

THE CABINET reports as follows:-

1. Youth Justice Plan 2009-2010

That they have given consideration to a report of the Executive Director of Children's Services (copy attached) seeking approval to the publication and distribution of the Youth Justice Plan 2009-2010. The report outlines the background, purpose and intentions of the Plan and provides the Plan intended for publication.

They also referred the report to the Children, Young People and Learning Scrutiny Committee for further advice and consideration. The Review Committee considered and endorsed the Youth Justice Plan prior to its submission to the Youth Justice Board.

Accordingly the Cabinet recommends the Council to consider the contents of the report and approve the Youth Justice Plan 2009-2010 (attached at Appendix A) and agree to its publication and distribution.

2. Capital Programme Outturn 2008/2009 and First Capital Programme Review 2009/2010

That they have given consideration to a report of the Director of Financial Resources on the Capital Programme Outturn for 2008/2009 and the outcome of the First Capital Programme Review for 2009/2010, taking account of the Capital Programme Outturn 2008/2009 and changes made to the Capital Programme 2009/2010 since its approval.

The Cabinet recommends the Council to approve the inclusion of additional schemes and revised cost estimates for 2008/2009 and 2009/2010 detailed in the attached extract, which had arisen since the Capital Programme was approved in March, 2009.

They also referred the matter to the Management Scrutiny Committee, for advice and consideration in the context of the inclusion of the additional schemes and revised cost estimates for 2008/2009 and 2009/2010. The comments of the Committee will be reported to the meeting.

3. Revenue Budget and Trading Services Outturn for 2008/2009 and First Revenue Budget Review for 2009/2010

That they have given consideration to a report of the Director of Financial Resources on the Revenue Budget and Trading Services Outturn 2008/2009 and the First Review for 2009/2010 and specifically the approval of virements and budget transfers.

The Cabinet recommends the Council to approve the budget transfers and virements as detailed in the attached extract.

They also referred the matter to the Management Scrutiny Committee for advice and consideration on the issues of virement detailed in the attached extract. The comments of the Committee will be reported to the meeting.

4. Land Acquisition at Southwick Primary School

That they have given consideration to a joint report of the Executive Director of Children's Services and the Director of Development and Regeneration (copy attached) on the position in respect of the acquisition of land for the new Southwick Primary School, and in particular a request that has been received from Gentoo regarding the provisional agreement between the Council and Gentoo for the exchange of land at Carley Hill School for the acquisition costs incurred by Gentoo in respect of the new Southwick Primary School.

As the proposal is outside the Budget Policy Framework, the Cabinet recommends the Council to approve an additional commitment to be made against the Capital Programme for 2009/2010 and future years as appropriate to enable compensation to be paid in respect of the land included in City of Sunderland (Southwick Primary School) Compulsory Purchase Order 2006 and the proposed City of Sunderland (Ridley Street, Southwick) Compulsory Purchase Order 2009.

5. Council Mortgages

That they have given consideration to a report of the Executive Director of Health, Housing and Adult Services (copy attached) on proposals to re-introduce Council Mortgages together with an appropriate Eligibility Criteria, and to seek approval to amend the Private Sector Renewal Financial Assistance Policy (FAP) to include the provision for Council Mortgages.

As the proposal is outside the Budget Policy Framework, the Cabinet recommends the Council to approve an initial allocation of £3 million to be made available to fund Council mortgages to be funded through prudential borrowing.

6. New Executive Arrangements

That they have given consideration to a joint report of the Chief Executive and the Chief Solicitor (copy attached) on the outcome of the consultation undertaken and to make further recommendations on the process of making changes to executive arrangements as required by the Local Government and Public Involvement in Health Act 2007.

The Cabinet recommends the Council to:-

- (a) agree the Proposals for new executive arrangements as set out in Appendix 2 of the report and to authorise statutory notice of those Proposals being published as required by the Act; and
- (b) convene a special meeting of Council immediately before its ordinary November 2009 meeting to adopt formally those proposals so that the new executive arrangements will come into effect immediately after the local elections in May 2010.

7. Future of the Central Area Multi-Storey Car Park

That they have given consideration to a report of the Director of Development and Regeneration (copy attached) seeking approval to the proposals for the future of the Central Area Multi-Storey Car Park.

As the proposal is outside the Budget Policy Framework, the Cabinet recommends the Council to approve a commitment of up to £1.4 million against the 2010/2011 capital resources towards the estimated scheme costs of £2.9 million to demolish the car park to levels A and B whilst retaining Jacky Whites Market Hall open both throughout and after the work having previously provided £1.5million as part of the 2009/2010 capital programme

8. Port of Sunderland: Proposed Governance Arrangements

That they have given consideration to a report of the Director of Development and Regeneration (copy attached) on proposals for a new governance structure at the Port of Sunderland in accordance with the decision by Cabinet on 25th June, 2009 to progress with governance arrangements in accordance with the best practice recommendations as set out in the Municipal Ports Review.

The Cabinet recommends the Council to approve that:-

- (i) the operational Port functions, outlined in the Annex to the report be redesignated as Council functions from 1st January, 2010;
- (ii) a Port Board is established and constituted as a Council Committee to be responsible for the discharge of the operational Port functions from 1st January, 2010; and
- (iii) the Director of Development and Regeneration, in consultation with the Leader, Portfolio Holder, Chief Solicitor and the Director of Financial Resources, shall produce detailed terms of reference for the Port Board and its composition for subsequent approval.

YOUTH JUSTICE PLAN 2009/2010

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

1. PURPOSE OF REPORT

- 1.1 This report seeks approval of Cabinet to the submission to the Youth Justice Board of the Youth Justice Plan 2009/2010 and its subsequent publication and distribution. The report outlines the background, purpose and intentions of the plan and provides the final draft intended for submission and publication.

2. DESCRIPTION OF DECISION

- 2.1 Cabinet is recommended to consider the contents of the report and the Youth Justice Plan 2009/2010 (attached at appendix A) and agree submission to the YJB, publication and distribution.

3. BACKGROUND

- 3.1 The Youth Justice Board (YJB) oversees the youth justice system in England and Wales and works to prevent offending and re-offending by children and young people under the age of 18.
- 3.2 The YJB is required to monitor and report on the performance of the youth justice system to the Home Secretary. It does this through Youth Justice Plans submitted annually by each Youth Offending Team (YOT) and through the collection of performance data. Regional Teams of the YJB receive submission of the Youth Justice Plan.
- 3.3 For the current year there are no national requirements for a Youth Justice Plan. This is because the Planning framework is being revised by the Youth Justice Board. The plan is however an article 4 plan under the Constitution of Sunderland City Council.
- 3.4 Sunderland Youth Offending Service has published Youth Offending Plans since 2001. This is the 9th plan to be published within the local area.
- 3.5 The Youth Justice Planning Framework is being revised. This plan is therefore based around the framework provided for 2008-2009 that required YOT's to make a self-assessment of effectiveness in achieving the principal aim of the youth justice system which is to prevent offending by children and young persons.
- 3.6 In September 2008 the Youth Justice Board evaluated the 2008-2009 YJ Plan through a case file review and a full day visit to the YOS.

- 3.7 The YJB subsequently reached a judgment about the level of performance of the YOS against the 6 YJB national indicators included in the national indicator set.
- 3.8 The performance ratings for 2008 – 2009 had 4 levels; performing poorly; performing adequately; performing well and; performing excellently.

4. CURRENT POSITION

- 4.1 Sunderland Youth Offending Service (YOS) is a multi-agency service that works with Northumbria Police, National Probation Service, Sunderland Health Authority, Sunderland Housing Group and Sunderland City Council. Representatives of these agencies form a YOS Board, which governs the YOS.
- 4.2 Sunderland has once again delivered outstanding performance achieving the highest performance level rating in the national validation exercise carried out in late 2008 of **'performing excellently'** with a score of 18 out of 20. In addition:
- Through working in partnership with others Sunderland City Council and its partners achieved Beacon status for reducing re-offending across both youth and adults in 2008.
 - As part of the ongoing Beacon year which involves a requirement to share learning with other local authorities Sunderland hosted a national Conference in December 2008, a Regional Homelessness Conference in February 2009 as well as a variety of other learning events and facilitated workshops.
 - In June 2009 Sunderland YOS will contribute to a major LGA national conference on reducing re-offending aimed at sharing best practice across the country.
 - Preventing offending by children and young people is the primary aim of the Youth Offending Service. Reducing the numbers of First Time Entrants (FTE's) to the youth justice system (National Indicator 111) is therefore a key priority for the YOS. From 2008/09 the YJB will measure success against this indicator on the rate of FTE's per 100,000 young people based on Sunderland's 10-17 population figure. This is a move away from the previous measure which was based simply on the raw number of FTE's in a specific period. Year end figures for this measure await validation by the YJB – but early indications are that performance during 2008-2009 is good with the service achieving a reduction against the baseline of 15.6% in the number of FTE's against a YJB target of 1.9% reduction year on year for three years.

- Reducing re-offending (the Rate of Proven Re-offending – National Indicator 19) is identified as a priority under the Local Area Agreement (LAA). In 2008-2009 the YJB made significant changes to this measure which now focuses on the rate of re-offences as opposed to the number of young people re-offending. Although monitoring of this indicator will continue until July 2009 early indications of performance are good, with a reduction of 24% against a new Youth Justice Board baseline far exceeding the target of 4% which has been set for the service.
- The service has maintained its high compliance against National Standards in the 2008 audit, with a performance exceeding that of the Region, its YJB family and that achieved nationally across the majority of indicators.

