

CABINET MEETING – 12 FEBRUARY 2014
EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

MINUTES, PART I

Author(s):

Head of Law and Governance

Purpose of Report:

Presents the minutes of the last meeting held on 15 January 2014 Part I.

Action Required:

To confirm the minutes as a correct record.

At a meeting of the CABINET held in the CIVIC CENTRE (COMMITTEE ROOM NO. 1) on Wednesday 15 January 2014 at 2.00pm.

Present:-

Councillor P. Watson in the Chair

Councillors Blackburn, Gofton, Kelly, G. Miller, P. Smith and Speding

Also present:-

Councillor Oliver

Part I

Minutes

The minutes of the meeting of the Cabinet held on 19 December 2013 Part I (copy circulated) were submitted.

(For copy report - see original minutes).

1. RESOLVED that the minutes of the last meeting be confirmed and signed as a correct record.

Receipt of Declarations of Interest

There were no declarations of interest.

Apologies for Absence

An apology for absence was received from Councillor H. Trueman.

Sunderland City Council Events Programme 2014/15

The Director of Corporate Affairs submitted a report (copy circulated) to request approval of the Council's 2014/15 Events Programme, to be delivered on the Council's behalf by Sunderland Live Limited.

(For copy report - see original minutes).

Councillor Kelly was pleased to present the City Council's Events Programme for 2014/15 which would be delivered on the Council's behalf by Sunderland Live. He explained that the Programme included a wide range of high quality events which the Council considered most important to delivering its objectives under the 'See it Do it' events-based place-marketing campaign.

Councillor Kelly reported that the Council wanted to sponsor the right events which would attract more visitors to the City, strengthen the City's profile around the region and wider and which would make an important contribution to the local economy.

Cabinet Members were advised that the Council was not only maintaining, but actually strengthening the City's events 'offer' with events that people in Sunderland responded to in their hundreds of thousands. Feedback from the most recent events, the successful Roker Park Lights and Seafront Illuminations confirmed that, at a time when households were facing serious financial pressures, visitors very much welcomed the Council's commitment to affordable, accessible events, many of which had a whole-family appeal.

Councillor Kelly highlighted that in the coming year the Council would work with a range of partners, in particular the City Centre Business Improvement District, to provide an exciting events programme, including the City Centre Christmas Switch on and events programme to include celebration of New Year's Eve. He added that approval of the Council's events priorities for 2014/15 would provide the events management company, Sunderland Live, with a great opportunity to maximise commercial sponsorship and other income which was required in order to offset the impact of public spending reductions and to continue to provide a range and quality of events of which the City can justifiably be proud.

Cabinet Members commended the range of events which would showcase the City for residents and visitors.

In response to an enquiry in relation to the event planned for the New Year's Eve celebration, Councillor Kelly advised that the details of the event were still to be finalised.

Consideration having been given to the report, it was:-

2. RESOLVED that:-

- (i) the Events Programme for 2014/15 to be delivered by Sunderland Live be approved, and

- (ii) the payment of the funding contribution to Sunderland Live of £1,066,344 for delivery of this events programme be approved in accordance with the terms of the funding agreement between the Council and Sunderland Live.

Council Tax Base 2014/2015.

The Head of Financial Resources submitted a report (copy circulated) on 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.

(For copy report – see original minutes).

Councillor Speding highlighted that the report explained the Council Tax Base to be used in calculating the 2014/2015 Council Tax for the Council in accordance with relevant legislation. He advised that the Tax Base for the Council was to be set at £64,559 and that the Council must also calculate the Tax Base for any Parish Councils within their Council boundary. As such Hetton Town Parish Council would have a Tax Base for 2013/2014 of £3,230.

Cabinet Members were advised that the calculations detailed in the report were complex and must follow strict government regulation which specified the factors and formula to be applied and that the calculations must be based on all information available to the Council at 30 November of each year.

Consideration having been given to the report, it was:-

4. RESOLVED that it be recommended to Council that:-

- (i) the calculation of the Tax Bases for the City Council and Hetton Town Council for 2014/2015 be approved, and
- (ii) 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.

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

The Head of Financial Resources submitted a report (copy circulated) to provide details of 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 31 January 2014 in accordance with the Non Domestic Rating (Rates Retention) Regulations 2013, following approval by Council.

(For copy report – see original minutes).

Councillor Speding explained the arrangements for estimating Business Rates income for 2014/2015 and the forecast outturn Business Rates Income for 2013/2014 which must be submitted to government no later than 31 January 2014 in accordance with the Non Domestic Rating Regulations.

Councillor Speding drew attention to the forecast outturn for 2013/2014 and reported that a deficit was currently anticipated on the Collection Fund as a result of the level of backdated rating valuation appeals over which the Council had no control. He explained that this would result in a reduced level of business rate income available to support the Council Budget in 2014/2015. He pointed out that however the impact of this on the Revenue Budget had been provided for within the Safety Net Reserve Budget Provision.

The attention of Cabinet Members was then drawn to the details of the forecast income set out in the draft NNDR 1 form circulated at the meeting. It was noted that there had been a significant delay in Government providing the form following changes announced in the Autumn Statement. A final form was not expected to be received until the 17 January. Verification work was continuing on the data included within the return and therefore Cabinet was 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 final version of the NNDR1 Form to be submitted to Council for approval.

Consideration having been given to the report, it was:-

5. RESOLVED that it be recommended to Council to approve the NNDR1 form (circulated separately as Appendix A) for submission to government, and which sets out:-

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

Further 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, that delegated authority be given 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.

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

The Chief Executive and Head of Financial Resources submitted a report (copy circulated) on 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.

