant Reductions	35.55	35.37
Proposals to Meet the Funding Gap		
Strategic and Cross Cutting	-17.97	-3.97
Place and Economy	-8.86	-2.82
People	-6.70	-9.93
Total Ongoing Savings Programme	-33.53	-16.72
Use of One off Resource		
SIB Balances	-0.50	0.00
Temporary Use of balances /potential Grant	-1.52	-5.72
Total Proposals to meet the Gap	-35.55	-22.44

Further work is continuing to develop a full suite of proposals to meet the 2015/2016 funding gap of circa £12.9m as well as the further savings forecast to be required in 2016/2017 and beyond. Further updates will be provided to Cabinet in due course and the Medium Term Financial Strategy 2014-2017 will be refined and updated as this work progresses.

Further detail on the proposals for reduction are set out below.

8.3 Detail of Proposals for Reduction

8.3.1 Corporate and Cross Cutting (£17.975m 2014/2015 and £3.970m)

- **Strategic and Shared Services - (£1.025m in 2014/15 and £1.000m in 2015/16)**

It is proposed to continue the review and reconfiguration of strategic and support services to ensure those services meet the future requirements of the council. All strategic and support service areas will deliver a proportionate share of the savings requirement over the two years.

- **Integrated Commissioning Services - (£0.600m in 2014/15)**

Through the bringing together of commissioning functions across the council and developing a joint approach to commissioning with health partners in the Clinical Commissioning Group it is envisaged that reductions in cost will be made. In addition reductions to cost will be made through a review programme of services that the council currently commissions

- **ICT rationalisation and income opportunities - (£0.250m in 2014/15 and £0.750m in 2015/16)**

The ICT Unit will continue consolidating applications into a smaller number of core systems, reducing external spend on application support and improve data quality and the availability of information. In addition, all contracts will continue to be reviewed and renegotiated delivering further reductions in cost.

Whilst reducing external costs the ICT Unit will be looking at increasing income through the sharing of ICT services and resources.

- **Various Corporate Allocations - (£9.200m in 2014/15 and £1.570m 2015/2016)**

A review of all central resources and reserves has been undertaken which has identified capacity to release some corporate contingencies, primarily in respect of the waste strategic solution. The proposals also take into account additional income on a prudent basis in respect of council tax collection and the New Homes Bonus grant allocation.

In recent years opportunities to capitalise revenue expenditure in respect of highways and building maintenance costs have been maximised and it is proposed to continue with this approach going forward.

- **Release of Revenue Contribution to Capital Outlay (RCCO) - (£2.000m in 2014/15)**

Previous budgets have included provision for a revenue contribution to help support the capital programme. In light of the financial position facing the council it is proposed that this provision be removed from the budget.

- **SWITCH Budget Repatriated - (£3.200m in 2014/15)**

Following the successful implementation of the severance scheme over the last two financial years and the previously agreed cessation of the SWITCH programme, the balance of the SWITCH budget can be released to support the 2014/2015 budget position.

- **Maximisation of Income: (£1.100m in 2014/15 and £0.400m in 2015/16)**

As a result of the Airport refinancing arrangements agreed last year, the council is to receive interest on long term loan notes issued for a period of 20 years subject to performance of the Airport. It is proposed the annual income receivable be brought into account in the budget from 2014/2015.

In addition, the City's Port has improved both turnover and trading profitability over recent years. Capital investment in the Port has provided the necessary infrastructure to allow increased tonnages and new cargos to be handled. Given this positive trend it is proposed the Port be set increased profit targets for 2014/2015 and 2015/2016 financial years.

Finally two reviews are being undertaken with a view to raising additional revenue from fees and charges (where appropriate) and advertising including outdoor advertising.

- **Procurement - (£0.200m in 2014/15 and £0.200m in 2015/16)**

In addition to all Directorates reviewing their third party spend and securing savings from other projects and reviews, a review of all corporate contracts is being undertaken with a view to reducing prices further.

- **CSN programme - (£0.400m in 2014/15 and £0.050m in 2015/16)**

With virtually all service areas now migrated to the Customer Service Network the focus has shifted to deepening the customer offering to enable decision making at the earliest point in the interaction. This will enable costs to be reduced whilst maintaining services.

8.3.2 Place and Economy (£8.858m 2014/2015 and £2.823m 2015/2016)

- **Smarter Working - review of premises and Repairs and Renewals (£0.702m in 2014/15 and £0.100m in 2015/16)**

This saving is a continuation of the Smarter Working project which has already delivered significant savings in premises costs through the planned closure of administrative buildings. The review is now focussing on delivering savings in operational buildings through collaborative working and co-location. Reductions to the Repairs and Renewals budget will be delivered by prioritisation. Optimising council properties will minimise the rates liability.

- **Land and Property - Review of operational costs and income generation (£0.703m in 2014/15 and £0.385m in 2015/16)**

A number of initiatives have been identified to increase income, including from Cash in Transit, Control Room and through rent reviews of the council's property portfolio, and through reducing costs, including in relation to Design Services where greater flexibility will be built into service provision.

- **Economic Development Grants Review (£0.250m in 2014/15)**

A reduction in the Economic Development grant budget will be delivered through the reprioritisation of external grants provided by the Team, focussing on those grants where clear outcomes are demonstrable.

- **Review of Citywide Services (£1.519m in 2014/15 and £0.789m in 2015/16)**

- Review of operational arrangements for Waste Collection – (£0.863m in 2014/2015 and £0.189m in 2015/2016): Having committed to retain weekly refuse collections through to 2016/2017, this proposal has identified cost reductions through the implementation of a 4-day working week to coincide with the opening of the new waste transfer station at Jack Crawford House.
- Transport and Fleet review – (£0.600m in 2014/2015 and £0.600m in 2015/2016): The on-going Transport and Fleet review, will further rationalise and reduce the scale of the council's fleet, ensure better utilisation based on new management and monitoring systems and ensure more efficient hire and maintenance arrangements.
- Review of operational arrangements for Regulatory Services – saving of £0.056m (2014/15): Review to include the Registrar and Coroner services

- **Car Parking – review of operational costs and income (£0.336m in 2014/15 and £0.433m in 2015/16)**

Delivery of the new Parking Strategy will achieve savings through the implementation of a Local Parking Permit Scheme in the City Centre to improve parking utilisation and support local businesses, introducing seafront and on-street charges, taking advantage of commercial opportunities to generate new income streams, improving enforcement arrangements and reviewing parking charges.

- **Bereavement Services – review of operational costs and income (£0.105m in 2014/15 and £0.150m in 2015/16)**

Following the review last year to simplify burial charges, further savings will be delivered through an increase in charges for burial and cremation.

- **Review of Highways and Network Management including maintenance (£1.431m in 2014/15 and £0.200m in 2015/16)**

A reduction in the Highways maintenance budget will be achieved through the prioritisation of the budget, multi-skilling of highways inspectors to carry out on-the-spot repairs. In addition through a review of operations to more flexibly meet the design requirements of revenue and capital schemes, by maximising income earning opportunities and focussing on statutory functions.

- **Review of Pest Control Charges (£0.051m in 2014/15 and £0.050m in 2015/16)**

It is proposed that pest control charges be introduced (excluding a charge for rat control) in line with other local authorities.

- **Review of operational arrangements for Responsive Local Services (£0.761m in 2014/15 and £0.216m in 2015/16)**

A reduction in the responsive local services operational budget can be achieved through focussing on rationalising and re-engineering operational supervision. Taking into account opportunities arising from workforce planning measures, the review will enable Area Response Manager and Officer arrangements to be maintained, the assimilation of existing fixed term and apprentice staff into the service and the creation of a further 30 new apprentice positions.

- **Energy - Invest to Save Initiatives (£0.500m in 2015/16)**

Officers are working alongside the council's PFI contractor to develop opportunities to reduce the cost of energy, primarily in relation to Street Lighting and premises-related energy. Capital investment, to take account of improvements in technology, will be considered on an invest to save basis.

- **People Based Commissioning Reviews (Public Health) (£3.000m in 2014/15)**

This reduction in budget reflects the development of the council's approach, locally, to move away from commissioning separate, unconnected services to supporting the delivery of an integrated wellness model. Services influenced through this approach include NHS health-checks, adult obesity programmes, substance misuse, infection control and public health strategic resources.

8.3.3 People (£6.699m 2014/2015 and £9.934m 2015/2016)

- **Full Year Impact of previous year's decisions (£1.744m in 2014/15 and £0.100m in 2015/16)**

This is the full year impact of previous year's agreed savings decisions, all of which have been implemented in the current financial year in respect of Children Looked after Strategy, Review of structures, YOS, Services to Schools and School Improvement service.

- **Reconfiguration of Family Home Care and Community Support Services (£0.100m in 2014/15 and £0.035m in 2015/16)**

Reconfiguration of staffing arrangements for some support services (e.g. Family Home Care and Community Support Services) provided to children and young people.

- **Review of Commissioning Arrangements (£0.827m in 2014/15 and £1.265m in 2015/16)**

A review of commissioning arrangements will lead to reductions in the following areas;

- The removal of subsidy at the Castleview Centre, review of partner contributions Sunderland Safeguarding Children's Board, and review of Housing related support.
- A Review of Home to School Transport is underway including how statutory transport is provided. This will require appropriate consultation and will include a review of commissioning arrangements, a review of eligibility criteria and an offer to parents of personalised budgets where appropriate.
- Alternative delivery models for internally delivered services are being considered including XL and Mobile Youth Provision. This will include working with partners to determine how the desired outcomes from delivery can be met. In line with all other commissioned services, commissioned contracts

will be reviewed to reduce costs by approximately 30% when these are due for renewal in April 2015.

- **Early Years and Childcare**

- **Review of support for workforce development and the curriculum and quality assurance process in childcare settings (£0.439m in 2014/15)**

Financial support has been provided to deliver an improved early years workforce provided by childcare settings and child-minders. It is considered appropriate to continue the phased withdrawal of this support. The review will look at other alternative ways of funding and delivering the service to reduce costs such as those relating to qualified teacher support.

- **Review of Children's Centre Delivery (£0.460m in 2014/15 and £0.100m in 2015/16)**

A further review of Children's Centres delivery in response to the updated needs analysis and usage will be undertaken. This will involve appropriate consultation with Children Local Area Boards and elected members.

- **Health and Social Care Integration (£0.290m in 2014/15 and £3.210m in 2015/16)**

Reductions on the net budget can be achieved through integration of services and development of person centred co-ordinated care in localities. This will prevent hospital admissions and readmissions and can also be supported through additional grant funding.

- **Sunderland Cares - Local Authority Trading Company (LATC) - (£4.153m 2014 to 2018 with £2.594m in 2014/15 and £0.824m in 2015/16)**

In-house Care and Support has moved to a LATC from the 1st December 2013. The separation of the Council's provider arm into a LATC will give greater opportunities to consolidate its provider options, enabling flexible solutions and the potential to develop business / generate income through innovative service provision to individual customers and commissioners.

- **Further Implementation of Personalisation (£0.245m in 2014/15 and £1.300m in 2015/16)**

The continued implementation of personalisation will allow individuals to have choice and control in respect of the care and support they receive to meet their assessed need and prevent admissions to residential and nursing care.

In 2015/2016 the Government is proposing minimum national eligibility standards. The proposal is to adopt the national criteria.

- **Sport and Leisure Review (£2.600m in 2015/16)**

Cabinet agreed in October 2013 to explore the establishment of an alternative service delivery model for Sports and Leisure Facilities. Work undertaken concluded that a Joint Venture arrangement between the Council and a partner is the preferred option for the future model to operate and to manage the City's leisure complexes.

Analysis undertaken suggests that, through achieving increases in participation and customer volumes, additional revenues will be delivered to contribute to the position.

- **People Directorate – Review of staffing Structures (£0.500m in 2015/16)**

A review of staffing structures following the amalgamation of Health Housing and Adult Services and Children's Services is to be undertaken in 2014/2015.

8.3.4 Use of One Off Resources

At this stage it is proposed to utilise one off funding of £0.5m of uncommitted SIB balances.

8.4 Other Resources

After taking account of total on-going programmed savings and use of one off resources for 2014/2015 there remains a funding gap of £1.52m. At this stage it is proposed this gap be met from either council tax increase, acceptance of the council tax freeze grant or use of transitional funding held in balances on a temporary basis.

9. Outstanding Uncertainties

9.1 At this stage there are a number of uncertainties still to be resolved in relation to next year's budget, including:

- transitional costs in relation to the implementation of savings proposals;
- the outcome of the final Local Government Revenue Support Grant Settlement for 2014/2015 and related grant announcements;
- the forecast Income from Business Rates
- the final Collection Fund position for both Council Tax and Business Rates.

In addition, it will be necessary to consider the outcome of further consultation to take place on the budget.

10 Budget Consultation

10.1 The Budget and Policy Framework procedure rules contained within the Constitution of the Council requires consultation on budget proposals to take place. In October 2013 Cabinet approved proposals regarding the consultation strategy and framework for the budget for 2014/2015 and proposed briefings to the following stakeholders:

- Trade Unions;
- North East Chamber of Commerce / Representatives of Business Ratepayers;
- Voluntary Sector;
- Youth Parliament;
- Schools Forum, Head Teachers and Governors.

10.2 In addition to the above stakeholder consultation, a survey was undertaken to gain an understanding of views on the overall approaches to meeting the budget challenge.

10.3 To supplement the survey, a workshop was held, with Community Spirit panel members, equality forums, and with representatives from the voluntary and community sector being invited.

10.4 Initial findings of the survey and discussions at the workshops demonstrate general support for the overall approach.

10.5 To date budget consultation with these groups has concentrated on the overall approaches to meeting the budget challenge. Further detailed consultation in relation to the proposals will be undertaken, as appropriate, when the proposals are developed, or service review takes place. The results of this consultation will, in turn, inform the Equality Analysis of the proposals.

10.6 At each stage in the budget preparation process Scrutiny Committee is being consulted.

10.7 This report will become the basis for second stage consultation. Elements of the consultation undertaken to date, which has not yet been fully analysed, together with the results of the second stage of consultation will be considered in framing the final budget proposals to be submitted to Cabinet in February, 2014.

11 Equalities Impact Assessment

- 11.1 In accordance with the approach followed in previous years the Council continues to fully consider the impact of its plans by following a robust approach to equalities analysis. Appendix 2 sets out the approach adopted to the budget setting process.

12 General Balances

- 12.1 A Statement of General Balances is attached at Appendix 3.
- 12.2 As reported at the Second Revenue Review Report to Cabinet, some savings have been generated in 2013/2014 from Interest on Balances and Debt Charges, and unutilised contingency provisions. Any savings generated will be required to fund one off spending pressures and additional costs associated with implementing the budget proposals for 2013/2014 and to support the 2014/2015 Revenue Budget as part of a prudent and robust approach to budget setting.
- 12.3 The balances position will be updated / reviewed as the budget is progressed. A full risk analysis will be presented with the final budget proposals to the February meeting of Cabinet.

13 Suggested Reason for Decision

- 13.1 To enable constitutional requirements relating to the development of the revenue budget to be met.

14 Alternative options to be considered and recommended to be rejected

- 14.1 There are no alternative options recommended for approval.