4.3 The YOS has prepared its Youth Justice Plan for 2009-2010. The plan sets out the strategic priorities of the YOS Board and the local aims of the operational delivery plan for the YOS to prevent offending and re-offending by children and young people in Sunderland and to support their families and victims of their offending. Specifically, the plan sets out:

4.3.1 **The national and local context of Youth Justice:** this section sets out strategic aims and priorities of the local youth justice in England and Wales and the local aims and priorities for Sunderland YOS. It sets out the positioning of the YOS within the local authority, the context of the YOS as a criminal justice agency working with partners to promote community safety and crime reduction and the context of the YOS in relation to its integration into local Children's Trust arrangements.

4.3.2 **Use of resources and value for money:** this section sets out the financial, staff, programme and ICT resources that have been used to deliver quality youth justice services.

4.3.3 **The delivery plan:** this section sets out the way in which the YOS will deliver against its principal aim of preventing offending by children and young people. It is divided in to 5 sections:

- Prevention of offending by intervening early to prevent first-time entrants.
- Reducing re-offending by intervening early to prevent the escalation of re-offending (recidivism).
- Engagement as the key to achieving behaviour change with robust enforcement arrangements for those who refuse to comply.
- Assessment as the foundation to effective service planning and delivery.
- Risk management to manage offender risk of re-offending, harm to others and vulnerability/safeguarding.

- 4.3.4 **Business change and innovation:** this section sets out the key business changes on the horizon for Youth Offending Teams and Services nationally in 2009-2010, significantly the introduction of the Youth Rehabilitation Order and the Scaled Approach to Justice which provides the framework for one of the biggest changes to Youth Justice in almost a decade. It also covers YOS achievements of the YOS during 2008-2009 in relation to Beacon, publicity and public confidence and awards received for innovation and practice.
- 4.3.5 **Workforce Development:** this section summarises the Sunderland YOS Workforce Development Strategy for 2009-2010 setting out how the service will deliver it's commitment to developing a 'learning organisational culture' against a background of national workforce strategies.
- 4.3.6 **Delivery assessment by Chair of the YOS Management Board.**
- 4.4 Sunderland Youth Justice Plan 2009-2010 is intended for publication on the YOS website and for circulation to partner agencies.

5. REASONS FOR THE DECISION

- 5.1 The Youth Justice Plan is an Article 4 plan under the Constitution of the Council and is the primary document for YOT partnerships to set out how they will deliver against the YJB's performance management framework for YOTs and is a key source for local planning.

6. ALTERNATIVE OPTIONS TO BE CONSIDERED AND REJECTED

- 6.1 The alternative option is not to submit the Youth Justice Plan. This would result in a breach of the Council's Constitution and have a negative impact on local youth justice planning.

7. RELEVANT CONSULTATIONS

- 7.1 The YOS Board, YOS Strategic Managers, YOS Operational Managers Corporate Performance Team and Community Safety Team have been consulted on the plan and have provided input accordingly.

8. FINANCIAL IMPLICATIONS

- 8.1 Sunderland YOS has a complex budget structure made up of significant Council core funding, core government funding from the YJB for England and Wales, partner agency funding in kind contributions, and a range of time limited funding. The Youth Justice Plan is funded from the YOS core budget.

9.1 LEGAL ISSUES

- 9.1 The plan is an Article 4 plan under the Constitution of Sunderland City Council.

10. BACKGROUND PAPERS

Youth Justice Plan 2009-2010

Youth Justice Planning Framework Validation Feedback 2008-2009

Youth Justice Planning Framework Validation Feedback 2008/09

YOT: Sunderland Youth Offending Service

1. Performance against National Indicators		Data (07/08 outturn)
NI 19: Proven rate of re-offending		44.4% in 2002 40.7% in 2005
NI 111: First Time Entrants		906 in 2005/06 921 in 2007/08
NI 43: Convicted young people sentenced to custody		3.6% in 2007/08 2.8% in 2006/07
NI 44: Ethnic composition of young offenders		N/A in 2006/07 (N/A) N/A in 2007/08 (N/A)
NI 45: Engagement in suitable education, training or employment		86.0% in 2006/07 88.4% in 2007/08
NI 46: Access to suitable accommodation		98.8% in 2006/07 100.0% in 2007/08
2. Planning Framework Validation Judgement		
Performs poorly		
Performs adequately		
Performs well		
Performs excellently		18
3. Ladder of Interventions		
Level 1: Intensive Monitoring		
Level 2: Standard Monitoring		

Level 3: Low Monitoring	
Level 4: Capturing Emerging Practice	Bi-annual reviews.

4. Summary (To include a summary of the assessment, a list of future monitoring priorities (bullet points), other key areas e.g. scaled approach, 100% pooling and notable and innovative practice).

Sunderland YOS is performing excellently. The YOT partnership is supported by a clear youth justice plan, which identifies key business risks and steps to mitigate these. Details of the Key Lines of Enquiry can be found below, demonstrating a very high level of understanding of the local “story of place” in terms of youth crime and wider agendas affecting young people who offend or are at risk of offending. The Management Board continues to be led by the Director of Children’s Services and therefore the work of the YOS retains a very high level of importance in the delivery of children’s services and community safety locally.

Within a picture of very strong delivery, two areas of innovative practice are noted for wider communication:

- The championing of children’s themes by Management Board members and related work therein.
- The use of the “Hear By Right” service user consultation framework – work in progress, but will be of interest to other services.

Understanding performance has continued to be a strong suit for the partnership. Preventive performance figures have shown some reversals over the 07-08 position and this continues with a 0.9% rise in the first quarter of 09-10 (2 cases). Local analysis revealed a position of inaccurate baselines being set, which meant that the YOS did not have effective control of the problem for some time. The creation of Targeted Youth Support services will be linked to the FTE target, which the YOS will retain central accountability. The test of partnership working is now to analyse to what extent local sanctioned detection rates are driving up the FTE figure. Northumbria Police have the highest sanctioned detection rates in the country (certainly for a large urban police force). Reoffending rates (as measured under the old system) has resulted in significant reductions in offending. The Local Authority has gained Beacon Status for the delivery of targeted intervention programmes and has for some time operated “clinics” for young people who are previously known to the YOS as a way of preventing their slipping back into reoffending for the want of timely advice, support and intervention.

Assessment, Planning Interventions and Supervision processes are strong in this service, though the problems of improving quality in a large service are apparent. The second regional audit of assessment quality (Asset) showed a modest increase in Sunderland’s quality of assessments, though from a relatively strong baseline regionally. Much work has been done to introduce new and innovative ways of improving quality, including

peer-related quality assurance and dip-sampling, but embedding this against competing work pressures is not straightforward. However, the prospects for achieving much more consistency within the YOS staff group are good.

The Management Board (YOT Partnership) has shown consistent involvement and investment in the YOS as a key children’s service and an important contributor to community safety within Sunderland. Members of the Board come from senior positions within local services and become involved with specialised areas of support as necessary. There may be some scope to involve the new member of the Board representing Social Care in championing the Assessment, Planning Interventions and Supervision area of delivery, to underpin the determination of the service to secure further improvements. The YOT Partnership has also consistently pursued recognition of the needs of young offenders and has approved a long-term campaign of positive and pro-active “good news” stories about youth crime.

Following a validation visit to discuss areas for exploration and clarification, the Regional YJB Team would like to continue to monitor the following areas to maintain support for the partnership:

- Development of local APIS systems, particularly embedding of quality assurance at all stages and evidencing of management oversight.
- Progress of identifying and refining good intervention practice.
- Progress of service user consultation methodology.

The YJB are confident that Sunderland YOS, led by the strong leadership of its Head of Service and Management Board, can deliver against the national and local priorities identified and looks forward to working together in the future on the identified areas of development. The YJB regional team would therefore propose to review progress once before next year’s validation round.

YJB Key Lines of Enquiry

In line with the 4 themes that will form the foundation of the organisational assessment for the CAA, the YJB has identified 5 performance drivers that can inform an understanding of performance and improvement priorities. They are YOT governance, use of resources and value for money, workforce and organisational development, performance and quality systems and citizens and service users. These will be the key lines of enquiry that YJB regional staff will use to validate Youth Justice Self-assessments and improvement plans completed and submitted by YOT partnerships.

Rating System	1	A YOT partnership that does not meet minimum requirements	Performs Poorly
	2	A YOT partnership that meets only minimum requirements	Performs Adequately
	3	A YOT partnership that consistently meets above minimum requirements	Performs Well
	4	A YOT partnership that meets well above minimum requirements	Performs Excellently

YOT Governance	YOT management board is chaired by a chief officer (ideally the local authority chief executive) and consists of members who have sufficient seniority and authority to commit resources	YOT management board assumes corporate ownership of preventing and reducing youth crime and has established a local youth crime strategy that is aligned with other relevant local strategies and plans	YOT management board members have effective strategic links with children's services and criminal justice and the wider crime reduction agenda and actively represent youth justice issues	YOT management board requires from the YOT management team regular performance reports on national and local youth crime indicators and targets. These reports provide sufficient analysis of management information for management board members to fully understand the story of place and improvement priorities progress	YOT management board actively promotes continuous improvement activities and initiatives and swiftly takes action to address underperformance issues	Driver Rating
YJB Comments	Management Board has continuing stable membership and is chaired by the Director of Children's Services. The Police representative is not a Chief Officer but is highly effective and has no practical restraint on resource allocation concerning the YOS.	Very strong drive from the Management Board, reflected in the very good Youth Justice Plan. Discussions during the validation meeting detailed the processes behind the important links with community safety and children's services.	Very strong representation of these two elements on the Board, aided by particularly active members from the wider partnership arena, e.g. health and the LSC.	Without doubt Sunderland leads the region if not England and Wales in the quality and proactivity of management reporting. This has been brought to the attention of the YJB and was in part the subject of a visit by the (then) Chair of the YJB, Graham Robb. There is local determination to continue to collect and interpret the previous YJB reporting framework dataset.	The Council has a leadership culture that permeates all services. In terms of the YOS, this is shown as more than a mere "exception reporting" model and continuous improvement is driven by investigative analysis. Prompt action was taken to address areas of weakness in Pre-Sentence Reports identified by the YOT inspection.	4