(For copy report – see original minutes).

Councillor Speding in highlighting the report advised that the provisional settlement disappointingly continued to include the inherent anomalies in the way Government was allocating the cuts. He explained that areas such as Sunderland, who were more dependent on grant funding, were being hit the hardest. Independent organisations such as the National Audit Office were also alerting government to the disproportionate impact of the cuts.

Councillor Speding drew attention to some stark statistics in the report, including the real cut to needs based funding of almost 13% in 2014/2015 and a further 19% in 2015/2016 which amounted to a 22% cut over the next two years. He added that it would be this that the Council would be focussing on in its response to government. To demonstrate the unfair distribution of Revenue Support Settlement, Councillor Speding highlighted that in real terms the cuts facing Sunderland equated to a reduction of approximately £565 per dwelling which was higher than the national average compared to Wokingham which saw an increase in funding of 1% or approximately £7 per dwelling.

Cabinet Members were advised that the reductions in government funding for the fourth year running had a significant negative impact on the Council's position. Taking spending pressures into account there was a funding gap of £35.6m in 2014/2015 and the report set out a programme of proposals to fully address this gap.

Councillor Speding reported that whilst the Council had continued to address the cuts by maximising savings from non front line services, the compound impact of the reductions meant that front line service changes were unavoidable. He advised that the proposals therefore included recommissioning of services, reprioritising spend and greater collaboration and use of alternative delivery models, particularly going forward into 2015/2016.

Councillor Speding concluded by reporting that there were a number of outstanding uncertainties around the financial position which were still being confirmed. He explained that some final decisions remained to be taken, and, of course, the consultation which the Council would be undertaking between now and the February meeting was very important to inform those final decisions.

Cabinet Members agreed that the methodology for distributing the Revenue Support Settlement was disproportionate and unfair. Councils in Southern England were receiving more funding while Northern Councils faced cuts forcing alternative methods of service delivery to the point now that frontline services would be affected.

In highlighting changes to service delivery, Councillor Blackburn reported that the refuse collection services had been consolidated into a four day week which would deliver significant efficiencies. He added that the reductions in Responsive Local Services had been achieved through rationalisation and the use of the Environmental Apprenticeships Scheme.

In relation to Streetscene services, Councillor Blackburn reported that the Council was working with Aurora, the Asset Management Contractor for the Sunderland Street Lighting and Highway Signs PFI Project, to reduce energy costs by using lower energy lamps. In addition it was proposed to make Highway Maintenance services more responsive by authorising operatives to undertake minor repairs and also to introduce parking permits for city centre workers to be able to park in the Council Car Parks.

Cabinet Members having given consideration to the report, it was:-

6. RESOLVED that the provisional budget proposals be approved, as a basis for the continuation of budget consultation, prior to the receipt of the final Local Government Finance Settlement 2014/2015.

Revenue Budget Third Review 2013/2014

The Head of Financial Resources submitted a report (copy circulated) on details of the outcome of the Revenue Budget Third Review for 2013/2014.

(For copy report – see original minutes).

Councillor Speding highlighted that in overall terms there was very positive progress being made in terms of delivering the 2013/2014 savings requirement although there were budget pressures being experienced for which mitigating actions were being implemented.

Cabinet Members were advised that where delays in implementation of savings targets and budget pressures were identified Portfolio holders and Directors were progressing alternative actions to address the position. However given the continued demand pressures being experienced in relation to adult social care it was anticipated there would be a need to draw on some earmarked corporate funding at outturn in order to balance the position.

Consideration having been given to the report, it was:-

7. RESOLVED that the contingency transfers proposed at Appendix A and budget transfers set out in the report be approved.

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

The Head of Financial Resources submitted a report (copy circulated) to detail the:-

- 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; and
- the progress in implementing the Treasury Management Strategy for 2013/2014.

(For copy report – see original minutes).

Councillor Speding drew attention to the anticipated spend in 2013/2014 which had been reduced by £7.4million since the Second Capital Review was reported. He explained that the main reasons for this included expenditure that had been re-profiled into 2014/2015 either as a result of external factors outside of the Council's control or to maximise external grant funding.

Cabinet Members were advised that in relation to resources available for 2014/2015, the Council had not yet been notified of a number of its expected allocations specifically in respect of Other Education Grants. Those notifications received so far were set out at section 5 of the report. Councillor Speding reported that Cabinet Members would be considering new starts based on final notifications and other resources available and final proposals for new starts would be incorporated into the capital programme which would be presented to Cabinet in February.

Councillor Speding also highlighted the continued positive progress in implementing the treasury management strategy for 2013/2014.

The Chairman having observed that the Council was in remarkable position to be able to continue to invest in vital capital schemes particularly in the current financial climate, it was:-

8. RESOLVED that:-

- (i) in relation to the Capital Programme for 2013/2014, it be approved, and where necessary recommended 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, it be noted that:-
 - (a) the allocation of resources as set out in Section 5 will be subject to final resource announcements;
 - (b) 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, the positive progress made in implementing the strategy for 2013/2014 be noted.

Local Government (Access to Information) (Variation) Order 2006

At the instance of the Chairman it was: -

9. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it was considered to involve a likely disclosure of information relating to the financial or business affairs of any particular person (including the authority) (Paragraph 3 of Part 1, Schedule 12A of the Local Government Act 1972). The public interest in maintaining this exemption outweighs the public interest in disclosing the information.

(Signed) P. WATSON,
Chairman

Note:-

The above minutes comprise only those relating to items during which the meeting was open to the public.

Additional minutes in respect of other items are included in Part II.