Background Papers

Budget and Planning Framework 2014/2015 (October 2013 Cabinet)

Local Government Finance Settlement 2014-15:

<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2014-to-2015>

APPENDIX 1a)

**Provisional Revenue Support Settlement 2014/2015 and Indicative
Settlement 2015/2016**

Spending Power Calculations for 2014/2015 compared to the adjusted 2013/14

Spending Power Components	2013-14	2014-15	Change	Change
	£m	£m	£m	%
1 Council Tax Requirement excluding parish precepts	76.013	76.592	0.579	0.8%
Settlement Funding Assessment	188.750	170.421	-18.329	-9.7%
SFA: Adjustment to reflect Section 31 grants for business				
2 rates cap	0.000	0.812	0.812	100.0%
3 minus Council Tax Support Funding to Parishes	-0.012	-0.012	0.000	0.0%
4 Efficiency Support Grant	0.000	0.000	0.000	0.0%
Inshore Fisheries Conservation Authorities	0.014	0.014	0.000	0.0%
Lead Local Flood Authorities	0.037	0.037	0.000	0.0%
Community Right to Challenge	0.009	0.009	0.000	0.0%
Community Right to Bid	0.008	0.008	0.000	0.0%
Local Welfare Provision (Admin + Programme funding) 2014-15	1.456	1.435	-0.021	-1.5%
5 Indicative Council Tax Freeze Grant 2014-15	0.000	0.987	0.987	100.0%
6 New Homes Bonus	1.704	2.226	0.522	30.6%
7 New Homes Bonus: returned funding	0.636	0.263	-0.373	-58.7%
Housing Benefit Subsidy Admin	2.882		-2.882	-100.0%
Local Council Tax Support and Housing Benefit Administration Subsidy		2.675	2.675	100.0%
Council Tax Support New Burdens Funding	0.216	0.180	-0.036	-16.8%
LA Social Housing Fraud	0.000	0.000	0.000	0.0%
Local Reform and Community Voices DH revenue grant	0.275	0.283	0.009	3.1%
Public Health Grant (Ring-fenced)	20.656	21.234	0.578	2.8%
NHS funding to support social care and benefit health	5.611	7.186	1.574	28.1%
Estimated 2014-15 Revenue Spending Power including NHS support for social care	298.255	284.347	-13.907	-4.7%

Note: Totals are rounded to 3 decimal places,

APPENDIX 1b)

**Provisional Revenue Support Settlement 2014/2015 and Indicative
Settlement 2015/2016**

Spending Power Calculations for 2015/2016 compared to the adjusted 2014/15

Spending Power Components	2014-15	2015-16	Change	Change
	£m	£m	£m	%
1 Council Tax Requirement excluding parish precepts	76.592	77.175	0.583	0.8%
Settlement Funding Assessment	170.421	146.501	-23.920	-14.0%
SFA: Adjustment to reflect Section 31 grants for				
2 business rates cap	0.812	0.812	0.000	100.0%
3 minus Council Tax Support Funding to Parishes	-0.012	-0.012	0.000	0.0%
4 Efficiency Support Grant	0.000	0.000	0.000	0.0%
Inshore Fisheries Conservation Authorities	0.014	0.014	0.000	0.0%
Lead Local Flood Authorities	0.037	0.025	-0.012	-32.9%
Community Right to Challenge	0.008	0.000	-0.008	-100.0%
Community Right to Bid	0.009	0.000	-0.009	-100.0%
Local Welfare Provision (Admin + Programme funding) 2014/15	1.435	0.000	-1.435	-100.0%
5 Indicative Council Tax Freeze Grant 2014-15	0.987	0.987	0.000	100.0%
6 Indicative Council Tax Freeze Grant 2015-16	0.000	0.994	0.994	-100.0%
7 Provisional and illustrative New Homes Bonus	2.226	2.747	0.521	23.4%
New Homes Bonus: returned funding	0.263	0.668	0.405	154.0%
8 Council Tax Support New Burdens Funding	0.180	0.000	-0.180	-100.0%
LA Social Housing Fraud	0.000	0.000	0.000	0.0%
Local Reform and Community Voices DH revenue	0.283	0.283	0.000	0.1%
9 Public Health Grant (Ring-fenced)	21.234	21.234	0.000	0.0%
10 Adult Social Care New Burdens	1.862	1.862	0.000	0.0%
11 Pooled NHS and LA Better Care fund	10.704	22.432	11.728	109.6%
Estimated 2015-16 Revenue Spending Power including NHS support for social care	287.055	275.721	-11.334	-3.9%

Note: Totals are rounded to 3 decimal places,

APPENDIX 1c)

Provisional Revenue Support Settlement 2014/2015 and Indicative Settlement 2015/2016

Settlement Funding Assessments for both 2014/15 and 2015/16			
	Adjusted 2013-14 Start-Up Funding Assessment	Provisional 2014-15 Settlement Funding Assessment	Illustrative 2015-16 Settlement Funding Assessment
	£m	£m	£m
Upper-Tier Funding	133.676	119.497	100.203
Lower-Tier Funding	25.092	21.510	18.001
Total	158.769	141.006	118.203
Council Tax Support	-20.979	-20.979	-20.979
True needs based funding	137.790	120.027	97.224
Real % reduction in needs based funding		-12.9%	-19.0%
Fire & Rescue Funding	0.000	0.000	0.000
2011-12 Council Tax Freeze Compensation	2.377	2.366	2.365
Early Intervention Funding	11.543	10.648	9.739
GLA General Funding	0.000	0.000	0.000
GLA Transport Funding	0.000	0.000	0.000
London Bus Services Operators Grant	0.000	0.000	0.000
Homelessness Prevention Funding	0.141	0.139	0.139
Lead Local Flood Authority Funding	0.121	0.119	0.119
Learning Disability and Health Reform Funding	14.821	14.962	14.957
Efficiency Support for Services in Sparse Areas	0.000	0.000	0.000
2013-14 Council Tax Freeze Compensation	0.979	0.979	0.979
Returned Holdback		0.202	
Totals	188.750	170.421	146.501
Total SFA Reduction in year		-18.329	-23.920
% reduction		-9.7%	-14.0%
	Adjusted 2013-14 Start-Up Funding Assessment	Provisional 2014-15 Settlement Funding Assessment	Illustrative 2015-16 Settlement Funding Assessment
	£m	£m	£m
SFA split			
RSG including Freeze grant	113.735	93.946	67.915
Baseline Funding (Top Up Grant)	34.600	35.274	36.247
Assumed Business Rates	40.415	41.201	42.339
Total	188.750	170.421	146.501
% reduction in RSG component		-17.4%	-27.7%

Note: Totals are rounded to 3 decimal places,

EQUALITY AND THE BUDGET PROPOSALS

1 How equality analysis has fed into the budget-setting process

- 1.1 Each Directorate has considered the equality impact of their proposals. Where it is timely and appropriate an Equality Analysis has been completed (the Council adopted approach to analyse and record equality impacts). The detail of the analysis is dependent on the nature of the proposal and its stage of development. For those proposals which are not sufficiently detailed to undertake a full Equality Analysis at the present time, an initial consideration of the impacts has been undertaken. In these cases further analysis will be carried out, when the proposals are further developed.

2 Consultation

- 2.1 Consultation has included an online survey as well as a targeted event to which Community Spirit (the Residents' Panel), representatives of the Area Voluntary and Community Sector Networks, and city-wide Equality Forums were invited. The Equality Forums cover a range of protected characteristics including disability, sexuality, faith and belief, race and age.

3 Key Messages

- 3.1 Individual proposals for additional savings are currently at different stages of equality analysis depending on the stage of the development of the proposal. The equality considerations can be summarised as follows:

- Equality Analysis, whether complete or at initial consideration, has identified or anticipated positive impacts. In some cases this may be an initial Equality Analysis that needs updating as the project progresses.
- Equality Analysis, whether complete or at initial consideration, has identified or anticipated negative impacts. Where negative impacts are identified, it is the responsibility of the services to minimise these as far as possible. Some proposals have already identified possible ways to mitigate against potential impacts.
- No impacts have been identified or are anticipated. This includes instances where mitigating actions have already been put in place to neutralise negative impacts.
- The proposal has potential employment impacts, or the saving will be partially made from staffing changes. Where there are impacts for the Council as an employer, equality considerations will be made as part of the Workforce Planning Project.

- Equality implications will be considered as part of a planned review, or further work is needed to help identify equality impacts.

The summary of impacts, by directorate, is outlined below:

	Strategic and Cross Cutting Proposals	Economy and Place Proposals	People Proposals
Positive impact identified or anticipated	0	0	5
Negative impact identified or anticipated ¹	0	0	7
No impact identified or anticipated	8	7	12
Employee implications	4	4	1
Further work is needed to assess the full impact / assessment will be part of a review	0	1	8
Total	12	12	33

Note 1: Where the current draft of the Equality Analysis does identify potential negative impacts, the services will be considering how these impacts can be mitigated as far as possible during the development of detailed proposals.

3.2 A number of the proposals provide the opportunity for improving equality and diversity of provision, due to services being reviewed in line with demand management and application of the Customer Service and Access principles. These principles encourage greater understanding of customers and communities.

3.3 Where Equality Analysis is finalised, there will be a quality assurance process to ensure the relevant considerations are being made in a thorough manner.

4 CONCLUSIONS

4.1 The Council continues to seek to meet its obligations in relation to equality and diversity and has procedures in place at both a general and budget specific level to incorporate equality and diversity issues into decision making processes and the assessment of proposals.

4.2 Where analysis does highlight some equality implications, services and directorates will be responsible for assessing how these can be mitigated during the development of the detailed proposals. Where a proposal includes a review of services a full and/or updated version of equality analysis will be undertaken and presented to decision makers as proposals are shaped.

Statement of General Balances

	£m
Balances as at 31st March 2013	7.570
Use of Balances 2013/2014	
Contribution to Revenue Budget (approved as part of 2013/2014 budget)	(2.572)
Additions to Balances 2013/2014	
Transfer from Strategic Investment Reserve to Support Transition Costs (approved as part of 2013/2014 budget)	2.572
Estimated Balances 31st March 2014	7.570

The above position will be reviewed and updated and reported to Cabinet as part of the final budget proposals in February, 2014.

The above shows that balances will remain at £7.570m – transitional funding will be used to support the budget over the medium term as proposals are implemented.

CABINET MEETING – 15 JANUARY 2014

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Council Tax Base 2014/2015.

Author(s):

Head of Financial Resources

Purpose of Report:

To detail the calculation of the Council Tax Base for 2014/2015 and to seek approval to recommend to Council the Council Tax Base for 2014/2015 in accordance with the Local Government Finance Act 1992 as amended by the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2012.

Description of Decision:

Cabinet is recommended to recommend to Council:

The report for the calculation of the Tax Bases for the City Council and Hetton Town Council for 2014/2015 be approved.

That pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, as amended by Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2012 the amount calculated by Sunderland City Council as its Council Tax Base for the year 2014/2015, shall be 64,559 and for the area of Hetton Town Council shall be 3,230.

Is the decision consistent with the Budget/Policy Framework?

Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To comply with statutory requirements.

Impacts analysed:

Equality

Privacy

Sustainability

Crime and Disorder

Is this a “Key Decision” as defined in the Constitution?

Yes

Is it included in the 28 Day Notice of Decisions?

Yes

Scrutiny Committee

Cabinet – 15 January 2014

Council Tax Base 2014/2015

Report of the Head of Financial Resources

1. Purpose of Report

- 1.1. To detail the calculation of the Council Tax Base for 2014/2015 and to seek approval to recommend to Council the Council Tax Base for 2014/2015 in accordance with the Local Government Finance Act 1992 as amended by Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2012.

2. Description of Decision

Cabinet is recommended to recommend to Council:

- 2.1. The report for the calculation of the Tax Bases for the City Council and Hetton Town Council for 2014/2015 be approved.
- 2.2. That pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 and the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2012, the amount calculated by Sunderland City Council as its Council Tax Base for the year 2014/2015, shall be 64,559 and for the area of Hetton Town Council shall be 3,230.

3. Background to the Calculation of the Council Tax Base

- 3.1 The Council Tax Base is the estimated number of properties in each valuation band adjusted to take account of the estimated number of discounts, disregards and exemptions. The Council levies a Council Tax on the basis of properties in band D and thus the numbers for each valuation band are adjusted to the proportion which their number is to band D. The Council must then estimate its level of collection for the year and apply this figure to arrive at the Council Tax Base figure.
- 3.2 The Council Tax Base must be calculated for both the Billing Authority and for the Hetton Town Council (a local parish precept). The Billing Authority Tax Base will be used to calculate the Council Tax for the City Council and as the basis for the major precepting authorities (Police and Crime Commissioner for Northumbria and Tyne and Wear Fire and Rescue Authority) to determine their precept requirements.
- 3.3 Under the Council Tax (Reductions for Disabilities) Regulations 1992 properties adapted to meet the needs of a disabled person are charged at a rate equal to the next lowest valuation band. For instance a qualifying band C property would be charged at the band B rate. This lower band is described as the 'alternative valuation band'. Prior to 1st April 2000 properties already in band A could not qualify for any disabled reduction as there was not a lower band to be charged at. From the 1st April 2000, however, the regulations were amended to introduce an additional 'alternative valuation band' (below band A) to allow band A properties to

qualify for a disabled reduction. Instead of paying the normal band A charge (six-ninths of the band D charge) a qualifying band A property is now charged at five-ninths of the band D charge. For the purpose of the Council Tax Base calculation it is necessary to show Band A properties which qualify for disabled reduction as if it was an additional valuation band. In this report the 'additional' valuation band is shown as either (A) or Disabled (A).

3.4 The calculations also take into account two legislative changes that were introduced last year by the government. These relate specifically to:

- Technical adjustments to Council Tax Discounts and Exemptions
- Localisation of Council Tax Benefit Scheme (LCTBS)

3.5 The Technical adjustments have had a positive impact on the Tax Base calculations of the Council and these are required to be detailed further within the calculations which are included in Appendix 1 for information.

3.6 The introduction of the LCTBS from 1st April 2013, however, has, as expected, seen significant reductions in the council tax base. This is because the LCTBS, is treated as a council tax discount in the calculations (Item Z referred to as the Council Tax Reduction Scheme) and is based on the scheme approved by the council each year. No change has been made to the previously agreed LCTB scheme implemented for 2013/2014, which was fully consulted upon last year. The Tax Base of the Council thus includes the full estimated impact of the LCTB scheme for 2014/2015 as required by the regulations.

4. Calculations of the Billing Authority's Council Tax Base

4.1 This calculation is in two parts – 'A' - the calculation of the estimated adjusted band D properties and 'B' - the estimated level of collection.

4.2 The calculation of 'A' - the relevant amounts for each band is complex and includes a number of calculations which are shown at Appendix 1.

4.3 The relevant amounts 'A' as calculated in Appendix 1 are shown below:

BAND	RELEVANT AMOUNT	
	'A'	
	£	p
Disabled (A)		99.44
A	29,673.93	
B	10,684.43	
C	12,325.15	
D	7,439.63	
E	3,323.16	
F	1,369.65	
G	933.68	
H		27.50
		<u>65,876.57</u>

4.4 Calculation of Item 'B' - Estimate of Collection Rate

This element of the formula is to reflect the level of collection anticipated. Last year an anticipated collection rate of 98% was assumed. On the basis of current collection levels it is suggested that the collection rate should remain at 98% for 2014/2015.

4.5 Calculation of Council Tax Base

The Council's Tax Base is therefore: 'A' £65,876.57 x 'B' 98% = £64,559.04 (for comparison the previous years Tax Base was £64,093.89)

Appendix 2 shows, for Members information, the Tax Base for each property band.

4.6 The Council Tax Base has increased from last year by 465. This increase is due to the number of new homes built across the city over the last year and a prudent estimate of the anticipated number of new homes expected to be built over the next twelve months, which the tax base calculation must take into account.

5. Calculation of Council Tax Base for Hetton Town Council - Local Precept

5.1 The rules for calculating the Council Tax Base for the area covered by Hetton Town Council are similar to those used in calculating the Billing Authority's Tax Base. These detailed calculations are shown in Appendix 3.