Use of Resources and Value for Money	YOT financial and staff resources are sufficient to deliver the strategic aims and priorities of the national and local youth justice system	There is a coherent allocation system in place ensuring effective workload coordination and management oversight and review	The YOT directs time and resources to children and young people in accordance with their risk assessment	An appropriate range of quality offending behaviour programmes and provision are available to meet the diverse needs of the local community	YOT ICT resources are sufficient and the capacity and capability of the management information systems are utilised	Driver Rating
YJB Comments	The service is well resourced, although funding for preventive services is subject of short-term instability. The main concern is over how this will be managed through the implementation of Targeted Youth Support.	Allocations are based on a weighting system and team workload. Cases are discussed in APIS groups run by each team and there are emerging elements of peer supervision. The APIS groups are in turn using methods for tracking assessment quality developed regionally. The service has a QA tool for checking the quality of intervention planning.	Service now has greater confidence in assessment quality following two regional audits and supporting strong service-level developments and improvements to local QA structures. The APIS sample showed good evidence of targeting resources against assessed need.	The service has taken a lead in developing a new regional forum to identify offending behaviour programmes and other interventions, including effective processes. There is a local directory of interventions. There is a need for tailored interventions to tackle racially motivated offending by young people. The YOS has received national recognition, alongside other intervention services in Sunderland, for their work in delivering targeted intervention programmes, resulting in Beacon Status for the Community Safety partnership.	Unparalleled ability of MIU to respond to data requests from YJB - the service leads the way regionally and has provided much help to the regional team and others. There could be better use of the management reporting functions of YOIS by operational staff, however.	3

Workforce and Organisational Development	YOT organisational structure supports the delivery of the local youth crime strategy	YOT partnership workforce development strategy effectively enables the YOT partnership to overcome risks to future delivery	Timely, structured and quality induction programmes for all new staff and volunteers	Staff and volunteer training needs identified and analysed and plans in place to meet learning and development needs together with YOT partner agencies	Staff performance and development is actively managed through regular and quality appraisal and supervision with outcomes acted upon to ensure YOT staff and volunteers are confident, competent, skilled and accountable	Driver Rating
YJB Comments	The structure of the YOS gives it good linkage into local youth crime strategy. Links with the antisocial behaviour and public order arms of the community safety department are good and show good consultation over cases.	This is demonstrated by service development initiatives and worker consultation, plus regular review of the structure's fitness for purpose. The Management Board are planning a further review in January 2009 and have asked the YJB to participate. The service supports the region's INSET programme and has a well-explained WD strategy.	Well evidenced in plan, the service invests significant resources in supporting new staff through induction and onwards through line management processes.	The YJ Plan gives evidence of continuing reviews of need.	Well evidenced in plan and discussed further in APIS exercise. Staff performance is subject to peer, team and service accountabilities. The Senior Management Team undertake dip-samples of supervision delivery.	4

Performance and Quality Systems	National and local youth justice strategic aims and priorities drive the work of the YOT partnership and the activity of staff and volunteers	Management information is stored and gathered securely, accurately and consistently in line with YJB and local rules, guidance and procedures	Management information is effectively analysed and proactively used to help YOT staff and the YOT management board to fully understand the story of place in terms of success factors and priority improvement activities	Effective quality assurance systems drive the highest quality of Assessment, Planning Interventions and Supervision as defined in the Key Elements of Effective Practice (KEEPs) and YJB guidance (See APIS questions below)	Systems are in place to manage and review the effectiveness and efficiency of the processes that underpin operational partnership working relationships with key agencies and specialist providers	Driver Rating
YJB Comments	The plan and discussions throughout the validation visit, plus a retrospective view of profiles held by the regional team, demonstrate the continuing focus of the YOS and its supporting partnership.	Arrangements are well-evidenced in the YJ Plan. Data security evidenced during the validation visit. Protection of client database evident.	Very strong arrangements and performance. Numerous examples of local and regional information analysis to support greater understanding of performance and prioritising improvement; e.g. learning disabilities study, reviews of assessment quality, etc.	Very good systems for APIS improvement, but only slight improvement in Asset scores following regional re-audit. However, the service was performing better than the average for the region. The service has embedded regional tools and procedures into local mechanisms. As stated, service needs to evidence management oversight more clearly.	Health service re-specification seems to be robust - the validation visit pursued a line of enquiry on this subject with Management Board rep and senior YOS management. The service will benefit from a new SLA to underpin the provision of health services to the YOS.	4

Citizens and Service Users	YOT partnership has an effective community engagement and communications strategy that directly informs the development of local youth justice services	YOT partnership proactively engages with and seeks feedback about the quality of YOT services from children and young people	YOT partnership proactively engages with and seeks feedback about the quality of YOT services from parents, carers and corporate parents	YOT partnership proactively engages with and seeks feedback about the quality of YOT services from victims of youth crime and the wider community	YOT partnership proactively engages with and seeks feedback about the quality of YOT services from sentencers and other partner agencies	Driver Rating
YJB Comments	Very strong - strongest in region in terms of proactivity and focus on task - best characterised as "good news about youth crime".	This is an area for further development. The YOS plans to use the "Hear by right" consultation framework, alongside the local authority. However, there are well-established procedures for involving young service users in staff recruitment. Service will continue to use ViewPoint.	This is evidenced in 2008 SMU and MH EPQA reviews.	The service wishes to continue to develop its practice and performance in this area and has identified it in the YJ Plan (p32).	The YOS is reviewing its links with sentencers, who were expressing satisfaction with PSR quality at the time that the inspection team identified significant issues. Generally, relationships with the courts are well managed by a dedicated team.	3

Overall Driver Rating	18
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APIS Quality Management Key Lines of Enquiry

Rating System	1	A YOT partnership that does not meet minimum requirements	Performs Poorly
	2	A YOT partnership that meets only minimum requirements	Performs Adequately
	3	A YOT partnership that consistently meets above minimum requirements	Performs Well
	4	A YOT partnership that meets well above minimum requirements	Performs Excellently

APIS Quality Management Key Lines of Enquiry	
To what extent do the YOT have a clearly established system for case-management supervision?	
To what extent is management oversight clearly recorded in case files/case recording systems?	
To what extent is there a clear and consistently followed process of induction for new staff in case-file QA systems?	
YJB Comments	
<p>The case files were clear and well managed in presentation. Strong evidence of management oversight of key QA points on the hard files, but sporadic evidence in the case management system (YOIS). The first-line and team managers could become more familiar with the capabilities of YOIS in respect of management reporting. The discussions with managers around securing APIS quality revealed that although innovative systems have been designed, including peer-related quality assurance, the level of investment in this by some staff is currently low. This appears to be a reasonably tractable management of change issue and there is no doubt that the Senior Management Team is determined to improve APIS quality by involving staff in peer-review and giving them some of the corporate responsibility for performance. The Pre-Sentence Report processes have been overhauled – there has been a move away from a specialist team cornering this market in a front-line relationship with the Youth Court. Although the team remains, all staff who hold cases are now expected to take part in supporting Court duty as part of their professional role. Once identified, cases of some concern in respect of RoSH or vulnerability are registered and there is a clear escalation procedure for managing these cases.</p>	

CAPITAL PROGRAMME OUTTURN 2008/2009 AND FIRST CAPITAL PROGRAMME REVIEW 2009/2010 – EXTRACT OF REPORT

	£000
Revisions to Scheme Costs 2008/2009 - Fully Funded	
Southern Radial Route	
Costs of scheme funded through earmarked Local Transport Plan resources.	941
Aquatic Centre	
Costs of scheme funded through earmarked reserves.	903
Additional schemes from those reported in the Original Programme 2009/2010 Capital Programme – Fully Funded	
Farringdon School Artificial Turf Pitch (ATP)	
Cost of the scheme funded from a Specialist Sport School Standards Fund Grant	350
Building Schools for the Future programme	
Additional costs comprise two elements	
<ul style="list-style-type: none"> ▪ £2.047 million (£1.747 million in 2009/2010 and £0.300 million in 2010/2011) relating to additional costs at St Roberts in respect of irrecoverable VAT (as reported to Cabinet on 11th February 2009). Partnerships for Schools (PfS) have acknowledged the need to fund this cost and have increased the BSF grant funding accordingly ▪ £0.466 million relating to the network costs for the ICT Managed Service for Academy 360, Castle View Enterprise Academy and Washington School which is to be funded from general 'Other ICT Resources' through supported borrowing and the Harnessing Technology Standards Fund grant. 	2,213

**REVENUE BUDGET AND TRADING SERVICES OUTTURN FOR 2008/2009
AND FIRST REVENUE BUDGET REVIEW FOR 2009/2010 – EXTRACT OF
REPORT**

**Cabinet Meeting – 25th June 2009
Virement over £55,000 for the Final Quarter 2008/2009**

	Transfer From £000	Transfer To £000
General Balances	6,749	
Earmarked Reserve for Budget Pressures and Approved Priorities		1,749
Transfer to the Strategic Investment Reserve to provide for capital programme pressures and financing and also potential equal pay / single status issues		3,000
Strategic Investment Plan to assist in funding the waste disposal strategic solution		2,000

LAND ACQUISITION AT SOUTHWICK PRIMARY SCHOOL

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES AND DIRECTOR OF DEVELOPMENT AND REGENERATION

1.0 Purpose of the Report

- 1.1 The purpose of the report is to update Cabinet on the position in respect of the acquisition of land for the new Southwick Primary School, and in particular a request that has been received from Gentoo regarding a provisional agreement between the Council and Gentoo for the exchange of land at Carley Hill School for the acquisition costs incurred by Gentoo in respect of the new Southwick Primary School.

2.0 Description of Decision

- 2.1 Cabinet is recommended to:

1. Approve, in the absence of agreement, the making of a Compulsory Purchase Order under Section 530 of the Education Act 1996 for the acquisition of the property owned by NomadE5 and Gentoo which is shown hatched and crosshatched respectively on the plan attached to this report. For the purposes of the Southwick Primary School such order to be known as the City of Sunderland (Ridley Street, Southwick) Compulsory Purchase Order 2009. Also to authorise the Director of Development and Regeneration to agree the acquisition of this land.
2. Authorise the Director of Development and Regeneration to undertake negotiations with Gentoo as to the amount to be paid in respect of the land they acquired on the Council's behalf and to report back to Cabinet in this regard.
3. Recommend to Council that an additional commitment be made against the Capital Programme for 2009/2010 to enable compensation to be paid in respect of the land included in City of Sunderland (Southwick Primary School) Compulsory Purchase Order 2006 and the proposed City of Sunderland (Ridley Street, Southwick) Compulsory Purchase Order 2009.

3.0 Background

- 3.1 At its meeting of 27th July 2005, Cabinet agreed to approve the making of a Compulsory Purchase Order for the acquisition of property for the purpose of establishing the proposed Southwick Primary School, such an order to be known as City of Sunderland (Southwick Primary School) Compulsory Purchase Order.
- 3.2 The City of Sunderland (Southwick Primary School) Compulsory Purchase Order was confirmed by the Secretary of State and a general vesting declaration was made by the Council on 20 April 2007 which vested the property included in the compulsory purchase order in the Council.
- 3.3 Also approved at the Cabinet meeting on 27 July 2005 was the making of a compulsory purchase order of property within the boundary of the Southwick Renewal Area to be known as the City of Sunderland (Southwick Renewal Area) Compulsory Purchase Order which included the land at Ridley Street, Dryden Street and Beaumont Street which now forms part of the playing field of the new Southwick Primary School.
- 3.4 Cabinet agreed on 27 July 2005 that Gentoo would assemble the land required for the new primary school in exchange for Council owned land at Carley Hill School which is suitable for residential development.
- 3.5 On 19 July 2007 the Council was informed by Gentoo that the properties included in the approved Southwick Renewal Area Compulsory Purchase Order had been acquired by Gentoo and therefore on 10 October 2007 Cabinet resolved to rescind the decision to make the Southwick Renewal Area Compulsory Purchase Order.
- 3.6 Previously, based on market values, it was considered that a land exchange arrangement would create no additional net costs to the Council in respect of site assembly for the new school site. Gentoo would be reimbursed by way of the land value of Carley Hill School.
- 3.7 The land required for the new school was in several different ownerships, including Gentoo, Nomad E5 and private residential properties.
- 3.8 The plan attached to this report shows the boundary of the CPO; the land owned by NomadE5 within the boundary of the CPO; and land owned by Gentoo and Nomad E5 outside the boundary of the CPO.

The land outside the CPO boundary was also identified as being available and consequently terms were negotiated by Gentoo for its inclusion within the boundary of the new school site.

- 3.9 In accordance with the provisional agreement, Gentoo proceeded to pay compensation in respect of the acquisition of the privately owned property within the CPO boundary. Gentoo did not ultimately acquire any of the Nomad E5 land, although terms were agreed.

4.0 Current Position

- 4.1 Gentoo has now recently indicated that it no longer wishes to abide by the provisional agreement, that it does not wish to proceed with the exchange of land at Carley Hill School, and is, instead, claiming from the Council the costs it has incurred in assembling the site for the new school. No budgetary provision has been made for such costs, arising from this policy change by Gentoo, although the Council is legally obliged to pay for land which has been vested in its ownership through a CPO process. Gentoo's claim from the Council amounts to £1,785,000. However it is considered that some of these costs may not be eligible. These matters will be pursued with Gentoo and reported back to Cabinet in due course.
- 4.2 Although a large measure of agreement had been reached with regard to the proposed land exchange, not all the terms were negotiated to completion and therefore a contract could not be concluded, which would have made the agreement binding.
- 4.3 NomadE5 has submitted a claim directly to the Council for the value of its land. As stated above it had previously been understood that Gentoo had acquired this land, and terms had been provisionally agreed between Gentoo and NomadE5 at a price of £270,000 for the land that was acquired as part of the CPO land and £105,000 for the land to be acquired by negotiation outside the CPO area, a total of £375,000.
- 4.4 Given its legal obligations, the Council will be required to fund the NomadE5 acquisitions, and the Constitution requires that Council approval is necessary to make budgetary provision for these transactions. Detailed discussions have taken place with agents representing NomadE5 in respect of the values and costs of the land in question, particularly with regard to the evidence used at the time to substantiate the valuations that were agreed with Gentoo.
- 4.5 From the evidence presented it can be concluded that the total value of £375,000 that was agreed for the NomadE5 interests can be

considered to have represented market value at that time. In order to fully settle the claim by NomadE5, it will be necessary to also add a figure for statutory home loss payments, and statutory interest from the date of the CPO General Vesting Declaration (the date on which the Council become owner of the land) to the date of completion. This figure is estimated to be in the region of £63,000, making a total of some £438,000 payable to NomadE5.

- 4.6 With regard to the Carley Hill Road school site, the Executive Director of Children's Services is currently reviewing the occupation of the building with a view to a disposal of the site when market conditions improve.

5.0 Alternative Options

The alternative options available to the Council are detailed below:

- 5.1 With regard to the land within the boundary of the CPO, the Council is legally obliged to pay the compensation and therefore there are no other options in respect of this transaction.
- 5.2 With regard to the land outside the boundary of the CPO, the Council could consider not progressing the acquisition. However the land is now used for playing fields for the new school, and to remove it from the school site would lead to disruption to the school, and additional costs for removal of land and making good of the remaining playing field. This option is therefore not recommended.

6.0 Reasons for the Decision

- 6.1 To fulfil the Council's legal obligation to pay compensation in respect of land vested in the Council's ownership as part of the City of Sunderland (Southwick Primary School) Compulsory Purchase Order 2006.
- 6.2 To enable the purchase of land not within the boundary of the City of Sunderland (Southwick Primary School) Compulsory purchase Order 2006 but required for the Southwick Primary School.

7.0 Consultations

7.1 Financial Implications

There is no provision included within the Council's approved Capital Programme to meet either the costs associated with the NomadE5 interests (£438,000) or the cost of acquiring the remaining land currently in the ownership of Gentoo which is to be determined.

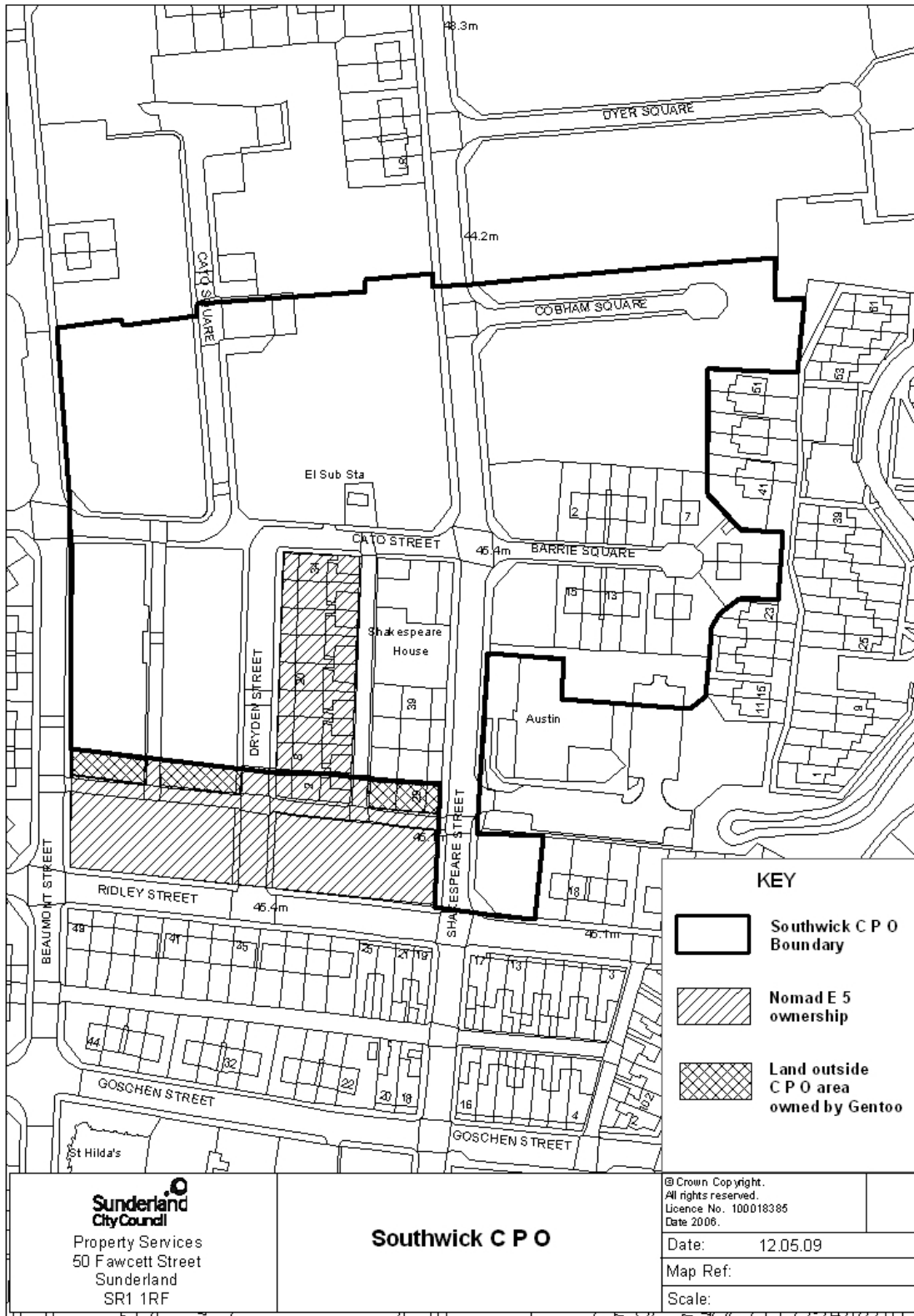
Accordingly, it will be necessary to establish provision within the Capital Programme in 2009/2010 and future years as appropriate. When the cost of acquiring the land currently in the ownership of Gentoo is known this will be reported to Cabinet and Council as part of the normal Capital Programme reviews.