5.2 The amounts calculated for each band are shown below:

BAND	RELEVANT AMOUNT	
	'A'	
	£	p
Disabled (A)		7.92
A	1,868.86	
B	649.33	
C	387.40	
D	210.44	
E	100.92	
F	52.00	
G	18.33	
H		1.00
		<u>3,296.20</u>

5.3 The same collection rate is required to be used for Parish precepts as for the Billing Authority. The Tax Base for Hetton Town Council is therefore:

'A' x 'B' (where 'B' is the estimated collection rate) £3,296.20 x 98% = £3,230.28. (for comparison the previous years Tax base was £3,122.23)

Appendix 2 shows, for Members information, the Tax Base for each property band.

5.4 The Council Tax Base has increased from last year by 108. This increase is due to the number of new homes built in the parish boundary over the last year and takes

into account a prudent estimate of the anticipated number of new homes expected to be built in the next twelve months.

6. Reasons for Decision

6.1 To comply with statutory requirements.

7. Alternative Options

7.1 No alternative options are proposed.

8. Impact Analysis

8.1 There are no implications.

9. List of Appendices

Appendix 1 - Calculation of the Billing Authority's Council Tax Base

Appendix 2 - Council Tax Base - City of Sunderland / Hetton Town Council

Appendix 3 - Calculation of Council Tax Base For Hetton Town Council - Local Precept

Calculation of the Billing Authority's Council Tax Base

- 1.1 Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (S.I. 1992 No. 612) and amended by (S.I. 2012 No. 2914) states that a Billing Authority's Council Tax Base for a financial year shall be calculated by applying the formula -

$$'A' \times 'B'$$

Where 'A' is the total of the relevant amounts for each of the Valuation Bands which are shown or likely to be shown in the Authority's Valuation List as at 30 November in the year prior to the year in question and where 'B' is the Authority's estimate of its collection rate for that year.

- 1.2 As stated above the Council is required to approve the calculation of both items 'A' and 'B' in arriving at its Tax Base.

Calculation of Item 'A' - relevant amounts for each Valuation Band:

- a) Regulation 5 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended, states that item 'A' should be calculated by applying the following formula:

$$((H - Q + E + J) - Z) \times (F/G)$$

- where H = number of chargeable dwellings
 Q = is a factor to take account of discounts of Council Tax payable. It is calculated as $Q = (R \times S)$
 R = number of discounts estimated to be payable in respect of these dwellings
 S = the percentage relating to each discount classification
 E = is a factor to take account of premiums to be added to the Council Tax Base
 J = adjustment (whether positive or negative) in the numbers of dwellings or discounts during the period
 Z = the amount that the authority estimates will be applied in respect of the Council Tax reduction scheme
 F = the relevant prescribed proportions for each Band
 G = the relevant prescribed proportion for Band D

- b) The calculation of each of the above items is, where appropriate, to be made in accordance with paragraph 2-13 of Regulation 4 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012. The different items are to be calculated as follows:

Item H - the number of chargeable dwellings is the sum of:

The number of dwellings listed in each Band in the copy of the Valuation List on the relevant day less an estimate of the number of such dwellings which were exempt on that day.

Item Q – a factor to take account of the discounts to which the amount of Council Tax payable was subject to on the relevant day. It is calculated by taking the aggregate of amounts found by multiplying, for each different relevant percentage, R by S, where:

Item R – the number of dwellings for which the amount of Council Tax payable for the relevant day was reduced. For 2014/2015 the following reductions are to be applied:

- a) Single Person Discount – awarded to properties with only one adult resident
- b) Single Disregard – awarded to properties in which all but one resident has been disregarded
- c) Double Disregard – awarded to properties in which all residents have been disregarded
- d) Class A Discount – Awarded to properties that cannot be occupied throughout the year (for example beach huts) – there are currently no such properties within the city area
- e) Class B Discount – awarded to furnished, unoccupied properties
- f) Class BE Discount – awarded to properties left furnished and unoccupied because the Council Tax payer is working away from home
- g) Class C Discount 1 – awarded to substantially unfurnished properties vacant for less than one month
- h) Class C Discount 2 – awarded to substantially unfurnished properties vacant for more than one month, for a maximum period of 6 months
- i) Class C Discount 3 – awarded to substantially unfurnished properties vacant for more than 6 months
- j) Class D Discount - awarded to vacant properties requiring or undergoing structural alteration or major repair, for a maximum period of 12 months
- k) Class E Discount - awarded to members of the armed forces living in accommodation provided by the Secretary of State
- l) Class F Discount – awarded to annexes forming part of a single property which the resident is using as their sole or main residence

Item S - the relevant percentage. For 2014/2015 the relevant percentage is as follows:

a) Single Person Discount	-	25%
b) Single Disregard	-	25%
c) Double Disregard	-	25% x 2 (50%)
d) Class A Discount	-	0%
e) Class B Discount	-	0%
f) Class BE Discount	-	50%
g) Class C Discount 1	-	100%
h) Class C Discount 2	-	25%
i) Class C Discount 3	-	0%
j) Class D Discount	-	25%
k) Class E Discount	-	50%
l) Class F Discount	-	0%

The relevant percentage for items a) to c) above, is calculated in accordance with Section 11 Local Government Finance Act 1992. The relevant percentage for item d) to f) is calculated in accordance with the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, and Section 11A of the Local Government Finance Act 1992. The relevant percentage for items g) to l) is calculated in accordance with the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2012, Section 11A of the Local Government Finance Act 1992 and the Local Government Finance Act 2012.

Item E – The amount of any additional premium charged on all long term empty properties which have remained unoccupied for a period of greater than 2 years. The amount of the premium is 50% of the amount of the Council Tax charge for that property. This means that properties are charged at a 150% rate.

Item J - the amount of any adjustment in respect of this item is equal to an estimate of dwellings not listed in H above but which will be listed during part or all of the year less an estimate of the number of dwellings listed in H above but which will not be listed for all or part of the year.

Item Z - the amount of support provided under the Council Tax Reduction Scheme. The support is shown as a discount and the reduction in the base is equivalent to the level of Council Tax that will not be collected because of awards made under the Council Tax Reduction Scheme.

Item F - the relevant prescribed proportions for each band are set out in Section 5 of the Local Government Finance Act 1992 as follows:

Band	(A)	A	B	C	D	E	F	G	H
Proportion	5	6	7	8	9	11	13	15	18

Item G - the relevant prescribed proportion for Band D is 9 (as above).

c) The calculation $((H - Q + E + J) - Z) \times (F/G)$

The results of these calculations are shown below.

1.3 Tax Base Calculation $((H - Q + E + J) - Z) \times (F/G)$

	Disabled Band(A)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Item H	191	77426	16929	15736	8002	2902	1008	606	19
Item Q	12	9337.25	1350.75	1028	389.75	127.25	49.75	44	5.25
Item E	0	206.50	16.5	16.5	12	2.5	2	1.5	0
Item J	0	85	191	164	81	12	1	4	0
Item Z	0.00	23869.36	2048.63	1022.71	265.62	70.30	13.03	7.29	0
Item F	5	6	7	8	9	11	13	15	18
Item G	9	9	9	9	9	9	9	9	9

1.4 Applying the figures in section 1.3 to the calculation $((H - Q + E + J) - Z) \times (F/G)$ produces a relevant amount for each Valuation Band - Item A in Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 as follows:

BAND RELEVANT AMOUNT

	'A'
	£ p
Disabled (A)	99.44
A	29,673.93
B	10,684.43
C	12,325.15
D	7,439.63
E	3,323.16
F	1,369.65
G	933.68
H	27.50
	<u>65,876.57</u>

Council Tax Base - City of Sunderland

Band	Item 'A'		Item 'B'	Tax Base 'A' x 'B'	
	£	p		%	£
(A)		99.44	98		97.45
A	29,673.93		98	29,080.45	
B	10,684.43		98	10,470.74	
C	12,325.15		98	12,078.65	
D	7,439.63		98	7,290.84	
E	3,323.16		98	3,256.70	
F	1,369.65		98	1,342.26	
G	933.68		98	915.00	
H	<u>27.50</u>		98	<u>26.95</u>	
	<u>65,876.57</u>			<u>64,559.04</u>	

Council Tax Base - Hetton Town Council

(A)		7.92	98		7.76
A	1,868.86		98	1,831.48	
B	649.33		98	636.35	
C	387.40		98	379.65	
D	210.44		98	206.23	
E	100.92		98	98.90	
F	52.00		98	50.96	
G	18.33		98	17.97	
H	<u>1.00</u>		98	<u>0.98</u>	
	<u>3,296.20</u>			<u>3,230.28</u>	

Calculation of Council Tax Base For Hetton Town Council - Local Precept

1.1. The rules for calculating the Council Tax Base for any part of a Billing Authority's area (e.g. Local Parish) are the same as the rules contained in Appendix 1 except that chargeable dwellings and discounts are to be taken for only those dwellings and discounts relating to the area for which the Council Tax Base is to be calculated.

1.2. As in Appendix 1 the rules require the calculations of items 'A' and 'B'.

Item A is calculated by the formula:

$$((H - Q + E + J) - Z) \times (F/G)$$

1.3. The calculations detailed above have been carried out in respect of the Hetton Town Council for each relevant band and the result of the calculations is shown below:

1.4. Tax Base Calculation - Hetton $((H - Q + E + J) - Z) \times (F/G)$

	Disabled Band (A)	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Item H	15	4768	968	455	221	87	38	13	1
Item Q	0.75	550.25	67.25	25.75	10	6	2.50	2	0.50
Item E	0	29	1	0.5	1	0	0.50	0	0
Item J	0	-25	8	22	6	4	0	0	0
Item Z	0	1418.46	74.90	15.92	7.56	2.43	0	0	0
Item F	5	6	7	8	9	11	13	15	18
Item G	9	9	9	9	9	9	9	9	9

1.5 Applying the figures in section 1.4 to the calculation $((H - Q + E + J) - Z) \times (F/G)$ produces a relevant amount for each Valuation Band - Item A in Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2003 as follows:

BAND	RELEVANT AMOUNT
	'A'
	£ p
Disabled (A)	7.92
A	1,868.86
B	649.33
C	387.40
D	210.44
E	100.92
F	52.00
G	18.33
H	1.00
	<u>3,296.20</u>

CABINET MEETING – 15 JANUARY 2014

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Business Rates Income Forecast 2014/2015 and Projected Business Rates Income Outturn 2013/2014

Author(s):

Head of Financial Resources

Purpose of Report:

This report details the arrangements for estimating

- the forecast outturn for business rates income for 2013/2014 and
- the business rates income for 2014/2015

to be included in the NNDR 1 return which must be submitted to Government by 31st January 2014 in accordance with the Non Domestic Rating (Rates Retention) Regulations 2013, following approval by Council.

Description of Decision:

Cabinet is recommended to recommend Council to approve the NNDR1 form (to be circulated separately as Appendix A) for submission to government, and which sets out

- the forecast outturn for business rates income for 2013/2014
- total estimated business rates income before transitional arrangements for the year 2014/2015

in accordance with regulations, and which will form the basis of the necessary apportionment of the estimated total business rate income for 2014/2015 in the following proportions:

- 50% to the Government
- 1% to the Tyne and Wear Fire and Rescue Authority
- 49% to the Council

In the event that there is a delay in receiving the NNDR 1 form for completion from government, as a result of which the form is to be completed or amended after the date of this Cabinet meeting, Cabinet is asked to provide delegated authority to the Head of Financial Resources, in consultation with the Leader of the Council and Cabinet Secretary, to approve the version of the NNDR1 form to be submitted to Council for approval.

Is the decision consistent with the Budget/Policy Framework? Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To comply with Government expectation that requires Council to approve the NNDR1 return on an annual basis. The final estimated Business Rates Income Return figures for 2014/2015 have also to be formally notified by 31st January 2014 to both the Government who receives 50% of the total figure and also to the Tyne and Wear Fire and Rescue Authority who receives 1% of the total. The Council will retain the remaining 49%.

Alternative options to be considered and recommended to be rejected:

No alternative options are proposed.

Impacts analysed:

Equality Privacy Sustainability Crime and Disorder

Is this a “Key Decision” as defined in the Constitution? Yes

Is it included in the 28 day Notice of Decisions? Yes it forms part of the Budget setting process.

Scrutiny Committee

Cabinet – 15th January 2014

Business Rates Income Forecast 2014/2015

Report of the Head of Financial Resources

1. Purpose of Report

- 1.1 This report details the arrangements for estimating
- the forecast outturn for business rates income for 2013/2014 and
 - the business rates income for 2014/2015
- to be included in the NNDR 1 return which must be submitted to Government by 31st January 2014, in accordance with the Non Domestic Rating (Rates Retention) Regulations 2013, following approval by Council.

2. Description of Decision:

- 2.1 Cabinet is recommended to recommend Council to approve the NNDR1 form (to be circulated separately as Appendix A) for submission to government, and which sets out
- the forecast outturn for business rates income for 2013/2014
 - total estimated business rates income before transitional arrangements for the year 2014/2015
- in accordance with regulations, and which will form the basis of the necessary apportionment of the estimated total business rate income for 2014/2015 in the following proportions:

- 50% to the Government
- 1% to the Tyne and Wear Fire and Rescue Authority
- 49% to the Council.

- 2.2 In the event that there is a delay in receiving the NNDR 1 form for completion from government, as a result of which the form is to be completed or amended after the date of this Cabinet meeting, Cabinet is asked to provide delegated authority to the Head of Financial Resources, in consultation with the Leader of the Council and Cabinet Secretary, to approve the version of the NNDR1 form to be submitted to Council for approval.

3. Introduction and Background Information

- 3.1 The Non Domestic Rating Regulations 2013 set out the regulations in relation to the Business Rates Retention Scheme (BRRS) introduced from 1 April 2013. Under the regulations, 50% of Non-Domestic Rates (more commonly known as Business Rates) will be retained locally by billing authorities and 2% of this total will be shared with the Tyne and Wear Fire and Rescue Authority.
- 3.2 Councils must submit a return known as the NNDR1 form to the Department for Communities and Local Government (DCLG). This form provides the local tax base for business properties in the area for the forthcoming year and determines the value of income from Non-Domestic Rates between central

government, the council and the Tyne and Wear Fire Authority. As such the NNDR1 form is a key document in the budget setting process.

- 3.3 The financial year 2014/2015 will be the second operational year of the new BRRS. As such, in addition to estimating the rates position for 2014/2015, the NNDR1 form requires the Council to confirm their best estimate of the NDR collection fund position as at 31 March 2014 i.e. to the end of the prior financial year 2013/2014. This is required in order to demonstrate whether a surplus or deficit on the Collection Fund in relation to NDR is anticipated at that date. Where a deficit is anticipated, payment will be required from central government and the Fire Authority, conversely where a surplus is anticipated payment will be required to be made by the Council to central government and the Fire Authority. These payments are required to be included in the Councils budget position for 2014/2015.
- 3.4 The NNDR1 form must be certified by the Section 151 Officer. Councils are expected to adopt a similar approval process used for the Council Tax Base, i.e. approval by Council.
- 3.5 The NNDR1 figures must be reported to the DCLG and to any relevant precepting authorities. In the case of the Council it must formally notify the Tyne and Wear Fire and Rescue Authority of their proportionate share of the Councils total estimated business rates income for 2014/2015, and the forecast outturn position for 2013/2014.
- 3.6 Full Council in January will approve the NNDR 1 submission and hence the agreed estimate of Retained Business Rate Income for 2014/2015 for inclusion in the Council budget.
- 3.7 The approved NNDR1 form must be returned to the DCLG no later than 31 January 2014.