With regard to funding, it is proposed to fund these costs from the Children's Services element of the Capital Programme. However, given the reliance on the generation of capital receipts to fund the Children's Services Capital Programme, and the associated uncertainty in the timing of the realisation of those capital receipts, it will be necessary to fund these costs temporarily from the Strategic Investment Reserve.




7.2 The comments of the Chief Solicitor are included in this report.

8.0 Background Papers

8.1 Cabinet Report 27th July 2005
Property Services file Southwick Primary School held by the Director of Development and Regeneration.



KEY

-  Southwick C P O Boundary
-  Nomad E 5 ownership
-  Land outside C P O area owned by Gentoo


Sunderland City Council
 Property Services
 50 Fawcett Street
 Sunderland
 SR1 1RF

Southwick C P O

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 Date 2006.

Date: 12.05.09
 Map Ref:
 Scale:

**REPORT OF THE EXECUTIVE DIRECTOR OF HEALTH, HOUSING AND
ADULT SERVICES**

COUNCIL MORTGAGES

1. PURPOSE OF THE REPORT

- 1.1 To inform Cabinet of proposals to re-introduce Council Mortgages together with an appropriate Eligibility Criteria, and to seek approval from Cabinet to amend the Private Sector Renewal Financial Assistance Policy (FAP) to include the provision for Council Mortgages.

2. DESCRIPTION OF DECISION

2.1 Cabinet is requested to

- (i) approve the re-introduction of Council Mortgages in pursuance of the Council's powers under section 435 of the Housing Act 1985 and article 3 of the Regulatory Reform (Housing Assistance)(England and Wales) Order 2002; and
- (ii) delegate the final determination of the Eligibility Criteria and any consequential changes to the Private Sector Renewal Financial Assistance Policy to the Executive Director of Health, Housing and Adult Services in consultation with the Portfolio Holder for Sustainable Communities, the Director of Financial Resources and the Chief Solicitor;
- (iii) Agree that the amendments to the Private Sector Renewal Financial Assistance Policy as a result of the above be publicised and made available to the public in accordance with article 4 of the Regulatory Reform (Housing Assistance)(England and Wales) Order 2002.
- (iv) Recommend to Council that an initial allocation of £3 million be made available to fund Council Mortgages to be funded through prudential borrowing.

3. BACKGROUND

- 3.1 Under the Housing Act 1985 the Council has the power to offer mortgages and did so for many years, mainly to Right to Buy applicants. Under section 435 of the 1985 Act, the Council may advance money to allow a mortgagor to either acquire or construct a house, or to convert another building into a house. In cases where the advance of the loan is for the purpose of improving living conditions in the area, the Council also has power to provide the assistance by virtue of its powers under article 3 of the Regulatory Reform (Housing Assistance)(England and Wales) Order 2002 (provided that such means of assistance is in accordance with the Council's Financial Assistance Policy adopted under article 4 of the Order). Before advancing money, the Council must be satisfied that the house will be fit for

human habitation. The Council approved its last mortgage in September 2000. Paragraph 1 of Schedule 16 to the Housing Act 1985 specifies how local authorities must set interest rates on mortgages arranged since 3rd October 1980. Authorities must charge whichever is the higher of:

- The Standard National Rate (SNR), which is set by the Secretary of State, or
- The applicable local average rate, based on the Authority's own borrowing costs.

- 3.2 Previously, the SNR has been set at such a level as to make authorities "uncompetitive" with banks, building societies and other lenders and in any event, the applicable local average rate has also been high relative to market rates.
- 3.3 The Secretary of State has to set the SNR of interest "after taking into account interest rates charged by building societies in the UK and any movement in these rates". More recently, the Secretary of State has taken into account decreases in mortgage interest rates announced and accordingly, with effect from 1st April 2009, has declared under regulation, that the SNR is decreased to 3.13%. This is the lowest rate it has been in the past twelve years having peaked at 8.57% in August 1998.
- 3.4 As mentioned above, authorities must charge whichever is the higher of the Standard National Rate or the applicable local average rate based on the Authority's own borrowing costs. The local average rate needs to be calculated annually. For Sunderland, indications are that this will be below 5%. In accordance with the regulations, the interest rate chargeable will vary depending on the SNR and local average rate and would therefore be reviewed at each change in the SNR and on an annual basis in relation to the Council's local average rate.
- 3.5 The Government is keen to see local authorities getting involved in the mortgage market to help the housing market and offer alternatives to people who may not be able to get loans from mainstream lenders. The reduction in the SNR goes some way towards this becoming an attractive proposition.

4. CURRENT POSITION

- 4.1 Any viable housing market has to have "churn", i.e. people moving within it. Currently, within the city and elsewhere there is little churn in the housing market for the reasons mentioned above. Lenders have become very risk averse and many mortgage applicants, who not so long ago would have been seen as a good credit risk, are not, in the present climate.

- 4.2 Most lenders are only offering 70%-85% loan to value, which in effect excludes many people. Some lenders are offering 90% loan to value rates but these are at higher rates of interest (of the order of 6%).
- 4.3 In the context of the Council's offer, this needs to be considered on the basis of only being used if other market based offers are unavailable (please see outline Eligibility Criteria set out at paragraph 4.7 below). The Council's offer is likely to be particularly pertinent for first time buyers as they are more likely not to have the savings or the equity to allow the better deals to be accessed.
- 4.4 There appears to be little difference between the mortgage products on offer to first time buyers and home movers. Furthermore, housing developers have also become risk averse, as there are not the guarantees in place that if a development is built out, people will be able to get the necessary mortgage finance to buy a property. They are therefore erring on the side of caution and mothballing proposed developments and in many cases have shed staff, which causes further issues for the economy in terms of unemployment. Where developers are not building this also has a knock on effect on suppliers and sub-contractors which has a "snowball" effect for the house building industry and the economy as a whole.
- 4.5 Gentoo's Renewal Programme has also been severely affected by the recession. As a consequence, their social housing programme, which is cross-subsidised in the main by the properties that they sell, has been impacted upon, and the programme has been revised accordingly to take account of the slow down in the economy.
- 4.6 With the above context in mind it is important that the Council does what it can do to support the housing market, improve economic well-being and the economy in general. Becoming a mortgage lender again would be a positive move and there is significant merit in providing mortgages. However, there are also risks in mortgage lending including through potential bad debts, potential bad publicity if a mortgage application is refused, and due to the potential need to take court proceedings against mortgagees.
- 4.7 Taking all of the above background, context and risks into account, it is proposed that Council Mortgages are re-introduced in a measured way so that expectations can be managed. In considering their re-introduction it is important that they are focused and that any risks to the Council are mitigated. It is therefore proposed that:
- A maximum loan of 90% is offered with the applicant providing at least 10% for a deposit. Any applications would be the subject of a credit worthiness check and overall financial appraisal. All mortgages would be offered in accordance with the requirements of schedule 16 of the Housing Act 1985. This rate would be variable as it is subject to change. The maximum term of any mortgage would be 25 years but consideration will need to be given to adjusting the term downwards to reflect age;

- No more than 3 times the household income will be made available;
- There will be a cap set at £200,000.00 (two hundred thousand pounds) on the maximum level of mortgage available;
- Mortgages will be offered only where they will support the city's strategic initiatives for designated new build schemes in regeneration areas which developers are having trouble selling, to support extra care developments where somebody has the equity to buy an extra care apartment but can't sell their property due to the lack of mortgage finance. This should ensure that there is a focused approach and that mortgages support key priorities. Each application received will be judged on its own merits and in accordance with the final agreed eligibility criteria;
- Independent Financial Advice would be provided through Council approved Independent Financial Advisors (IFA's). There are already a range of IFA's that the Council is working with as part of the FAP and it is proposed that they are further used to give advice on mortgages;
- The FAP is amended to take account of mortgages. The FAP has been through a robust audit process and is therefore seen as being sound in policy terms. Adding mortgages to the Policy will ensure that they sit within a robust policy framework and will ensure that there is consistency in providing financial assistance. Included within the revised policy would be the relevant Eligibility Criteria, which will include the following:
 - The applicant must not be able to obtain the relevant mortgage finance from a recognised lender. Evidence will need to be provided from the applicant proving that they have not been able to obtain a mortgage;
 - The applicant must be able to demonstrate access to savings or sufficient funds to pay a deposit of at least 10%, legal fees, survey fees, stamp duty and other costs of moving;
 - The applicant must be able to sustain home ownership in the longer term. Typically, applicants will be employed on a permanent contract of employment. If self-employed, the applicant must be able to provide accounts for the last three years;
 - The applicant must have a good credit history, e.g. if applicants have rent arrears during the last 12 months, are in breach of their current tenancy agreement, or have an adverse credit history which means that they are unlikely to be able to sustain ownership, they will not be eligible for a Council mortgage;
 - All property valuations would be carried out by qualified surveyors;
 - The Home Buyers Survey will be the minimum standard for a property survey.

4.8 An initial overall sum of mortgage finance of £3 million will be made available to support the scheme and, subject to Council approval, this will be financed from prudential borrowing. Consideration will be given to the allocation of further funding in light of the experience of operating the scheme, including and principally the contribution it is making to unlocking the 'log jam' in the housing market, specifically in relation to the designated strategic sites.

- 4.9 Crucial to managing expectations around the re-introduction of mortgages will be the way in which the scheme is communicated and marketed. This will form part of the final detail of the scheme. It is proposed to have the scheme operational by 1st October, 2009 and in order to achieve this it is proposed that the final details of the changes to the Financial Assistance Policy and the Eligibility Criteria are delegated to the Executive Director of Health, Housing and Adult Services in consultation with the Portfolio Holder for Sustainable Communities, the Director of Financial Resources and the Chief Solicitor.
- 4.10 With regard to the administration of the Council's Mortgage Scheme e.g. application processing, credit checks, debt recovery, etc., at this stage it is anticipated that the costs can be met from existing budgets. This position will be kept under review to consider whether any additional resources are necessary in light of take up. Further reports will be made as necessary. Existing debt recovery policies and procedures will be used in recovering any outstanding debts.
- 4.11 The final eligibility will be refined further to mitigate against the potential risk of non payment of Council Mortgages. In addition the Council has a robust Debt Management Policy in place to address these issues which will be further refined in accordance with the final agreed criteria.

5. REASONS FOR DECISION

- 5.1 The current economic recession and the lack of availability of mortgage finance have created problems for people who want to get on to the housing ladder and become home owners. This in turn is creating many problems for the housing market with many strategic housing schemes being affected and many homes remaining unsold or new developments being mothballed. The re-introduction of Council Mortgages will provide an alternative option for some people who cannot access a mortgage from mainstream lenders and enable strategic housing schemes to be supported. This will help create confidence with house builders and prospective home owners and so create movement in the housing market and help support the local economy.
- 5.2 The re-introduction of Council Mortgages will complement other initiatives such as Homebuy Direct, the Mortgage Rescue and other initiatives which have seen empty new build properties being let at market rents. It is intended that the scheme will start on a small-scale basis from available finance and be reviewed on an ongoing basis. This will allow both risk and expectations to be managed appropriately.

6. ALTERNATIVE OPTIONS

- 6.1 The Council has an option of doing nothing but this will not help those people who cannot source mortgage finance from mainstream lenders and therefore not help with the economic well-being of the City. The 'do nothing' option has therefore been rejected.

7. RELEVANT CONSIDERATIONS/CONSULTATION

- 7.1 The Director of Financial Resources and the Chief Solicitor have been consulted and their comments are contained in the report. The relevant Portfolio Holder has also been consulted. In addition informal discussions have been held with some housing developers and the Homes and Communities Agency about the possibility of council mortgages being made available and all have confirmed that such action will create confidence in the sector and will support growth in house building.

NEW EXECUTIVE ARRANGEMENTS

Report of the Chief Executive and the Chief Solicitor

1. Purpose of the report

The purpose of this report is to report on the outcome of the consultation undertaken and to make further recommendations on the process of making changes to executive arrangements as required by the Local Government and Public Involvement in Health Act 2007 (the 2007 Act).

2. Description of Decision

That Council be recommended to:

- (a) agree the Proposals for new executive arrangements as set out in Appendix 2 of this report and to authorise statutory notice of those Proposals being published as required by the Act.
- (b) convene a special meeting of Council immediately before its ordinary November 2009 meeting to adopt formally those proposals so that the new executive arrangements will come into effect immediately after the local elections in May 2010.

3. Background

- 3.1 The Local Government Act 2000 radically changed Council decision making structures by moving away from cross party committees to executives with a wide ranging leadership role and established scrutiny committees.

It will be recalled that the 2007 Act narrows the choices available to the Council for executive arrangements to:

- (a) a Mayor and cabinet executive
- (b) a new style leader and cabinet executive

and enables an Authority to move to those arrangements without holding a referendum.

Importantly, under option (b), the Executive Members may *only* be appointed by the Leader (as he will have similar powers to an elected Mayor). The previous discretion for the Cabinet to be appointed by full Council has been removed. In addition, it will be for the Leader to decide how executive functions should be discharged i.e. by him or herself, by the whole executive, by individual executive members, by executive committees or by officers.

Under option (b), the Leader, once elected, will normally hold office until his/her term of office as a councillor expires but the 2007 Act allows an authority to include in its executive arrangements the ability to remove its Leader earlier by resolution. (The existing provision within the Council's Constitution has been retained). If such a resolution is passed, a new Leader must be appointed at the same time or at a subsequent meeting. The Secretary of State can make regulations which might for example require any such resolution to be passed by a minimum number or proportion of members but no such regulations have yet been made.

In contrast an elected Mayor will serve a fixed term of four years and cannot be replaced until the next election (subject to the provisions on disqualification etc).

- 3.2 The Council must adopt new executive arrangements from these options, in time to operate from May 2010. The 2007 Act requires the Council to pass an adoption resolution by 31 December 2009. If it does not do so, then the Secretary of State can impose upon it executive arrangements based on the Leader and Cabinet executive model.
- 3.3 A decision to elect a Mayor would bring a change in culture to the council. An elected Mayor is not a councillor with an electoral division to represent. It is possible that he or she may not be a Member of the majority group, or indeed any political party.

A leader would come to the role with the support of their peers, is also a councillor and would combine the role with their constituency work.

The executive powers of a leader and Mayor are the same.

Those functions which are currently within the remit of the Council are unchanged, so setting the budget and precept remain decisions for all Council members.

- 3.4 One factor to be considered in assessing the options available is the cost of a mayoral election which would arise even if it was run in tandem with City Council elections. These involve publishing and delivery a booklet to persons on the electoral roll. If this was also preceded by a referendum these could amount to £280,000 each.

3.5 **Next Steps**

Under the Act, there is a procedure that the Council must follow to make this change having first taken reasonable steps to consult the local government electors for, and other interested persons in, the authority's area about the different options:-

- (1) In the light of the results of that consultation, it must then draw up proposals for the change, including a timetable for implementation.
- (2) In drawing up the proposals, it must consider “the extent to which the proposals, if implemented, would be likely to assist in securing continuous improvement in the way in which the local authority’s functions are exercised, having regard to a combination of economy, efficiency and effectiveness”.
- (3) The proposals must also state the extent to which “local choice” functions specified in regulations are to be the responsibility of the executive, as opposed to the Council.
- (4) After drawing up its proposals, the Council must then:
 - (a) set them out in a document available for public inspection at its principal office at all reasonable times, and
 - (b) publish in one or more local newspapers a notice describing their main features, and how to inspect details of them.
- (5) Full Council must then formally resolve to adopt the proposals at a specially convened meeting for this purpose.
- (6) Public notice must then be given of what the new arrangements will be and when they will take effect.
- (7) At the Annual meeting in May 2010 the Council is required to elect its new Leader under the Constitution.

4. Current Position – Outcome of Consultation

- 4.1 A notice was published in the local press on 10 July 2009, (see Appendix three) and the notice was also displayed at the Civic Centre and at libraries throughout the City. A questionnaire was also sent to the Council’s Citizen’s Panel and this was most effective in prompting responses from the general public. As well as indicating their preference respondents were invited to indicate the reasons for their choice.

Press releases were issued and articles appeared in the Journal and the Sunderland Echo and the issue was also featured in local TV and radio broadcasts. GMB, Unison and the Chamber of Commerce were specifically invited to comment.

4.2 A total of 290 representations were received by the end of the consultation period as follows:-

- 150 persons expressed a preference for the Mayor and Cabinet system.
- 107 persons expressed a preference for the new style Leader and Cabinet system.
- 33 persons expressed no preference or indicated they wished to see no change.

4.3 Responses in favour of the Mayoral model generally stated:

- It provided a direct choice.
- It is more accountable and democratic.
- It may reduce party politics by providing an opportunity for an independent person.
- It would give a fresh impetus.
- The existing system doesn't work well.

Responses in favour of the new Leader/Cabinet model generally stated:

- It is more accountable and democratic.
- Leader can be brought to account without a 4 year wait.
- Mayors may be personalities and too powerful.
- Costs to change.
- The existing system works well.

4.4 As well as responses received from the general public, the Labour Group and GMB indicated that they favoured the new Leader/Cabinet model. The following individual Councillors also expressed this view:

Cllr Derek Richardson, Cllr Michael Mordey, Cllr Diane Snowdon
Cllr Thomas Wright, Cllr Ellen Ball, Cllr Denny Wilson, Cllr James Blackburn, Cllr Bryan Charlton, Cllr John Kelly, Cllr Rosalind Copeland, Cllr Robert Heron.

4.5 Mr M. Thurlbeck, Chair of NECC Sunderland Committee responded following discussions with NECC Sunderland members and NECC, and Sunderland business representatives who are not NECC members and stated "whilst the concept of an elected mayor is fancied and favourable to most businesses, the probability of a non-political candidate being successful is very remote. In such event then there would be little or no effective change to executive operations from current". He also raised the extent of public awareness. In this regard the number of responses to the Council's consultation compares favourably with that experienced elsewhere.

- 4.6 A more detailed summary of the comments received is provided at Appendix 1. In a few cases the comments suggest that the issue has not been properly understood, or appear contrary to the expressed preference. Some respondents have also expressed their opinions on other issues.
- 4.7 Whilst noting that a majority of respondents prefer the elected Mayor model it cannot be said that there is a substantial demand for the Mayoral option given the total electorate of 213,317. Accordingly, having given due consideration to all the comments received Members may consider that the new style Leader and Cabinet model is the most appropriate for Sunderland for the reasons set out in paragraph 6.