4. NNDR1 Form

- 4.1 Following announcements made in the Autumn Statement, production of the NNDR1 return has been significantly delayed by the DCLG as it seeks to incorporate the impact of all of the changes into the return. As such a final version is not anticipated to be available until mid-January 2014. At the time of writing the report it is assumed the form will be available to enable circulation separately as Appendix A.

In the event there is a further delay in receiving the NNDR 1 form for completion from government, resulting in completion or amendment after the date of this Cabinet meeting, delegated authority is sought for the Head of Financial Resources (Section 151 Officer), in consultation with the Leader of the Council and Cabinet Secretary, to approve the version of the NNDR1 form to be submitted to Council.

4.2 Forecast Outturn 2013/2014

4.2.1 This first year of the BRRS has evidenced that the most significant variable, rateable adjustment appeals, is very difficult to forecast with certainty:

- Businesses can appeal the rateable valuation of their property, against a set list of appeals criteria, for as long as the valuation list is open. The current valuation list is the 2010 list and is envisaged to remain open until 2017.
- The Council has no control over the timing/ outcome of appeal decisions. Appeals are made to the Valuation Office Agency (VOA) who then considers these appeals and advise the Business and Local Authority of the outcome. The Council loses income to the value of 49% of the value of successful appeals.
- A significant proportion of the appeals are backdated to the start of the 2010 list. Such successful appeals therefore result in a refund for prior years and an adjustment for the current year. Successful appeals then reduce the base income collectable position for future years.
- There were a significant number of outstanding appeals awaiting VOA consideration as at the 1st April 2013 when the new BRRS came into effect. Despite these appeals pre-dating the new scheme, the Council bears 49% of the lost income and refunds of any successful appeal.

4.2.8 In recognition of the likely impact of backdated appeals the government is proposing to allow Authorities to spread the cost of these appeals over a five year period. However, this approach impacts on the Council's revenue budget position for the following four years. It is therefore proposed that the full cost of the estimated backdated appeal liability arising in 2013/2014 be accounted for in 2013/2014 which will result in a deficit on the collection fund at 31st March 2014. The Council budget planning for 2014/2015 is required to take this position into account.

4.3 Forecast Business Rates Income 2014/2015

4.3.1 The forecast position for 2014/2015 included in the NNDR1 includes the

- best estimate of the appeals position in relation to that financial year based on extrapolation of VOA data.
- the impact of announcements made by the government as part of the autumn statement. The government has confirmed that the impact on Council funding of these measures will be fully funded and separate Section 31 grants will be payable into the General Revenue Fund (rather than the Collection Fund).

4.3.2 In order to address the Collection fund deficit position brought forward at 31st March 2014, the Council Business Rates Retained Income for 2014/2015 available to support the Councils revenue budget will be reduced. The impact of this on the Revenue Budget for 2014/2015 is provided for within the Safety Net Reserve Budget Provision.

5. Equality

5.1 There are no implications.

6. Privacy

6.1 There are no implications.

7. Sustainability

7.1 None specific from this report. More widely, the mechanism of funding Councils from retained NDR emphasise the importance of continuing to support business growth.

8. Crime and Disorder

8.1 There are no implications

9. Reasons for Decision

9.1 To comply with Government expectation that require Council to approve the NNDR1 return on an annual basis. The final estimated Business Rates Income Return figures for 2014/2015 have also to be formally notified by 31st January 2014 to both the Government who receives 50% of the total figure and also to the Tyne and Wear Fire and Rescue Authority who receives 1% of the total. The Council will retain the remaining 49%.

10. Alternative Options

10.1 No alternative options are proposed.

11. List of Appendices

Appendix 1 – NNDR1 Return for 2014/2015 - to be circulated separately

12. Background Papers

None

REFERENCE FROM CABINET – 15 JANUARY, 2014

CAPITAL PROGRAMME - THIRD CAPITAL REVIEW 2013/2014, PROVISIONAL RESOURCES 2014/2015 AND TREASURY MANAGEMENT REVIEW 2013/2014

Report of the Head of Law and Governance

1. Purpose of the Report

- 1.1 To set out for advice and consideration of this Committee an extract from the report of the Capital Programme Third Review 2013/2014 including Provisional Resources available for 2014/2015 and Treasury Management Review 2013/2014 which details new projects which have been added to the capital programme, which are referred by Cabinet to Council for approval.
- 1.2 Members' views will contribute to the consultation process.

2. Background and Current Position

- 2.1 The Cabinet, at its meeting held on 15 January 2014, gave consideration to a report of the Head of Financial Resources. The report sets out the:-
- Re-profiling of projects since the Second Capital Review for 2013/2014 was approved in October 2013;
 - the inclusion of additional schemes and revisions to costs and resourcing for 2013/2014 since the Second Capital Review was reported;
 - the allocation of capital resources for 2014/2015, as set out in Section 5, subject to any adjustments required when final resource announcements are made;
 - the progress in implementing the Treasury Management Strategy for 2013/2014.
- 2.2 The Cabinet was asked to approve, and where necessary recommend to Council, the inclusion of additional schemes or variations to existing schemes for 2013/2014 detailed in the extract, as a variation to the Capital Programme.
- 2.3 Copies of the 15 January 2014, Cabinet Agenda have been made available to all Members of the Council. The decisions and recommendations of the Cabinet will be reported orally to the Scrutiny Committee.

3. Conclusion

- 3.1 The report is referred to the Scrutiny Committee, for advice and consideration in the context of inclusion of the additional schemes for 2013/2014 costing over £250,000 which are set out in the attached extract. Comments from the Scrutiny Committee will be reported direct to Council on 29 January 2014.

4. Recommendation

- 4.1 The Scrutiny Committee is invited to give advice and consideration to Council on the proposed additional schemes as set out in the attached extract.

5. Background Papers

- 5.1 Cabinet Agenda, 15 January, 2014.
- 5.2 A copy of the Agenda is available for inspection from the Head of Law and Governance or can be viewed on-line at:-

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8009/Committee/1636/Default.aspx>

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Scheme Variations since the Second Capital Review 2013/2014

City Services	£'000
<p>Clean Bus Technology Fund Following a successful joint bid with Durham County Council, £0.276m Clean Bus Technology Fund grant has been awarded by the DfT. This grant will be pass-ported to Go North East to retrofit 19 buses to cut pollution and improve air quality across Sunderland and Durham</p>	276
<p>Trans-Sunderland Cycle Route £0.265m funding has been secured from the Department for Transport for a trans-Sunderland cycle route and includes works at Washington Road and Ferryboat Lane. Match funding is provided by existing Local Transport grant.</p>	265

CABINET MEETING – 15 JANUARY 2014

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Capital Programme - Third Capital Review 2013/2014, Provisional Resources 2014/2015 and Treasury Management Review 2013/2014

Author(s):

Head of Financial Resources

Purpose of Report:

This report details:

- reprofiling of projects since the Second Capital Review for 2013/2014 was approved in October 2013;
- the inclusion of additional schemes and revisions to costs and resourcing for 2013/2014 since the Second Capital Review was reported;
- the allocation of capital resources for 2014/2015, as set out in Section 5, subject to any adjustment when final resource announcements are made;
- the progress in implementing the Treasury Management Strategy for 2013/2014.

Description of Decision:

- (i) In relation to the Capital Programme for 2013/2014, Cabinet is asked to approve, and where necessary recommend to Council, the inclusion of additional schemes or variations to existing schemes for 2013/2014 detailed at Appendix A, as a variation to the Capital Programme;
- (ii) In relation to the Capital Programme for 2014/2015, Cabinet is asked to note
 - that the allocation of resources as set out in Section 5 will be subject to final resource announcements;
 - that Cabinet Members will consider proposals for new starts based on resource allocations to be confirmed in due course in order to incorporate proposed new starts in the Capital Programme to be presented to Cabinet in February 2014.
- (iii) In relation to the Treasury Management Strategy and Prudential Indicators, Cabinet is asked to note the positive progress made in implementing the strategy for 2013/2014.

Is the decision consistent with the Budget/Policy Framework? Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To respond to proposed variations in expenditure and funding which have arisen since the Second Capital Review 2013/2014 was approved to enable effective budgetary control to be exercised.

To note the resources available to enable capital programme priorities for 2014/2015 to be considered by Cabinet in February.

To note the progress in implementing the Treasury Management Strategy for 2013/2014, this is in line with the approved Treasury Management Policies.

Alternative options to be considered and recommended to be rejected:

No alternative options are proposed.

Impacts analysed:

Equality Privacy Sustainability Crime and Disorder

Is this a “Key Decision” as defined in the Constitution?

Yes - new capital projects detailed at Appendix A estimated to cost above £250,000

Is it included in the 28 Day Notice of Decisions?

Yes provisionally - in light of content of this report it is necessary

Scrutiny Committee

Cabinet – 15th January 2014

Third Capital Review 2013/2014, Provisional Resources 2014/2015 and Treasury Management Review 2013/2014

Head of Financial Resources

1. Purpose of Report

1.1 This report details:

- reprofiling of projects since the Second Capital Review for 2013/2014 was approved in October 2013;
- the inclusion of additional schemes and revisions to costs and resourcing for 2013/2014 since the Second Capital Review was reported;
- the allocation of capital resources for 2014/2015, as set out in Section 5, subject to any adjustment when final resource announcements are made;
- the progress in implementing the Treasury Management Strategy for 2013/2014.

2. Description of Decision:

2.1 Cabinet is requested:

- (i) In relation to the Capital Programme for 2013/2014, Cabinet is asked to approve, and where necessary recommend to Council, the inclusion of additional schemes or variations to existing schemes for 2013/2014 detailed at Appendix A, as a variation to the Capital Programme;
- (ii) In relation to the Capital Programme for 2014/2015, Cabinet is asked to note;
 - that the allocation of resources as set out in Section 5 will be subject to final resource announcements;
 - that Cabinet Members will consider proposals for new starts based on resource allocations to be confirmed in due course in order to incorporate proposed new starts in the Capital Programme to be presented to Cabinet in February 2014.
- (iii) In relation to the Treasury Management Strategy and Prudential Indicators, Cabinet is asked to note the positive progress made in implementing the strategy for 2013/2014.

3. Introduction

3.1 The Capital Programme changes during the year as notifications of additional schemes and resourcing are received, and phasing of schemes is reviewed. Variations to anticipated expenditure and financing of the 2013/2014 capital programme since reported to Cabinet on 9th October 2013 are shown in section 4 of this report. Those increases that exceed £250,000 will require Council approval in due course.

3.2 Performance in implementing the Treasury Management Strategy and adhering to the agreed Prudential Indicators is detailed in section 6 along with confirmation that the Council is operating within its agreed borrowing limits.

4. Third Capital Review 2013/2014

4.1 Since the Second Capital Programme was reported to Council in October 2013, there have been some changes required to the Capital Programme both in terms of expenditure and resourcing. In total, reprofiling and other adjustments have led to the 2013/2014 Capital Programme reducing by £7.424m from £79.665m to £72.241m. This can be analysed as follows:

- Reprofiling expenditure of £5.444m between 2013/2014 and future years. The primary reasons for this reprofiling relate to external influences outside of the Council's control;
- Additional fully funded schemes and cost variations notified since the Capital Programme was last reported increasing the capital programme by £0.520m.
- Technical Adjustments of £2.500m.

Appendix A gives a summary of the changes to expenditure and resources for 2013/2014 with the principal variations set out below:

4.2 Reprofiling of Expenditure between 2013/2014 and future years

Schemes where significant reprofiling of expenditure and resources are being proposed are set out below.

4.2.1 Deputy Leader

Modernisation Improvements

The Capital Programme includes provision of £1.000m to enable ICT investment to support business transformation and the delivery of further efficiencies in key areas. The £1.000m will be reprofiled into 2014/2015 to facilitate these requirements in that year.

4.2.2 Cabinet Secretary

Port Infrastructure

The capital programme includes investment of £5.680m for Port Infrastructure works to enable access to wider commercial opportunities and allow for expansion. However £2.500m in respect of the scheme has been reprofiled into 2014/2015 to maximise potential for external funding.

4.2.3 Health, Housing and Adult Services

Area Renewal – Hetton Downs

The timing of expenditure on area renewal is difficult to forecast as it is dependent on agreement being reached with property owners in the area. Expenditure of £0.747m has been reprofiled into 2014/2015. A review of spend plans for Hetton Downs Housing Renewal scheme has been undertaken following agreement for a key piece of land to be acquired by a housing developer, rather than the Council, which will enable better outcomes to be achieved.

Cluster of Empty Homes

This project, jointly funded by the Council and the Homes and Communities Agency, aims to refurbish empty properties and return them to use in four areas where there is a significant number of empty properties. The Department for Communities and Local Government have confirmed an extension to March 2015 for required outcomes from this scheme to be achieved. Lower than anticipated interest from property owners requires £0.526m to be reprofiled into 2014/2015. A change to the criteria for support to property owners earlier this year is expected to increase up take and enable the required outcomes to be achieved in accordance with the revised timescales.

Empty Property Action Plan

This project provides funding to refurbish empty properties across the city and bring them back into use. Due to the cross-over with the above Cluster scheme and to ensure access to the Cluster grant is maximised, appropriate properties that fall within a cluster area have been transferred to that scheme. As a consequence £0.432m of the Empty Property Action Plan is to be reprofiled into 2014/2015.

4.2.4 Children's Services

School's Devolved Capital

A review of school's devolved capital plans indicates that spend will be less than previous projections in 2013/2014. Therefore £0.206m will be reprofiled into 2014/2015.

4.3 Additional Schemes and Cost Variations 2013/2014

4.3.1 City Services

Clean Bus Technology Fund

Following a successful joint bid with Durham County Council, £0.276m Clean Bus Technology Fund grant has been awarded by the DfT. This grant will be pass-ported to Go North East to retrofit 19 buses to cut pollution and improve air quality across Sunderland and Durham.

Trans-Sunderland Cycle Route

£0.265m funding has been secured from the Department for Transport for a trans-Sunderland cycle route and includes works at Washington Road and Ferryboat Lane. Match funding is provided by existing Local Transport grant.

5. Capital Resources 2014/2015

Funding allocations are in the form of capital grants. The Council may supplement external funding allocations from its own resources or undertake prudential borrowing. Prudential borrowing undertaken will not be supported by any funding from the government. Local borrowing levels must be set within the Authority's Prudential Limits, which will be reported to Council in March 2014.

At the time this report was produced the Coalition Government had released details of certain capital grants which are shown in the table below. The Council is awaiting details of Other Education grants that will be awarded to support the 2014/2015 capital programme.

	2013-14 £000s	2014-15 £000s
Highways Maintenance	3,397	3,052
Integrated Transport	2,141	3,011
Local Pinch Point	0	1,169
Total Transport	5,538	7,232
Department of Health Community Capacity	843	860
Communities and Local Government Disabled Facilities	1,422	1,467
Basic Needs	805	805
Universal Infant Free School Meals	0	443
Total Department for Education	805	1,248

It is proposed to continue the existing practice of allocating capital resources regarding Education, Transport, Communities and Local Government, and Health Government Grants as well as resources for other services up to the limit of the grant allocation and resource availability in the context of revenue budget pressures. Actual capital grants awarded to Sunderland will be reported to Cabinet once they become known.

6. Review of the Prudential Indicators and Treasury Management Strategy for 2013/2014

6.1 The Prudential Indicators for 2013/2014 were approved by the Council on the 6th March 2013 and are regularly reviewed to ensure that:

- the Council remains within its Authorised Limit for External Debt which is a regulatory requirement;
- treasury management decisions are taken in accordance with the Treasury Management Code of Practice and the agreed Council Treasury Management Policy and Strategy for 2013/2014;
- the capital expenditure control framework operated locally is consistent with, and supportive of, local strategic planning, local asset management planning, and proper option appraisal.