5. **The Proposals**

- 5.1 The proposals are set out in Appendix 2. The 'Local Choice' functions (set out in Annex A) replicate the existing position but allow for the probable change to the management arrangements for the Port which has been agreed in principle by Cabinet. (It is possible that Council may approve other changes in the Constitution prior to next May).
- 5.2 The detailed changes required to the Constitution are set out in Annex B.

6. **Reasons for Decision**

- 6.1 It is considered that the Leader and Cabinet Executive model is best suited to Sunderland's circumstances. It is nearest to the currently existing successful arrangements and ensures the Leader has the clear support of the full Council and places strong leadership in the hands of a Leader who will be supported by an Executive which he has selected as best able to fulfil their role.
- 6.2 Further, that this model will best secure continuous improvement in the way in which the Council's functions are exercised in terms of economy, efficiency and effectiveness as it is nearest to the current successful arrangements which have resulted in the Council being one of only thirteen authorities to have consistently being rated as excellent under the CPA process.
- 6.3 This model will involve no additional expenditure and the minimum changes to current governance arrangements and will enable the Council to carry forward the delivery of its Strategic Plans.

7. **Alternative Options**

These are set out within the body of the report. In the event that the Council wishes to opt for an elected Mayor then different detailed proposals including arrangements for the election of a Mayor and publicity would be required.

Background Papers

Files of responses to consultation.

APPENDIX 1

SUMMARY OF COMMENTS MADE BY THE PUBLIC IN FAVOUR OF A MAYOR AND CABINET SYSTEM

- Will show the public is participating more.
- No need for a change.
- 'Leader' method seems a wee bit too in-bred.
- Prefer to have a say rather than Councillors choosing.
- Wouldn't know who to choose!
- More democratic because chosen by the public not Councillors.
- Think this will save money. 75 Councillors too expensive.
- Elected Mayor has extra status and people would feel they have a greater say.
- Not one Council elected Mayor has made any great improvements.
- Mayor would be more independent.
- Needs an important figurehead.
- Makes government more transparent.
- Time for a new system. Current system not proven to have been good for Sunderland.
- Sunderland requires firm and newsworthy leadership.
- Leader choosing nine Councillors does not ensure a wide range of opinions.
- More directly responsible, democratic and accountable to electors.
- An independent Mayor would keep Cabinet "in-line".
- Too many Councillors. Mayor should have full control.
- With luck a Mayor could take control out of hands of traditional parties.
- Increases status of City.
- Appears to work well in other North East areas, and would get things done with less bureaucracy.
- Mayor would have many roles – law officer, person of authority, leader. Would progress Council promotions and wear chain of office.
- Would be respected by all parties and 4 years term gives time to get to know him/her.
- Would encourage wider range of independent persons to stand.
- To move forward need a fresh look.
- Independent Mayor may choose Cabinet from best talent not party basis.
- City Council punching below their weight locally and nationally. A Mayor in Ray Mallon Mould would change this.
- Get rid of all over paid idle Councillors. Mayor would hopefully support law abiding citizens.
- Would prevent any underhand dealing by Councillors.
- Need to move away from party politics and point scoring.
- Disappointed at lack of realistic forward thinking by existing Council leaders – a leader would need to be elected on a portfolio of plans/provisions.

- Hopefully would be catalyst for a more progressive Council – with power and drive to force through the development our city needs.
- Present system undemocratically balanced. Cabinet Members are like puppets controlled by Council officers, securing the interests of the city business barons.
- More voters know name of elected Mayor than Leaders of Councils.
- Lost faith in all politicians following expenses row.
- Worth a try, could revitalise the City, move forward on the Arc and other projects.
- New Leader could choose his cronies for Cabinet, not necessarily the right people.
- No confidence in Councillors running the City.
- Office of Mayor already in place and should be extended.
- Only problem four years too long. System too rigid.
- Mayor more exposed to public scrutiny.
- Mayor and Cabinet with a Committee of citizens elected by the population!
- Will provide different dimensions to leadership of Council, give fresh impetus to improvement, create a more open decision making process, provide opportunity for a non political person to be elected, provide Councillors with an alternative avenue to have their voice heard. At least the public should be allowed to vote again on a fully informed basis.
- Easier to hold Mayor to account, no squandering on inflated salaries.
- Passionate about City and want it to succeed at every level. An elected Mayor would have to justify his existence and salary, we may get someone shouting Sunderland from the rooftops. Other issues needing attention:-

Post Office position on post codes and franking, too much Nexus funding directed elsewhere, media coverage on Sunderland inadequate, Vaux fiasco. An elected Mayor will improve the way local government is run in Sunderland and enhance its profile.

- Any new Mayor who can involve people and interest to promote family togetherness, new identity and purpose will benefit region. Title of Mayor is recognised.
- Might give both Labour and Conservative parties a fair say rather than Labour having total control.

SUMMARY OF COMMENTS MADE BY THE PUBLIC IN FAVOUR OF NEW LEADER AND CABINET MODEL

- Cost of changing over. A leader can be removed if not performing well. Mayor would have to stay 4 years.
- Need a change because Washington is neglected.
- Why change what I feel has been successful.

- In reality this is just a change for no real reason. The present set up appears to work effectively, but need to get to grips with “services” that offer no useful public purpose and reduce Council Tax.
- Too much power in one individual (Mayor). Increased costs and complexity may lead to conflict. Councillors are elected to represent local people.
- Happy with present system.
- Don't see a need for change.
- Mayor would inevitably cost more.
- Residents have voted not to have a Mayor. Survey is a waste of money – just to get your own way.
- London Boris Johnson
- So that anyone can be elected by the public.
- Leader should serve possibly for 4 years – stability, but do not agree with Leader selecting Cabinet.
- New style Leader similar to present set up which appears to work okay.
- Mayor would be more aware of running the City.
- Current arrangements have worked satisfactorily since May 2002.
- Not sure about either option, more opportunity for corruption and sycophancy with Mayor. Quality of Leader more crucial.
- Not convinced extending authority of Mayor is cost effective or adds anything.
- Prefer to see a leader elected every 3 years than a Mayor at 4 yearly intervals.
- Existing system works well. Why change it?
- No corruption and expenses scandals please.
- Option to remove Leader seems more democratic and keep them on his/her toes.
- Prefer model where leadership immediately accountable.
- Mayoral election a complete waste of public money, can't do anything significantly different due to central government's controls.
- Referendum in October 2001 gave preference of the people of Sunderland. We should stand by that decision.
- Too much money wasted on ceremony with a Mayor.
- Public have lost confidence in local government and we need new option whereby if job is not being done satisfactorily they can be removed.
- Think there should have been a no change option. Leader choosing Cabinet could result in 'jobs for the boys'. Think a directly elected Mayor would not be good for the City as the public could well elect someone with a big personality and funds for a big publicity campaign. Leader should be elected by those working with them on a day to day basis and is more likely to be chose on merit and ability to lead.
- Councillors remain vital as the grass roots of our democracy and we ought not by-pass them.
- New impetus needed to move Council forward. Why not have a trial – 1 or 2 elections then another survey/vote.

- Media influence too great with mayoral systems and too much power in hands of one individual, which is less democratic and accountable than leader systems.
- Happy with present arrangements, Sunderland is a lot better run than many places visited.
- If Council and Mayor not compatible it could lead to difficulties for 4 years.
- Relations in Hartlepool not happy with the Mayor.
- Bring pride back to Sunderland.
- Mayor has good points but concerned it could be about personalities rather than who would do a good job.
- If any wrong doings can be removed.
- The damage due to London with a confusing four layers of governance. The system allows an almost dictatorial role for the Mayor. Also the cost. Remain pleasantly surprised by effectiveness of Sunderland's current Council and Council Leader.
- Needless extra expense and loss of democratic accountability.
- Mayors are personality rather than politically focused. Potential tensions with Chief Executive. Government trying to overturn decisions it doesn't like.
- Leave alone but don't waste money on an iconic bridge.
- What happens if Mayor is of a different party and how would this effect running of the Council?

SUMMARY OF OTHER COMMENTS MADE BY THE PUBLIC EXPRESSING NO PREFERENCE

- Concerned about the identity of Washington. Everything is Sunderland.
- Hope Seaburn is improved.
- Doesn't matter what happens, Easington Lane will be forgotten as usual.
- Combination of two would be better.
- Despite referendum result Government wishes us to re-think. I am suspicious of change for change sake.
- Happy with current situation of choosing a Mayor on merit, so keep status quo.
- Cabinet appears not to take notice of Councillors' or public views.
- Only adds more paperwork.
- Problem is getting people to vote.
- Don't like either choice.
- Prefer neither option, prefer status quo.
- No change necessary, working fine as it is.
- No change – Government seems determined on a 'managing director' style autocratic model for local government. Prefer strengthening role of Councillors.
- I have already voted as has the rest of the town and consider this change to be a Mayor whether by name or not to be unconstitutional.

- Some services provided by the Council are poor. Want improvements in Town Centre, Sea Front and more traffic wardens.
- Already rejected idea of a directly elected Mayor. Council fine as it is.
- Cost is most important consideration.

APPENDIX 2

PROPOSALS FOR CHANGES TO EXECUTIVE ARRANGEMENTS

This document sets out Sunderland City Council's proposals for changing its executive arrangements as required by Schedule 4 of the Local Government and Public Involvement in Health Act 2007 (2007 Act). The proposals have been drawn up after consultation with local government electors and other interested persons in the area as required by the Local Government Act 2000 (2000 Act), as amended by the 2007 Act. The consultation was undertaken during July/August 2009 via the Citizens' Panel, the Council's website notices at the Civic Centre and public libraries and an advertisement in the local press and items in the media.