6.2 Internal monitoring procedures track performance daily against the various prudential indicators agreed by the Council. At this stage, the Council is operating within its Authorised Borrowing Limit, which is a statutory limit determined under Section 3 (1) of the Local Government Act 2003 and there are no areas for concern or any issues which require any review of the indicators as originally approved.

Borrowing Strategy for 2013/2014

6.3 The Borrowing Strategy is based upon the Council's anticipated borrowing requirement and prospects for interest rates. During 2013/2014 to date there has been a sharp rise in UK gilt yields which has led to an increase in PWLB rates as investors have switched from bonds into equities, with share markets now standing at or near new highs. Potential upside risks for further increases remain e.g. if there are large financial improvements within the Eurozone or UK inflation was to be significantly higher than in the wider EU or the US.

However, bond yields remain extremely unpredictable and there are still exceptional levels of volatility which are highly correlated to the sovereign debt crisis and to political developments in the Eurozone and US. This uncertainty is expected to continue into the medium term.

No new borrowing has been undertaken in the current financial year. The Council's strategy for 2013/2014 is to continue to adopt a pragmatic and flexible approach and to respond to any changing circumstances to seek to secure benefit for the Council. Consideration will be given to various options, including utilising some investment balances to fund the Council's borrowing requirement, in 2013/2014 as appropriate.

Investment Strategy for 2013/2014

6.4 The primary aim of the Investment Strategy is the security of Council funds, then having regard to liquidity i.e. the availability of cash to meet council liabilities, and finally to secure a reasonable rate of return on its investments.

- 6.5 As at 30th November 2013, the funds managed by the Council's Treasury Management team has achieved a rate of return on its investments of 1.04% compared with the benchmark rate (i.e. the 7 day rate) of 0.36%. Performance is therefore very positive and is significantly above the benchmark rate, whilst adhering to the prudent policy agreed by the Council.
- 6.6 The rate of return on investments however has fallen markedly in 2013 as UK-based financial institutions access funding from alternative sources such as the Government's Funding for Lending Scheme to allow them to increase their capital/cash reserves in line with recent regulatory requirements. The result is that investment rates have reduced considerably since April 2013 and continue to follow a downward trend. Even special tranche investment rates (which offer better than market average returns) have reflected this downward trend. Forward guidance announced in the Quarterly Inflation report (August 2013) by the Bank of England, and reaffirmed in November 2013, shows that they do not expect to increase the Bank Base Rate until 2016. The implication from this is that returns on investments will be significantly lower than those achieved in recent years until interest rates begin to increase.
- 6.7 The Council is following advice from its treasury adviser, Capita Asset Services – Treasury Solutions, that investments with non-part government owned institutions should be kept to shorter periods of a maximum of three months. The investment policy is regularly monitored and reviewed to ensure it has flexibility to take full advantage of any changes in market conditions to the benefit of the Council.

7. Reasons for Decision

- 7.1 To respond to variations in proposed expenditure and income which have arisen since the 2013/2014 Capital Programme was approved to enable effective budgetary control to be exercised and to update Cabinet on the progress in implementing the Treasury Management Borrowing and Investment Strategy for 2013/2014.

8. Alternative Options

- 8.1 No alternative options are proposed.

9. Impact Analysis

Impact assessments will be undertaken by Directorates as each Project is developed.

10. List of Appendices

Appendix A - Other variations to the 2013/2014 capital programme to those previously reported.

11. Background Papers

Sunderland City Council Capital Programme 2012/13 to 2016/17
Cabinet Report - First Capital Review 2013/2014
Cabinet Report - Second Capital Review 2013/2014

Scheme Variations since the Second Capital Review 2013/2014

	£000	£000
Reprofiling of Expenditure from 2013/2014 to future years since the Second Review		
Deputy Leader		
Modernisation Improvements		(1,000)
Cabinet Secretary		
Port Infrastructure		(2,500)
Health, Housing and Adult Services		
Area Renewal – Hetton Downs	(747)	
Cluster of Empty Homes	(432)	
Empty Property Action Plan	(526)	(1,705)
Children's Services		
School's Devolved Capital		(206)
Other Schemes Reprofiling		(33)
		(5,444)
Additional Schemes and Variation to Existing Schemes in the Capital Programme - Fully Funded		
City Services		
Clean Bus Technology Fund	276	
Trans-Sunderland Cycle Route	265	541
Other Fully Funded Variations		(21)
		520
Technical Adjustments		
Capital Contingencies – Reprofiling into 2014/2015		(2,500)
TOTAL VARIATIONS 2013/2014		(7,424)

COMPLAINTS AND FEEDBACK

REPORT OF THE HEAD OF LAW AND GOVERNANCE

1. PURPOSE OF THE REPORT

- 1.1 To receive a presentation regarding complaints and feedback received by the council during 2012-13
- 1.2 Margaret Douglas, Complaints and Feedback Team Manager and colleagues will be in attendance at the meeting to provide Members with information and progress.

2. BACKGROUND

- 2.1 The council is committed to listening to those who use its services, and learning from complaints and feedback in order to improve those services.
- 2.3 This report presents an overview across the full range of complaints and feedback received by the council following the creation of a single council complaints and feedback service.
- 2.2 In view of the importance to the council of ensuring an appropriate response is provided to all aspects of customer dissatisfaction it is timely for the Committee to receive an overview of complaints received across all council services.

3. CURRENT POSITION

- 3.1 In late 2011, as part of its broader reorganisation of service arrangements, the council established a central team charged with managing the council's response to complaints and feedback received from members of the community, local business and service users.
- 3.2 The team manages the three council complaints procedures; the council's corporate procedure, and the two statutory procedures for responding to complaints about services for children, and health and social care complaints.
- 3.3 The team is now well-established and in a position to report to Members on the key themes emerging from customer feedback, and to work with Members to highlight those areas where action on feedback may assist in improving the council's services to its communities.

4 RECOMMENDATION

- 4.1 The Scrutiny Committee is recommended to consider and comment on the information provided regarding complaints and feedback received.

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CHILDREN AND YOUNG PEOPLE’S PLAN REFRESH

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to inform Scrutiny Committee of the work being undertaken to refresh the Children and Young People’s Plan (CYPP).
- 1.2 The report also asks Scrutiny Committee to commission the Children’s Scrutiny Panel to act as the consultative group to gather views and comments to contribute to the Children and Young People’s Plan.

2. BACKGROUND

- 2.1 A report was presented to the July 2013 meeting of the Children’s Trust setting out the need to review the Children and Young People’s Plan delivery plan, and also the strategy, in order to reflect the current political and economic landscape; the revised guidance surrounding Children’s Trusts; the emerging local strategic context; and the need to for the Children’s Trust to focus its priorities.
- 2.2 At this meeting, the Children’s Trust agreed that a CYPP Task and Finish Group would be convened to support the refresh of the strategy and delivery plan.

3. CURRENT POSITION

- 3.1 The CYPP Task and Finish Group considered the current CYPP and associated three year delivery plan, the key achievements of that plan over the three years 2010-13, current performance indicators relating to children and young people and emerging local and national priorities. A draft CYPP was prepared and presented to the Children’s Trust for approval.
- 3.2 To provide a clearer focus to the CYPP the group proposed a small number of ‘strategic priorities’, which were agreed by the Children’s Trust:
 - 1. Improve the overall Health and Wellbeing of children, young people and families
 - 2. Reduce the number of families with children living in poverty in the city
 - 3. Improve educational outcomes and strengthen Whole Family Learning
 - 4. Improve safeguarding outcomes for children, young people and families.
- 3.3 These strategic priorities would be supported by a number of ‘high level actions’. How these actions are delivered would be determined by the responsible partnerships and any associated strategies.
- 3.4 The Children’s Trust agreed:
 - The proposed priorities for the Children and Young People’s Plan and the mapping of the current priorities as high level actions.
 - The revised principles for the CYPP.
- 3.5 Whilst there were many notable achievements from the 2010-13 CYPP delivery plan, some areas still required improvement or were such significant policy areas that it would not be prudent to lose sight of these priorities. On that basis, the majority of

the current priorities of the CYPP would become the high level actions supporting the delivery of the four new strategic priorities. There were a small number of 2010-2013 priorities which it was felt were not appropriate to take forward into the next plan, these being areas where the Trust has little scope to add value.

- 3.6 It was also recognised that there were some additional actions that needed to be included in the plan from 2013, these being 'better start in life' (a strategic objective of Sunderland's Health and Wellbeing Strategy) and 'implementation of the Looked After Children Commissioning Strategy'.

4. PERFORMANCE MANAGEMENT OF THE CHILDREN AND YOUNG PEOPLE'S PLAN

- 4.1 As the custodian of the Children and Young People's Plan, it is recommended that the Children's Trust will continue to provide consistent support and challenge to services delivering the stated priorities for children, young people and families. To do this, a strengthened performance management framework will be developed to ensure that there is continued robust monitoring of the priorities at future meetings of the Children's Trust focus.

5. CONSULTATION

- 5.1 In order to ensure that the CYPP Refresh meets the needs of as wide a group of stakeholders as possible, consultation on the strategic priorities and high level actions has taken place with the members of the Children's Trust and young people from the Children's Trust Advisory Network.
- 5.2 Comments and suggestions from these groups have been considered and included, where appropriate, in the latest draft of the report (**Appendix 1**)
- 5.3 The CYPP is currently an Article 4 Plan under the Council's Constitution. A requirement of an Article 4 Plan is that Scrutiny Committee is consulted to consider whether the Plan covers the priorities and associated actions to deliver the best outcomes for children, young people and their families.
- 5.4 As noted in 1.2 above, Scrutiny Committee is asked to commission the Children's Scrutiny Panel to act as their consultative group to help develop the CYPP.

6. RECOMMENDATIONS

- 6.1 Scrutiny Committee is asked to:-
- note the content of this report.
 - note the Draft CYPP Refresh.
 - Commission the Children's Scrutiny Panel to be consulted on it's behalf in the development of the CYPP Refresh.

CHILDREN AND YOUNG PEOPLE'S PLAN

2010 – 2025 (Refreshed January 2014)

We are pleased to present this refreshed Children and Young People's Plan (CYPP), covering the period to 2025. Unprecedented economic changes since the plan was agreed in 2010 mean that transformational change is required both within organisations and communities to meet the needs of citizens in different ways in the future. The role of local authorities and their partners is necessarily shifting towards a new focus of enabling rather than always delivering.

A key development since the plan was originally agreed is the introduction of Health and Wellbeing Boards. In 2012 Sunderland's Children's Trust became an Advisory Board to the city's Health and Wellbeing Board and is directly responsible for delivering Objective 2 of the Joint Health and Wellbeing Strategy, "*Ensuring children and young people have the best start in life.*", as well as contributing to others. A further development is the Children's Trust formally agreeing to take the strategic responsibility for Child and Family Poverty in the city. Further information on the national and local policy context is appended (see appendix 1).

Our **vision** for children and young people continues to be:

'Working together to improve life chances and raise aspirations for each child and young person in Sunderland, and to narrow the gap in outcomes for our most vulnerable groups and families'.

The CYPP will continue to be supported by a three year delivery plan, the first covered the period 2010-13, the second being a high level delivery plan covering the period 2014-17.

DESIGN PRINCIPLES

We have refreshed our design principles to reflect those of the agreed Health and Wellbeing Strategy and other emerging strategies in the city. These design principles will guide our approach to action planning, commissioning and delivering services for children, young people and their families. These design principles are:

Strengthening family and community assets

By recognising everyone has a valuable contribution to make, we will empower families and communities, increasing their capacity to be involved. Understanding the capabilities, skills and assets of children and young people, their families, their peers and their communities will form the starting point for any intervention. We will support children, young people and families to help themselves and develop solutions that prevent, reduce or delay the need for public sector interventions and give them control over their own lives. We will listen to children, young people and families and build services around their needs, making decisions based on sound intelligence and evidence of what works.

Prevention

We will place a greater emphasis on the insight of children, young people and their families, using local intelligence and experience to effectively identify and to work with families and communities to prevent children, young people and families developing problems.

Early Intervention

We know that early intervention with children, young people and their families can reduce more complex issues in the longer term. We will actively seek to identify and tackle issues at an early stage whenever they occur to prevent them escalating into more problematic and complex needs.

Collaborative Working

We will work together to make best use of our strengths and assets so that we can provide flexible and tailored services that are responsive to local conditions and focus on what matters to children, young people and their families.

Participation and Engagement

We will ensure that children, young people and their families have a voice and are involved in decisions that affect their lives. They will be empowered to contribute to the redesign of services which are relevant to them. We will enable positive activities for children and young people to participate in, so they can develop their skills and self-esteem to take them through to adulthood.

Equity

We know that the conditions in which people are born, grow, live, work and age are responsible for the avoidable differences in people's life chances. Inequalities exist both within Sunderland's communities, and between Sunderland and regional and national comparators. We will focus on those children, young people and families more at risk of developing adverse outcomes.

STRATEGIC OBJECTIVES

Our four strategic objectives provide the focus of our efforts to achieve our vision.

1. Improving the overall Health and Wellbeing of children, young people and families
2. Reducing the number of families with children living in poverty in the city
3. Improving educational outcomes and strengthening whole family learning
4. Improving safeguarding outcomes for children, young people and families.

These new strategic objectives are supported by a number of high level actions, which are predominantly consistent with the priorities of the first delivery plan.

During the life of the CYPP the Children's Trust will performance manage the four strategic objectives to ensure it has an overview of children and young people's outcomes measures; and that the Children's Trust is focussing its efforts on those areas it can add most value to and provide meaningful challenge and support.

CHILDREN'S SERVICES SCRUTINY PANEL REFERRAL: CHILD AND ADOLESCENT MENTAL HEALTH SERVICES (CAMHS) UPDATE**REPORT OF THE CHILDREN'S SERVICES SCRUTINY PANEL****1. Purpose of Report**

- 1.1 To provide the Scrutiny Committee with the Children's Services Scrutiny Panel's findings and recommendations in relation to the commissioned item from the committee.

2. Background

- 2.1 At its meeting on 13 September 2012 the Scrutiny Committee received a report detailing the outcomes of the announced inspection of Safeguarding and Looked After Children's Services in Sunderland. In discussing the report concerns were raised in relation to the waiting times for CAMHS Tier 2 and Tier 3 support and it was agreed that the Children's Services Scrutiny Panel should be commissioned to investigate this further.
- 2.2 The Children's Services Scrutiny Panel held a meeting on 16 October to discuss the issues raised at the Scrutiny Committee. The Council's Head of Safeguarding and the Primary Care Trust's (PCT) Children's Health Commissioning Officer were in attendance at the Panel's meeting. A further meeting was arranged on 3 December 2012 with NTW Children and Young People Services, the new provider of CAMHS in Sunderland, to discuss their approach and progress in reducing waiting times.
- 2.3 It was agreed following discussions with Panel Members and the Scrutiny Committee that progress would be monitored and officers invited back to the Children's Services Scrutiny Panel at an appropriate juncture. Subsequently a meeting was held on 20 May 2013 to outline progress and developments in relation to the CAMHS service now provided by NTW Children and Young People Services.

3. CAMHS Service - Update

- 3.1 The Children's Services Scrutiny Panel met with representatives from the Local Authority, CCG (Clinical Commissioning Group) and NTW (Northumberland Tyne and Wear Trust) on 17 December 2013. The purpose of the meeting was to monitor the developments and improvements that are clearly being made to the service, and provide Members with an opportunity to discuss the measures, procedures and future initiatives that will continue to address the initial concerns raised.
- 3.2 The Panel has already acknowledged the robust monitoring arrangements that have been developed and integrated into the new service contract specifications. The series of KPI's (over 100 based around choice, outcomes, access, waiting times and clinical supervision processes), monthly monitoring meetings and performance data all ensuring that the new service is transparent and accountable.

3.3 The situation inherited by NTW, as the new service provider, has been well documented and it was the excessive waiting times that had initially prompted the commissioning to the Children's Services Scrutiny Panel. It was reported, to the panel, that by October 2013 there were 22 people waiting longer than 18 weeks for an assessment compared with 253 people in October 2012. This was highlighted as a significant improvement and it was expected that this 18 week wait would be eliminated altogether by December 2013, and that by the end of March 2014 people would wait no longer than 12 weeks. It was also noted that approximately 20% of people are seen within 4 weeks.

3.4 DNA's (Did Not Attend) remain an issue for the service and was reported as a continuing pressure on service resources. It was noted that the DNA rate was currently running at 26%. The service provides a choice appointments system to allow for greater flexibility in the initial assessment phase including evening appointments, home visits etc. NTW continues to monitor the situation to further reduce the DNA rates.

3.5 The service is structured across Sunderland into tiers of support as follows:

Tier 1 - Mainstream universal services which are available to all children, young people and their families through schools, primary health care, social work etc.

Tier 2 (Community CAMHS) – Targeted CAMHS service with the aim of providing a range of assessment and short interventions for children with moderate mental health needs.

Tier 3 – providing both direct and indirect services for children, young people and their families with complex, severe or persistent mental health needs.

Tier 4 – providing support to children, young people and their families who require intensive home treatment services.

It was reported that the Tier 2 (Community CAMHS) waiting times are now at five weeks through the re-prioritisation of staff resources to deal with the backlog of referrals.

4. Conclusion

4.1 The Children's Services Scrutiny Panel, as commissioned by the Scrutiny Committee, have robustly monitored and challenged officers and partners around the waiting times for access to child and adolescent mental health services. This has taken place over a period of 15 months and it has been demonstrated that a number of practices and measures have been put in place to not only tackle the waiting lists but also to ensure that targets are met and service performance is enhanced.

4.2 Members of the Children's Services Scrutiny Panel acknowledged the improvement and progress made by NTW and the commitment to continued improvement through the initiation of CQUIN target incentives. The CCG, NTW and Local Authority have worked together to ensure that the newly designed service is fit for purpose and robust enough to ensure a consistent level of performance.

5. Recommendations

5.1 That the Scrutiny Committee, following detailed investigation by the Children's Services Scrutiny Panel, considers that future monitoring of the CAMHS services be on an annual basis by the Scrutiny Committee.

6. Glossary of Terms

CAMHS	Child and Adolescent Mental Health Services
CAPA	Choice and Partnership Approach
CCG	Clinical Commissioning Group
CQUIN	Commissioning for Quality and Innovation
DNA	Did Not Attend
KPI	Key Performance Indicator
NTW	North of Tyne and Wear Foundation Trust
PCT	Primary Care Trust

Background Papers

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EFFECTIVE HEALTH SCRUTINY IN SUNDERLAND**REPORT OF THE CHIEF EXECUTIVE****1. Purpose of Report**

- 1.1 To consider the role of the council's Scrutiny Function in light of the Francis Inquiry into the failure of care at the Mid-Staffordshire NHS Foundation Trust.

2. Background Information

- 2.1 The Mid Staffordshire NHS Foundation Trust Public Inquiry (known as the Francis Inquiry) examined the appalling care and serious failings at Stafford Hospital between 2005 and 2008. The number of excess deaths between 2005 and 2008 was estimated at 492 people. Examples of poor care included patients being left in soiled bedclothes for lengthy periods, lack of assistance with eating and drinking, filthy wards and toilets and a lack of privacy and dignity.
- 2.2 The report describes the failings as a 'disaster' and 'one of the worst examples of bad quality service delivery imaginable'. The Inquiry looked at the hospital and the roles of the main organisations with an oversight role including the Department of Health, the Strategic Health Authority, the Primary Care Trust, national regulators, other national organisations, local patient and public involvement and health scrutiny. The Francis Inquiry report made 290 detailed recommendations.
- 2.3 The report attributes accountability for the appalling care at Stafford Hospital to the Trust Board, but also points to a systemic failure by a range of national and local organisations to respond to concerns. This includes the two local authorities who have both publicly acknowledged that they could have done more.
- 2.4 The primary means for local authorities to hold health care providers accountable is through the use of the health scrutiny powers available to them. Given that the council's scrutiny function holds these powers, there would be a reasonable expectation that if similar problems identified in Stafford were happening in Sunderland (and the report indicates that this should not be regarded as a one-off event that could not be repeated elsewhere in the NHS), the council would be aware and take strong early action. Consequently, the council's Scrutiny Function needs to operate as effectively as possible and to this end there is potential to learn lessons from the comments and recommendations relating to health scrutiny made in the Francis Inquiry report.

3. Francis Report Recommendations in Relation to Health Scrutiny

3.1 Chapter 6 of the Francis Inquiry specifically relates to patient and public involvement and scrutiny. The inquiry took evidence from councillors and senior officers with responsibility for health scrutiny in Staffordshire and the report goes into some detail in its observations and comments concluding that “the local authority scrutiny committees did not detect or appreciate the significance of any signs suggesting serious deficiencies at the Trust”.

3.2 In its commentary on the role and operation of health scrutiny in Staffordshire, the report identified a number of issues:-

- A lack of detail in notes of some scrutiny meetings – the report commented “It is unfair to councillors and obstructive to public involvement and engagement for there to be no record of the contributions made by the committee’s members whether by way of observations or questions, and of responses given.”;
- An over-dependency on information from the provider rather than other sources, particularly patients and the public, and the need to be more proactive in seeking information. Councillors from Stafford Borough Council’s Health Scrutiny Committee accepted the Committee “..did not get underneath what the representatives from the hospital were telling it. Chief Executives usually talk up an organisation and put on a positive gloss. If the same happened again, then I would look deeper and ask questions to the people below, e.g. nurses, doctors and consultants.”;
- Questions about the expertise of some health scrutiny members – for example the report commented that neither the Committee nor the Council had the expertise to mount an effective challenge to the Trust’s cost cutting proposals, and that there are occasions when lay people need expert assistance in interpreting information. Similarly, scrutiny of the Trust’s Foundation Trust application was unchallenging with councillors accepting that the process was meaningless;
- Scrutiny can be better conducted at arms-length rather than as a ‘critical friend’ – the report suggests that there is a tendency to be deferential towards local trusts and this can make challenging the quality of local health services more difficult;
- A lack of resources, particularly in small borough committees; and
- The distinction between ‘operational’ and ‘strategic’ matters being essentially false, when all that really matters is the outcomes for patients.

3.3 The first recommendation of the Inquiry is that **‘all commissioning, service provision, regulatory and ancillary organisations in healthcare should consider the findings and recommendations of this report and decide how to apply them to their own work’**. The report recommends that each

organisation outlines its response and reports on its progress on a regular basis.

3.4 A number of recommendations have a direct impact on health scrutiny:

No.	Francis Report Recommendation
47	The Care Quality Commission should expand its work with overview and scrutiny committees and foundation trust governors as a valuable information source. For example, it should further develop its current 'sounding board events'.
119	Overview and scrutiny committees and Local HealthWatch should have access to detailed information about complaints, although respect needs to be paid in this instance to the requirement of patient confidentiality.
147	Guidance should be given to promote the coordination between Local HealthWatch, Health and Wellbeing Boards, and local government scrutiny committees.
149	Scrutiny committees should be provided with appropriate support to enable them to carry out their scrutiny role, including easily accessible guidance and benchmarks.
150	Scrutiny committees should have powers to inspect providers, rather than relying on local patient involvement structures to carry out this role, or should actively work with those structures to trigger and follow up inspections where appropriate, rather than receiving reports without comment or suggestions for action.
246	Department of Health/the NHS Commissioning Board/regulators should ensure that provider organisations publish in their annual quality accounts information in a common form to enable comparisons to be made between organisations, to include a minimum of prescribed information about their compliance with fundamental and other standards, their proposals for the rectification of any non-compliance and statistics on mortality and other outcomes. Quality accounts should be required to contain the observations of commissioners, overview and scrutiny committees, and Local HealthWatch.

3.5 There are also a number of other related recommendations and comments relating to patient and public involvement in health services, the monitoring of data, communication between bodies and with the public, the introduction of fundamental standards of basic care, and the duty of all in healthcare organisations to be truthful when providing information to regulators and commissioners.

3.6 The Government's response to the recommendations was published in November 2013. All of the recommendations highlighted in the table above were accepted, with the exception of 150 which was accepted in part.

3.7 In addition to the Mid-Staffordshire incident, a series of high profile cases have highlighted major failures to provide basic care, cases of abuse and the impact of performance on quality of care in health and adult social care. There

is a renewed focus on outcomes and the quality of care in the commissioning of services has become increasingly important.

4. Health Reforms

- 4.1 There has been considerable change in the health sector involving changes associated with the recent NHS reforms and increased local authority involvement in the planning of health services. The independent role of scrutiny provides an opportunity to add value to these new arrangements by providing an added level of challenge and assurance.
- 4.2 The powers and duties in relation to the operation of health scrutiny are outlined in the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013.
- 4.3 The challenge will be to ensure that locally there are processes in place to monitor quality and safety to achieve a high level of assurance for Members by effective use of the increased powers for health scrutiny, particularly its ability to require attendance at committee from any provider of NHS funded services (public sector or otherwise), balanced with the need to understand where the most value can be gained to maximise the outcomes of the scrutiny function as well as being complementary to the new bodies set up as part of NHS reform.

5. Integrated Health and Social Care

- 5.1 Earlier this year the Government announced its intention to provide funding which will involve a single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities. The aim of the health and social care Integration Transformation Fund (ITF) is to improve the patient experience, improve outcomes and create efficiencies. The goal is to achieve fuller integration of health and social care for the benefit of the individual.
- 5.2 Whilst the ITF does not come into full effect until 2015/16 the council and the CCG have already started the dialogue and work to support transformation. A local plan should be developed by March 2014, which will set out how the pooled funding will be used and the ways in which the national and local targets attached to the performance-related funding will be met. Plans for the use of the pooled monies will need to be developed jointly by CCGs and local authorities and signed off by each of these parties and the local Health and Wellbeing Board.
- 5.3 The Scrutiny Function has a role in monitoring the development of integrated health and social care and what it means in practice for residents as further details emerge, as this approach will effectively mean that the Scrutiny will have an overview of the whole health environment to ensure a comprehensive and coordinated approach to the provision of health and social care.

6. Current Local Arrangements and Future Improvements

- 6.1 Whilst some of the recommendations made in the Francis Report would require legislative changes, for example giving scrutiny inspection powers, other issues highlighted can inform and improve the way in health scrutiny operates in Sunderland immediately.
- 6.2 Previously health scrutiny was undertaken by the council's Health and Wellbeing Scrutiny Committee. Significant changes to the structure of the scrutiny function in 2012 reduced the seven scrutiny committees to one overarching Scrutiny Committee supported by six informal Scrutiny Panels. The Scrutiny Committee is the designated Scrutiny Committee for statutory health scrutiny and is supported in undertaking this by the Public Health, Wellness and Culture and the Health Housing and Adult Services Scrutiny Panels.
- 6.3 There are four main providers of health services in Sunderland-
- City Hospitals NHS Foundation Trust delivering acute and community services;
 - Northumberland Tyne and Wear NHS Foundation Trust delivering mental health and disability services;
 - South Tyneside NHS Foundation Trust delivering community health services; and
 - North East Ambulance Service.
- 6.4 Existing oversight is undertaken by the Scrutiny Committee which commission's the relevant scrutiny panels at the beginning of each municipal year to undertake in-depth topic based reviews, in respect of issues that have been raised by the public, elected members, officers and partners.
- 6.5 Sunderland's Scrutiny Function has established a good working relationship with local health commissioners and providers, and this will provide a sound platform for future work.
- 6.6 **Appendix 1** lists the relevant Francis recommendations and summarises the current good practice that will be maintained, and some areas for development. Should the Scrutiny Committee endorse the review, a more detailed action plan will be developed giving appropriate timescales in order to monitor progress.

7. Conclusion

- 7.1 There is scope for general improvement of the approach to health scrutiny and increased clarity of responsibility locally, both in terms of how health scrutiny operates in and outside of the council, and in conjunction with new

partners in the health system. Additionally, integrated health and social care will open up further opportunities for overview of services.

- 7.2 Sunderland's Scrutiny Function already has a significant amount of experience and knowledge, as well as strong relationships in the health arena. The report and suggested actions will therefore form the basis of the future development of the Scrutiny Committee's statutory role for health related matters.

8. Recommendation

- 8.1 The Scrutiny Committee is recommended to comment upon and endorse the proposed actions for improvement to the scrutiny of health services in Sunderland, as outlined in **Appendix 1**.

9. Background Papers

- Safety Quality Trust: Briefing for Council Scrutiny about the Francis Report (CfPS, 2013)
- Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013
- Statement on the health and social care Integration Transformation Fund (LGA / NHS England 2013)

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Appendix 1

Evaluation of Current Health Scrutiny Arrangements

No.	Francis Report Recommendation	RAG Rating
47	<p>The Care Quality Commission (CQC) should expand its work with overview and scrutiny committees and foundation trust governors as a valuable information source. For example, it should further develop its current ‘sounding board events’.</p>	<p>AMBER</p>
	<p>There have been several attempts in recent years to improve relationships and dialogue between regional and local scrutiny and the CQC. This has proved to have had limited success to date. The CQC has outlined plans to maintain a strengthened and more consistent level of formal and informal contact with local partners and is hosting a regional event in January 2013 to start this.</p> <p>Scrutiny’s role is not to inspect a raft of services, nor is there the capacity to do this. To a large extent the Scrutiny Committee will rely on the CQC to advise as to where it can add the most value. In this regard the development of relationships will be crucial.</p> <p>Suggested improvements:</p> <ol style="list-style-type: none"> 1. Attend and contribute to the event hosted by the CQC in early 2014; 2. Develop relationships with local leads; 3. Provide the CQC final policy reviews looking at adult social care / NHS services; 4. Provide the CQC with comments from the Scrutiny Committee in regard to Quality Accounts; and 5. Respond to further engagement and proposals from the CQC going forward. 	<p>AMBER</p>
119	<p>Overview and scrutiny committees and Local HealthWatch should have access to detailed information about complaints, although respect needs to be paid in this instance to the requirement of patient confidentiality.</p>	<p>AMBER</p>

	<p>The key opportunity to scrutinise complaints of NHS services currently is through the Quality Account process whereby scrutiny is consulted prior to publication. Whilst the information given is of a higher level, scrutiny has the opportunity to drill down further into aspects of complaints without compromising data protection, and it is proposed this should be routinely carried out, with advance notification to partners to enable them to prepare appropriately.</p> <p>One area which could be further developed is the scrutiny of primary care services (General Practitioners). It is suggested that the Scrutiny Committee could liaise with Healthwatch to capture any emerging trends and issues and act as appropriate.</p> <p>Sunderland Healthwatch will also play a key role in uncovering trends and themes around complaints to NHS services through its links and networks within the community and across other VCS partners. To this end the communication between Healthwatch and Scrutiny will be pivotal.</p> <p>There is a statutory obligation for the council to report on complaints regarding children’s and adult social care. With the advent of the formation of the People’s Directorate, there now exists the opportunity to improve the breadth of information available to the Scrutiny Committee.</p> <p>Suggested Improvements:</p> <ol style="list-style-type: none"> 6. Request more detailed information regarding complaints prior to consultation in respect of Quality Accounts (notwithstanding the need to protect personal and sensitive data). Ensure effective questioning in regard to complaints during the consultation; 7. Liaise regularly with Healthwatch to identify emerging trends in regard to complaints, particularly around primary care; and 8. Ensure effective scrutiny of adult and children social care complaints through a streamlined People Directorate report. 	
147	<p>Guidance should be given to promote the coordination between Local HealthWatch, Health and Wellbeing Boards, and local government scrutiny committees.</p>	<p>AMBER</p>
	<p>Within the health reforms it is important to be clear on the respective roles of different partners. A key role for health scrutiny is to focus on providing quality assurance and in-depth policy reviews</p>	

	<p>A 'Health Protocol' developed by the scrutiny function is an overarching framework of principles and approaches for information sharing and collaboration between key partners including the council, the Health and Wellbeing Board, the CCG, NHS England and Sunderland Healthwatch. This is now being implemented, and a review will be undertaken in early 2014 to evaluate its impact.</p> <p>Health and Wellbeing Boards are held on a monthly basis and, as a committee of the council, are open to anybody who wishes to observe. Regular attendance of scrutiny members at the Health and Wellbeing Board would enable more effective links to be made between the work of the Board and the work of scrutiny.</p> <p>The Scrutiny Committee met with representatives, including the Chair of Healthwatch at its meeting in November to discuss how to collaborate in a way which will maximise capacity, effectiveness and impact. Ongoing meetings will be held with the Chair and Vice Chair to maintain communication and information sharing.</p> <p>Healthwatch will also attend Scrutiny Committee when there are relevant health items on the agenda as an observer and will also contribute to evidence gathering during in-depth policy reviews.</p> <p>Suggested Improvements:</p> <p>9. Review the impact of the Health Protocol in 2014 and make any necessary adjustments to resolve identified issues;</p> <p>10. Build upon the early relationship established with Healthwatch with regular communication; and</p> <p>11. Improve the links with the Health and Wellbeing Board through the regular attendance of a Scrutiny Committee member(s) as an observer(s).</p>	
149	<p>Scrutiny committees should be provided with appropriate support to enable them to carry out their scrutiny role, including easily accessible guidance and benchmarks.</p>	<p>AMBER</p>
	<p>Support for scrutiny is primarily provided through the Scrutiny and Area Arrangements Service. Link</p>	

	<p>officers / partners are identified as part of policy review work, which has proved to be very useful in sourcing evidence, information and guidance.</p> <p>It will be important to continue to utilise the option to co-opt independent ‘experts’ to the Scrutiny Committee or supporting Panels.</p> <p>Training has been provided to members at a regional and sub-regional level in the last 18 months, focusing on the health reforms. A further event is planned in January 2014 which will be followed up with a tool kit which will be designed to meet the knowledge and information needs of elected members.</p> <p>Members should be equipped with the right information to effectively scrutinise the issue at hand therefore there should be an increased use of appropriate benchmarking and understandable data.</p> <p>The Government’s drive to integrate health and social care services is a key future area of consideration for scrutiny and as such progress should be monitored in order to develop a better understanding of what this means for those accessing services.</p> <p>Suggested Improvements:</p> <ul style="list-style-type: none"> 12. Ensure scrutiny member representation at the regional health event planned in early 2014; 13. Ensure scrutiny members access and utilise the member toolkit; 14. Increase the use of benchmarking and understandable data available to members when it is required; and 15. Monitor developments in regard to the integrated health and social care agenda. 	
150	<p>Scrutiny committees should have powers to inspect providers, rather than relying on local patient involvement structures to carry out this role, or should actively work with those structures to trigger and follow up inspections where appropriate, rather than receiving reports without comment or suggestions for action.</p>	<p>NO ACTION REQUIRED</p>

	<p>The main inspectorate is the CQC, and in addition Healthwatch can undertake Enter and View visits. These are effectively mini inspections undertaken by rigorously trained community representatives who are able to pick up on the quality and essence of care issues. Clearly a government response is required to this recommendation, however as noted previously collaboration with the CQC and Healthwatch will enable the Scrutiny Committee to have a better awareness of any issues within local health services (refer to actions 1-6, and 11).</p>	
246	<p>Department of Health/the NHS Commissioning Board/regulators should ensure that provider organisations publish in their annual quality accounts information in a common form to enable comparisons to be made between organisations, to include a minimum of prescribed information about their compliance with fundamental and other standards, their proposals for the rectification of any non-compliance and statistics on mortality and other outcomes. Quality accounts should be required to contain the observations of commissioners, overview and scrutiny committees, and Local HealthWatch.</p>	<p>AMBER</p>
	<p>With the exception of policy review work, the main vehicle for quality checking services in the NHS is through the Quality Account process and is the key opportunity for the Scrutiny Committee to provide its views on performance and future priorities. The scrutiny of Quality Accounts could be improved by earlier consultation at the stage of drafting priorities (notwithstanding the role of the Health and Wellbeing Board) and also by scrutinising the draft Quality Account (or the supporting evidence) at the earliest possible stage, and with a reasonable amount of time to do so.</p> <p>The scrutiny commissioning model allows the Scrutiny Committee to request the relevant panel to undertake more detailed work in regard to Quality Accounts on its behalf. By effectively utilising the model the capacity of the scrutiny function is significantly increased. The scrutiny work programme should reflect any potential commissioning to the Public Health, Wellness and Culture Panel in the latter part of the municipal year.</p> <p>Healthwatch are also consulted in regard to Quality Accounts. It is suggested good practice for local</p>	

scrutiny committees to work with Healthwatch colleagues to produce a draft statement. In effect a joint statement enables the widest possible view of quality to be given.

There is less certainty in relation to Trusts that cover several / all areas of the region. The Regional Health Scrutiny Committee has considered the North East Ambulance Service's Quality Account, but this does not happen on a consistent basis.

Suggested Improvements:

16. Work with providers to establish the opportunities to improve scrutiny of quality accounts by; being consulted at the stage of drafting priorities; and early consultation on the draft Quality Account (or at least the main body of evidence) at the earliest possible stage, and with a reasonable amount of time to do so;
17. Ensure the scrutiny work programme for 2014/15 is flexible enough to accommodate the commissioning of quality account consultation to the Public Health, Wellness and Culture Panel.

NOTICE OF KEY DECISIONS

REPORT OF THE CHIEF EXECUTIVE

1. PURPOSE OF THE REPORT

- 1.1 To provide Members with an opportunity to consider the items on the Executive's Notice of Key Decisions for the 28 day period from 17 December 2013. Members should note that a further Notice will be issued on 14 January 2014 which will be made available at the Scrutiny Committee meeting.

2. BACKGROUND INFORMATION

- 2.1 Holding the Executive to account is one of the main functions of Scrutiny. One of the ways that this can be achieved is by considering the forthcoming decisions of the Executive (as outlined in the Notice of Key Decisions) and deciding whether Scrutiny can add value in advance of the decision being made. This does not negate Non-Executive Members ability to call-in a decision after it has been made.
- 2.2 To this end, the most recent version of the Executive's Notice of Key Decisions is included on the agenda of this Committee. The Notice of Key Decisions for the 28 day period from 17 December 2013 is attached marked **Appendix 1**.

3. CURRENT POSITION

- 3.1 In considering the Notice of Key Decisions, Members are asked to consider only those issues where the Scrutiny Committee or relevant Scrutiny Panel could make a contribution which would add value prior to the decision being taken.
- 3.2 In the event of Members having any queries that cannot be dealt with directly in the meeting, a response will be sought from the relevant Directorate.

4. RECOMMENDATION

- 4.1 To consider the Executive's Notice of Key Decisions for the 28 day period from 17 December 2013 and the most recent Notice for the 28 day period from 14 January 2013 at the Scrutiny Committee meeting.

5. BACKGROUND PAPERS

- Cabinet Agenda

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The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Notice is given of the following proposed Key Decisions (whether proposed to be taken in public or in private) and of Executive Decisions (including key decisions) intended to be considered in a private meeting:-

Item no.	Matter in respect of which a decision is to be made	Decision-maker (if individual, name and title, if body, its name and see below for list of members)	Key Decision Y/N	Anticipated date of decision/ period in which the decision is to be taken	Private meeting Y/N	Reasons for the meeting to be held in private	Documents submitted to the decision-maker in relation to the matter	Address to obtain further information
131217/01	To approve the Council Tax Base 2014/2015	Cabinet	Y	15 January 2014	N	N/A	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk
131217/02	To approve Business Rates Income Forecast 2014/15 and Projected Business Rates Income Outturn 2013/14	Cabinet	Y	15 January 2014	N	N/A	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk
131217/03	To approve the Provisional Revenue Support Settlement 2014/2015	Cabinet	Y	15 January 2014	N	N/A	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN

Item no.	Matter in respect of which a decision is to be made	Decision-maker (if individual, name and title, if body, its name and see below for list of members)	Key Decision Y/N	Anticipated date of decision/ period in which the decision is to be taken	Private meeting Y/N	Reasons for the meeting to be held in private	Documents submitted to the decision-maker in relation to the matter	Address to obtain further information
								committees@sunderland.gov.uk
131217/04	To approve the Revenue Budget 2013/2014 Third Review	Cabinet	Y	15 January 2014	N	N/A	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk
131217/05	To approve the Capital Programme Third Review 2013/2014, Provisional Resources 2014/2015 and Treasury Management Review 2013/2014	Cabinet	Y	15 January 2014	N	N/A	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk
131217/06	To approve Revenue Budget 2014/2015 Proposals	Cabinet	Y	15 January 2014	N	N/A	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk
131217/07	To approve the Capital Programme 2014/2015	Cabinet	Y	15 January 2014	N	N/A	Cabinet Report	Governance Services Civic Centre

Item no.	Matter in respect of which a decision is to be made	Decision-maker (if individual, name and title, if body, its name and see below for list of members)	Key Decision Y/N	Anticipated date of decision/ period in which the decision is to be taken	Private meeting Y/N	Reasons for the meeting to be held in private	Documents submitted to the decision-maker in relation to the matter	Address to obtain further information
	and Treasury Management Policy and Strategy 2013/2014 including Prudential Indicators							PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk
131217/08	To approve Sunderland City Council's Events Programme for 2014/2015	Cabinet	Y	15 January 2014	N	N/A	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk
131217/09	Approval to commission a Direct Payments Support Service.	Cabinet	Y	15 January 2014	N	N/A	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk
131217/10	To approve the Revenue Budget and Proposed Council Tax for 2014/2015 and Medium Term Financial Strategy for 2013/2014 to 2016/2017	Cabinet	Yes	12 February 2014	N		Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN

Item no.	Matter in respect of which a decision is to be made	Decision-maker (if individual, name and title, if body, its name and see below for list of members)	Key Decision Y/N	Anticipated date of decision/ period in which the decision is to be taken	Private meeting Y/N	Reasons for the meeting to be held in private	Documents submitted to the decision-maker in relation to the matter	Address to obtain further information
								committees@sunderland.gov.uk
121218/12	To approve a policy to deal with horses tethered on Council land	Cabinet	Y	During the period 15 January 2014 – 12 March 2014	N	N/A	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk
131217/11	To approve policy to implement the Community Right to Bid provisions contained in the Localism Act 2011 and the Assets of Community Value (England) Regs 2012	Cabinet	Y	During the period 15 January 2014 – 12 March 2014	N	N/A	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk
131217/12	To seek approval to proceed with the delivery of a 26 Hectare serviced employed site and construction of a new link road from Nissan Way/Cherry Blossom Way to the A1290. Including associated improvements to existing Nissan Way and A1290 highways, utilities	Cabinet	Y	During the period 15 January 2014 – 12 March 2014	N	N/A	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk

Item no.	Matter in respect of which a decision is to be made	Decision-maker (if individual, name and title, if body, its name and see below for list of members)	Key Decision Y/N	Anticipated date of decision/ period in which the decision is to be taken	Private meeting Y/N	Reasons for the meeting to be held in private	Documents submitted to the decision-maker in relation to the matter	Address to obtain further information
	diversions and provision of new water, gas and electricity infrastructure							
131217/13	To approve a proposed new lease of Unit 9, Mercantile Road, Rainton Bridge, Industrial Estate	Cabinet	Y	During the period 15 January 2014 – 12 March 2014	Y	The report is one which relates to an item during the consideration of which by Cabinet the public are likely to be excluded under Paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended, as the report will contain information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining this exemption outweighs the public interest in disclosing the information.	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk

Item no.	Matter in respect of which a decision is to be made	Decision-maker (if individual, name and title, if body, its name and see below for list of members)	Key Decision Y/N	Anticipated date of decision/ period in which the decision is to be taken	Private meeting Y/N	Reasons for the meeting to be held in private	Documents submitted to the decision-maker in relation to the matter	Address to obtain further information
131217/14	To seek approval to the transfer of land along the Riverside at Stadium Park from Homes and Communities Agency	Cabinet	Y	During the period 15 January 2014 – 12 March 2014	Y	Commercially Sensitive Information	Cabinet report – transfer of land along the Riverside at Stadium Park from the Homes and Communities Agency	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk
130806/05	To seek approval to a Council funded city centre office development scheme and associated pre-letting arrangements	Cabinet	Y	During the period 15 January 2014 – 12 March 2014	Y	The report is one which relates to an item during the consideration of which by Cabinet the public are likely to be excluded under Paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended, as the report will contain information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining this exemption	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk

Item no.	Matter in respect of which a decision is to be made	Decision-maker (if individual, name and title, if body, its name and see below for list of members)	Key Decision Y/N	Anticipated date of decision/ period in which the decision is to be taken	Private meeting Y/N	Reasons for the meeting to be held in private	Documents submitted to the decision-maker in relation to the matter	Address to obtain further information
						outweighs the public interest in disclosing the information.		
130910/10	To consider and approve the Housing Financial Assistance Policy	Cabinet	Yes	12 March 2014	N	N/A	Cabinet Report	Governance Services Civic Centre PO Box 100 Civic Centre Sunderland SR2 7DN committees@sunderland.gov.uk

Note; Some of the documents listed may not be available if they are subject to an exemption, prohibition or restriction on disclosure.

Further documents relevant to the matters to be decided can be submitted to the decision-maker. If you wish to request details of those documents (if any) as they become available, or to submit representations about a proposal to hold a meeting in private, you should contact Governance Services at the address below. Subject to any prohibition or restriction on their disclosure, copies of documents submitted to the decision-maker can also be obtained from the Governance Services team PO Box 100, Civic Centre, Sunderland, or by email to committees@sunderland.gov.uk

Who will decide;

Cabinet; Councillor Paul Watson; Councillor Henry Trueman; Councillor Mel Speding; Councillor Pat Smith; Councillor Graeme Miller; Councillor John Kelly; Councillor James Blackburn; Councillor Celia Gofton

Elaine Waugh

Head of Law and Governance

17 December 2013

ANNUAL WORK PROGRAMME 2013/14**REPORT OF THE CHIEF EXECUTIVE****1. PURPOSE OF THE REPORT**

- 1.1 The report attaches, the work programme for the Committee's work during the 2013/14 council year.
- 1.2 In delivering its work programme, the Scrutiny Committee will support the council in achieving its Corporate Outcomes.

2. BACKGROUND

- 2.1 The work programme is a working document which the Committee can develop throughout the year. The work programme allows Members and officers to maintain an overview of work planned and undertaken during the Council year.
- 2.2 The policy review topics commissioned by the Scrutiny Committee to the Scrutiny Panels are underway as follows:-

Remit	Policy Review Topic
Health, Housing and Adult Services	Supporting Carers in the City
Public Health, Wellness and Culture	Patient Engagement
Responsive Services and Customer Care	Volunteering: Increasing Community Capacity
Skills, Economy and Regeneration	The Growth and Diversification of the Local Economy

- 2.3 The City Services Scrutiny Panel have now completed the evidence gathering for the Alcohol and Licensing Control review and have commenced evidence gathering for the second policy review of the year; Flood Risk.
- 2.4 The Children's Services Scrutiny Panel are now finalising the evidence for the review into Childhood Obesity.
- 2.5 The draft final reports of both the Alcohol and Licensing and Child Obesity Policy Reviews will be considered by the Scrutiny Committee at its meeting of 13 February 2014.

3. CURRENT POSITION

- 3.1 The work programme reflects discussions that took place at the Scrutiny Committee meeting held on 5 December 2013. The current work programme is attached as **Appendix 1**.

4. CONCLUSION

- 4.1 The work programme developed from the meeting will form a flexible mechanism for managing the work of the Committee in 2013/14.

5 RECOMMENDATION

- 5.1 That the Committee notes the information contained in the work programme and consider the inclusion of any proposals for the Committee into the work programme.

Contact Officer: Helen Lancaster, Scrutiny Coordinator
0191 561 1233 – Helen.lancaster@sunderland.gov.uk

REASON FOR INCLUSION	13 JUNE D/L 04.06.13	11 JULY D/L 02.07.13	12 SEPTEMBER D/L 03.09.13	10 OCTOBER D/L 01.10.13	7 NOVEMBER D/L 29.10.13	5 DECEMBER D/L 26.11.13	16 JANUARY D/L 07.01.14	13 FEBRUARY D/L 04.02.14	13 MARCH D/L 04.03.14	17 APRIL D/L 11.04.14
Cabinet Referrals and Responses		Portfolio Holder Response to Policy Reviews 2012/13 Revenue Budget Outturn for 2012/2013 and First Revenue Review 2013/2014 Capital Programme Outturn 2012/2013 and First Capital Review 2013/2014 including Treasury Management	Portfolio Holder Response to Policy Reviews 2012/13 Youth Justice Plan 2013/14	Proposal for Budget Consultation 2014/15 Budget Planning Framework 2014/2015 and Medium Term Financial Strategy 2014/2015 – 2016/2017 Capital Programme Second Review 2013/14 Revenue Budget Second Review 2013/2014 Feed and Food Controls Service Plan 2013/14			Revenue Budget 2014/15 Proposals Revenue Budget Third Review 2013/14 Capital Programme - Third Capital Review 2013/2014, Provisional Resources 2014/2015 And Treasury Management Review 2013/2014	Budget and Service Reports: Collection Fund 14/15 Revenue Budget & Proposed Council Tax 14/15 Capital Programme 14/15	Local Development Framework	
Scrutiny Business	Future Library Services Children's Services Scrutiny Panel: CAMHS Update Membership of Scrutiny Panels Commissioning the Annual Scrutiny Work Programme 2013/14 Notice of Key Decisions	Final Draft of the Health Protocol Notice of Key Decisions Scrutiny Work Programme 2013/14	Clinical Commissioning Group 'Better Health for Sunderland' Urgent Care Service Reform – Update on Progress Corporate Parenting Annual Report Notice of Key Decisions Scrutiny Work Programme 2013/14	Notice of Key Decisions Scrutiny Work Programme 2013/14	Sunderland Healthwatch Annual Audit Letter Integrated Wellness Notice of Key Decisions Scrutiny Work Programme 2013/14	Local Authority Trading Company 20mph Zones Housing Financial Assistance Policy CfPS Parliamentary Series Notice of Key Decisions Scrutiny Work Programme 2013/14	Children and Young People Plan Refresh Children's Services Scrutiny Panel: Child and Adolescent Mental Health Effective Health Scrutiny Notice of Key Decisions Scrutiny Work Programme 2013/14	Building Participation in Physical Activity, Leisure and Sport Council Annual Complaints Report Safer Sunderland Partnership – key priorities and emerging issues Housing Financial Assistance Policy Draft Final Policy Review Reports Scrutiny Member Development Notice of Key Decisions Scrutiny Work Programme 2013/14	Joint Health & Wellbeing Strategy – Progress Annual Report – Director of Public Health 2013 Safeguarding and Looked After Children's Services Ofsted Inspection – Progress against Action Plan Outcome of the Peer Challenge – Adult Social Care Draft Final Policy Review Reports Notice of Key Decisions Scrutiny Work Programme 2013/14	South Tyneside Foundation Trust Quality Account Annual Monitoring the Delivery of Agreed Scrutiny Recommendations Draft Final Policy Review Reports Scrutiny Annual Report Notice of Key Decisions Scrutiny Work Programme 2013/14

Lead Scrutiny Member Update		Lead Scrutiny Member Update	Lead Scrutiny Member Update	Lead Scrutiny Member Update	Lead Scrutiny Member Update	Lead Scrutiny Member Update	Lead Scrutiny Member Update	Lead Scrutiny Member Update	Lead Scrutiny Member Update	Lead Scrutiny Member Update
Substantial Variations to Service - Health										
CCFA/Members items/Petitions					Veterans – Health Inequalities					

LEAD SCRUTINY MEMBER UPDATE: JANUARY 2014

JOINT REPORT OF THE LEAD SCRUTINY MEMBERS

1. PURPOSE OF THE REPORT

- 1.1 To provide an update to the Scrutiny Committee regarding the work of each of the six Lead Scrutiny Members and supporting Panels.

2. SCRUTINY LEAD MEMBER UPDATE

Scrutiny Chair and Vice Chair (Cllrs David Tate and Norma Wright)

- 2.1 On 10 December 2013, the Scrutiny Committee met informally with the Leader, Deputy Leader, Cabinet Secretary and Sonia Tognarelli, Head of Financial Resources to be consulted on the budget proposals for 2014/15. At the meeting the Chair, Vice Chair and Lead Members discussed the sheer scale of the challenge facing the council in the coming years. Many questions were asked in regard to how efficiencies would impact on the residents of Sunderland going forward. Members concluded that given the task facing us, the council has robust plans in place to mitigate the impact of the reductions as much as is feasible.

Children's Services (Cllr Debra Waller)

- 2.2 The Panel met with Professor Mike Kelly from the NICE Organisation and discussed a variety of issues including the purpose of NICE and a number of general public health issues. The panel also discussed childhood obesity with Professor Mike Kelly and some of the initiatives that local government could take or influence around this issue. It was good meeting and Professor Kelly was interested in returning to Sunderland in the future, as is practice, to discuss new policy developments with local authorities and get their feedback to them.
- 2.3 The Panel also held a meeting to discuss the child and adolescent mental health services, as commissioned by the Scrutiny Committee, and this is covered in a separate report on the agenda. It is, though, worth pointing out that the commissioning model has allowed for a detailed look at this particular issue. The Panel has over the last 15 months monitored and challenged the service and Members from the Children's Services Scrutiny Panel have been actively involved in this.
- 2.4 The next meeting of the panel takes place in early January and will be with families who have undertaken or been involved with Sunderland's Lifestyle, Activity and Food Programmes and Specialist Childhood Weight Management Programmes.

City Services (Cllr Stephen Bonallie)

- 2.5 At its meeting on 11 December, the Panel looked at the issue of alcohol misuse and the development of licensing policy in the city, with particular regard to public health and the impact on emergency services. To this end, Nonnie Crawford (Director of Public Health) Dr Kate Lambert (Consultant in Emergency Medicine, City Hospitals) and Elaine Griffiths (Chairperson of Sunderland City Centre Pub Watch) were invited to the meeting.
- 2.6 The Panel discussed the impact and cost of alcohol misuse on society, including its effect on health and its role in instances of anti-social behaviour and domestic violence.
- 2.7 Reference was made to the dangers of irresponsible advertising campaigns and the very low unit price of alcohol sold in many supermarkets and off licences. It was also felt that alcohol was becoming too accessible, with even garages and motorway service stations being permitted to sell alcohol.
- 2.8 The Panel stressed the importance of changing the cultural approach to drinking though it was recognised that this would be a long term goal. However, it was important that the Council's approach to licensing policy should reflect its commitment to tackling these problems. Elaine Griffiths referred to the important role of Pubwatch in persuading local publicans to take a responsible attitude to the sale of alcohol to customers and particularly young people.
- 2.9 Reference was also made to the importance of the Council working with all its partners and the whole of the North East in order to ensure a coordinated and combined approach.

Health, Housing and Adult Services (Cllr Christine Shattock)

- 2.10 The HHAS Scrutiny Panel conducted its Expert Jury Day on 6 December where a number of key witnesses provided evidence to the Panel around supporting carers. The event was attended by representatives from Sunderland Carers' Centre, Sunderland CCG, Age UK, Job Centre+, City Hospitals, NTW and South Tyneside Foundation Trust. The panel also heard evidence from a young carer and this was particularly interesting from the perspective of a carer.
- 2.11 The Panel are to meet with representatives from Gentoo early in the New Year. This meeting will be an opportunity to discuss a number of initiatives and support that Gentoo have put in place to help carers as a result of the implications emerging from welfare reforms. The Panel will also begin to look at some of the themes that are coming out of the evidence gathering and begin to develop some conclusions and shape recommendations for the final report.

Public Health, Wellness and Culture (Cllr George Howe)

- 2.12 The Panel is looking into patient and public engagement (PPE) in the health service, meeting on 17 December to take evidence from the Sunderland Clinical Commissioning Group on the development of their Patient Experience Strategy.
- 2.13 Proposals for an Integrated Health and Wellness Model will underpin joint patient engagement arrangements through joint commissioning proposals. Proposals include the development of social media and a variety of other public consultation methods. Market research techniques are being adopted to bring rigour to engagement methods.
- 2.14 Witnesses were questioned about how GP member practices will be encouraged to operate good patient engagement in their own surgeries, and also, how existing consultation and engagement mechanisms will be used. Concern was expressed about whether the voice of patient groups is truly representative, the extent to which there are sufficient resources to deliver patient engagement as a quality measure in its own right and how all patient complaints and issues are picked up and analysed for identification of potential service improvements.

Skills, Economy and Regeneration (Cllr Tom Martin)

- 2.15 On 16 December, the Panel met with Anne Tye, Sector Specialist for Creative Industries from the Business and Investment Team. The meeting was held at the Sunderland Software Centre, Tavistock Place.
- 2.16 Ms Tye provided a presentation covering the following themes:-
- The content and objectives of the Creative Industries Strategy;
 - What we mean by creative industries and what they currently contribute to the local economy;
 - The potential for growth in the creative industries sector
 - Examples of partnership working within the sector
 - Measures being taken to raise the profile of the sector both nationally and internationally
- 2.17 The Panel heard that the Creative industries Strategy focused on the contribution that could be made by creative industries to the economic growth of the city. At the present time, it was estimated that there were around 440 firms employing 2,510 people in the creative industries sector and that there was the potential to employ a further 780 by 2015. Nevertheless it was felt that in comparison with other similar sized cities, the potential contribution could be much greater. In particular, there was considered to be a weakness in translating creative potential into business growth and instilling greater commercial awareness amongst some firms. There was also a strong voice from the sector that collaborative working

was being made more difficult by the lack of a central hub within the city centre.

- 2.18 Examples of successful initiatives included the Sunnyside Makers Quarter, the Urban Art Festival and the establishment of Pop Recs Ltd. The latter two in particular had generated extensive national and international publicity which was important in helping to improve perceptions of the city as a vibrant and creative place.

Responsive Services and Customer Care (Cllr Iain Kay)

- 2.19 The Panel is carrying out a review of volunteering with a focus on unlocking capacity and met on 16 December to take evidence on the impact of the voluntary sector on crime and community safety in Sunderland. VONNE is working on a project with the VCS, supporting its work to reduce crime, promote community safety, and reduce re-offending.
- 2.20 The 2-year funded project will map the voluntary sector; assess support needs and produce case studies of good practice to highlight the innovative work of VCS organisations in criminal justice and community safety.
- 2.21 Evidence was taken for the review on what is going well and what needs to change. We were told that issues, particularly for smaller organisations, include the use of large scale contracts, payment by results approach and being able to demonstrate the value of the sector.
- 2.22 The Panel took evidence about the organisations providing services in Sunderland. The project includes a pilot in Sunderland to support individuals with complex needs through the Making Every Adult Matter (MEAM) approach. This involves the design and delivery of better coordinated services for people facing multiple needs and exclusions. Ultimately, the project aims to Influence commissioners, in particular Police and Crime Commissioners, to positively engage the VCS.

3. CHANGES TO PANEL MEMBERSHIPS

- 3.1 Non-executive Members are allocated to a scrutiny panel; membership of the panels has been decided in accordance with current political arrangements.
- 3.2 Scrutiny Panels are informal; therefore there is flexibility within the arrangements to revise Panel memberships at any point in the municipal year to reflect changes to Member capacity and other commitments.
- 3.3 There are no changes to report; therefore the complete membership of the Scrutiny Panels is attached for information and consideration as **Appendix 1** of this report.

4. DEDICATED SCRUTINY BUDGET

4.1 A small budgetary provision of £15,000 per annum is available to the Scrutiny Committee and the supporting Panels to deliver the agreed Annual Scrutiny Committee Work Programme.

4.2 As of 6 January 2014 the breakdown of the budget stood as follows:-

Description	£
Scrutiny Development	2,540.74
Member Development	5,154.74
Policy Review Development	0.00
Total Expenditure to Date	7,695.48
Budget	15,000.00
Remaining Budget	7,304.52

5. RECOMMENDATIONS

5.1 It is recommended that the Scrutiny Committee notes and considers the update of the Lead Scrutiny Members.

6. BACKGROUND PAPERS

- Scrutiny Committee Agenda and Papers

Contact Officer: Helen Lancaster, Scrutiny Coordinator
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0191 561 1233

APPENDIX 1

SCRUTINY PANEL MEMBERSHIP

<p style="text-align: center;">City Services</p> <p>Scrutiny Lead Member: Cllr Stephen Bonallie</p> <p>Cllr Neville Padgett Cllr Michael Essl Cllr Stuart Porthouse Cllr Lynda Scanlan Cllr Steven Foster Cllr Amy Wilson Cllr Dianne Snowdon</p>	<p style="text-align: center;">Health, Housing & Adult Services</p> <p>Scrutiny Lead Member: Cllr Christine Shattock</p> <p>Cllr Jill Fletcher Cllr Ronny Davison Cllr Alan Emerson Cllr Rosalind Copeland Cllr Darryl Dixon Cllr Lisa Smiles Cllr Barbara McLennan Cllr Dorothy Trueman Cllr Mary Turton Cllr Gemma Taylor</p>
<p style="text-align: center;">Children's Services</p> <p>Scrutiny Lead Member: Cllr Debra Waller</p> <p>Cllr Florence Anderson Cllr Linda Williams Cllr Doris MacKnight Cllr Anthony Farr Cllr Philip Tye Cllr Robert Oliver Cllr Bob Francis</p>	<p style="text-align: center;">Skills, Economy & Regeneration</p> <p>Scrutiny Lead Member: Cllr Tom Martin</p> <p>Cllr Bob Price Cllr Christine Marshall Cllr David Snowdon Cllr Denny Wilson Cllr Len Lauchlan Cllr Tom Wright Cllr Peter Wood</p>
<p style="text-align: center;">Public Health, Wellness & Culture</p> <p>Scrutiny Lead Member: Cllr George Howe</p> <p>Cllr Debra Waller Cllr Louise Farthing Cllr Fiona Miller Cllr Julia Jackson Cllr Rebecca Atkinson Cllr David Errington Cllr Paul Maddison</p>	<p style="text-align: center;">Responsive Services & Customer Care</p> <p>Scrutiny Lead Member: Cllr Iain Kay</p> <p>Cllr Bob Heron Cllr Betty Gibson Cllr Barry Curran Cllr Anne Lawson Cllr John Scott Cllr George Thompson Cllr John Wiper</p>