1. FORM OF EXECUTIVE

The Council proposes to adopt the form of executive set out in Section 11(2A) of the 2000 Act (known as 'a leader and cabinet executive'). This means a councillor of the authority elected by the Council as leader of the executive, and between 2 and 9 councillors of the authority appointed to the executive by the executive leader.

2. EXECUTIVE STRUCTURE

The executive will consist of the executive leader and between 2 and 9 other councillors. The executive may not, by law, include the chair or vice chair of the Council.

Executive Leader

- 2.2 The executive leader will initially be elected at the annual meeting of the Council in 2010 and thereafter will be elected at the annual meeting held on the day when the executive leader's term of office expires (see paragraph 2.3 below).
- 2.3 The executive leader will hold office (subject to paragraphs 2.4 and 2.5 below) from the day of his/her election as executive leader until the first annual meeting after his/her normal day of retirement as a councillor (this being the fourth day after the ordinary day for elections in the year of expiry of his or her term of office as a councillor, which will normally be four years after his/her previous election as a councillor).
- 2.4 The Council may, by resolution of a simple majority, remove the executive leader from office. The procedure for this will be as currently set out in the Council's constitution (Article 7.03 (d)). If such a resolution is passed, the executive leader's term of office expires on the passing of that resolution and the Council will elect a new executive leader at the same meeting or a subsequent meeting of the Council.

- 2.5 The executive leader will also cease to hold office if she or he resigns as executive leader or ceases to be a councillor for reasons other than by normal retirement e.g. by resignation or disqualification. In this event a new executive leader will be elected by the Council at its next or any subsequent meeting.

Other members of the executive

- 2.6 The remaining members of the executive will be appointed by the executive leader, who will determine the number of councillors to be so appointed and their portfolios. The executive leader may, if s/he thinks fit, at any time remove any member of the executive from office on such notice (if any) as s/he considers appropriate.

Deputy executive leader

- 2.7 The executive leader may appoint one of the members of the executive to be his or her deputy (the deputy executive leader) to carry out such functions as the executive leader considers appropriate. The executive leader may, if s/he thinks fit, end such appointment on such notice (if any) as s/he considers appropriate.

Discharge of executive functions

- 2.8 Under the 2000 Act various Council functions are made the responsibility of the executive leader and his/her executive members. These are known as 'executive functions'. Under section 14 of the 2000 Act, the executive leader may choose to discharge any of those functions him or herself or may arrange for their discharge by the executive as a whole or by an individual member of the executive or by a committee of the executive or by an officer of the Council.

Local choice executive functions

- 2.9 In addition to the mandatory executive functions under the 2000 Act, there are other Council functions (known as 'local choice functions') which the Council can choose to make the responsibility of the executive either instead of or as well as the Council itself. It is proposed that the local choice functions set out in Annex A to these proposals will be designated as executive functions. This effectively continues the practice under existing arrangements, but there may be a change in respect of the functions relating to the Port.

3. CONTINUOUS IMPROVEMENT

The Council has been operating the leader with cabinet model of executive arrangements since 2001, although under that existing model the whole executive is appointed by Council. That model will from 2010 be no longer legally available. The changes set out in these proposals will continue to ensure that the executive leader has the

support of the full Council. In addition the changes will provide the opportunity to ensure that executive roles are undertaken by those councillors who will be most effective. The new leader with cabinet executive is one of the two options considered by the Government to provide strong leadership in local authorities.

4. **TIMETABLE**

It is intended the Council will formally adopt these arrangements at a meeting specially convened for this purpose on 25 November 2009. They will come into effect on 10 May 2010, being the third day after the local government elections held in that month.

ANNEX A

LOCAL CHOICE EXECUTIVE FUNCTIONS

1. To exercise the duties of the Council under Section 14 of the Sunderland Corporation Act 1972 (the Act) as harbour undertakers within the port.
2. To exercise the duties of the Council under Section 15 of the Act to provide, maintain, operate and improve the port facilities and generally under Part III of the Act.
3. To exercise the powers of the Council in relation to docks contained within Part V of the Act and generally in relation to all other matters under the Act, including the exercise of powers pursuant to Byelaws made under Sections 63 and 65.
4. The obtaining of particulars of persons interested in land under Section 16 of the Local Governments (Miscellaneous Provisions) Act 1976.
5. The making of agreements for the execution of highway works.

Functions 1, 2 and 3 are currently executive functions but if new governance arrangements for managing the Port are agreed (which entail establishing a harbour management committee) then these will be non-executive functions.

ANNEX B – Detailed changes to the Constitution

Part 1, Summary and Explanation, paragraph headed The Executive, following the reference to Cabinet comprising Leader delete words “9 Councillors also elected by Council”.

Part 2, Article 4, Paragraph 4.0 2 (d). Only the Council will exercise the following functions after “Appointing the Leader” delete “and Deputy Leader and Members of the Cabinet”.

Article 7

Paragraph 7.01

Amend by adding underlined words. The executive to be called “the Cabinet” will exercise all of the local authority’s functions which are not the responsibility of any other part of the local authority, by law, under this Constitution, and subject (in the case of executive functions only) to the Leader determining to make the decision personally or that it should be undertaken by an individual Cabinet Member, by an officer, or under joint arrangements”.

Paragraph 7.02, amend to state,

“The Executive will consist of the Leader together with at least 2 but not more than 9 councillors appointed to the executive by the Leader” instead of “by the Council”.

Paragraph 7.04 Other Executive Members, amend paragraph (d) to state,

“they are removed from office either individually or collectively, by the Leader, by giving notice in writing to the executive member and the Chief Executive”. (Instead of by resolution of the Council).

Paragraph 7.05, amend to state,

“The Leader shall appoint one member of the Executive to be Deputy Leader who shall exercise the functions of the Leader in their absence. If the Deputy Leader is unable to act or the office is vacant then the Executive must act in the Leader’s place or must arrange for a Member of the Executive to act in their place, until a decision is made by the Council to appoint a new Leader”.

Paragraph 7.08, add a new paragraph

“The Leader will be invited before each annual meeting of the Council to consider at that stage whether he wishes to make any amendments to the arrangements for the exercise of executive functions by executive Members, officers or under joint arrangements. Any such amendments will be reported

to Council for information. The Leader may also make amendments during the course of the Council year (in compliance with the decision-making requirements for individual members) which shall also be reported to Council for information.

Article 11 – Joint Arrangements

References to “the Executive” to be amended to “the Leader” as appropriate in relation to establishing joint arrangements and appointing Members to joint committees.

Part 3 Section 3 Responsibility for Executive Functions

Exercise of Executive Functions

Insert new first paragraph,

“The Leader may personally discharge any executive function or may make arrangements for their discharge by the Executive, another Member of the Executive, or Committee of the Executive, or an officer of the authority.

New second paragraph, insert words, “Subject thereto” before “each executive Member shall be authorised to take any executive decision relating to a matter within the remit of their portfolio subject to the following:

Continue with existing wording.

Part 4, Section 1, Council Procedure Rules

Annual meeting of the Council,

1.1 After (vi) “elect the Leader” add “where his/her term of office has expired”

Replace (vii) with “note the decision of the Leader on the number of Members to be appointed to the Cabinet and those Members appointed by the Leader to the Cabinet and note any amendments to the arrangements for the delegation of executive functions made by him/her”.

N.B. No further changes are currently proposed other than those relating to the Port but it will be open to the Leader post the election in 2010 to change the scheme of delegation for executive functions. However, a significant portion of Part 3 of the Constitution, “Responsibility for Functions” remains a matter for full Council to determine in respect of non-executive functions hence existing paragraph (ix) is retained with the addition of the words “in respect of Council functions”.

Part 4 Section 4 – Executive Procedure Rules

Paragraph 1.2, Delegation of Executive Functions.

Amend to:

“At the annual meeting of the Council, the Leader will inform the Council of the delegations he/she has made (to be set out in Part 3 of this Constitution, for the Council to note”. Then continue as currently from “The document presented” to the end of paragraph (iv).

Paragraph 1.3, Sub-delegation of Executive Functions.

(a) insert between “they may delegate” and “further to” the words “unless the Leader otherwise directs”.

Amend (b) to “Unless the Leader directs otherwise, if he/she delegates functions to the Executive, then the executive may delegate further to a Committee of the Executive or to an officer”.

Amend paragraph 1.4 (b) to state only “The Leader may determine how an executive function is to be discharged”. Omit further words.

Paragraph 1.5 (b) after “by the person or body by whom the delegation was made” insert “or by the Leader” then continue as at present.

CONSULTATION – NEW LEADERSHIP MODEL FOR SUNDERLAND CITY COUNCIL

Under new legislation, local authorities are having to re-consider their decision-making arrangements which have been in place since 2002 under the Local Government Act 2000. Sunderland City Council has to make a decision on new arrangements by the end of 2009, so that they will be in place to operate from immediately after the City Council elections in May 2010.

Currently, the Council's 75 elected councillors appoint both a Leader, and between two and nine other councillors, who together with the Leader, form an Executive (called the Cabinet). The Cabinet's role is to make recommendations to the Council on major policies and strategies, the budget, and setting the council tax. It also takes executive decisions. This current model will not be available in the future because recent legislation has changed the options available.

The two options now available to the Council are:

- (a) A new style Leader and Cabinet model, where (as at present) the Leader is a city councillor appointed by the rest of the councillors, but (unlike at present) the Leader, and not the Council, appoints the other councillors (up to a maximum of nine) to the Cabinet. Once appointed, the Leader holds that position until his/her current term of office as a councillor expires, although the Council can adopt the power to remove the Leader earlier by a Council resolution to that effect.
- (b) A Mayor and Cabinet model, where there is a Mayor directly elected by the public, who then appoints up to nine city councillors to the Cabinet. Once elected the Mayor cannot be removed from office by the Council and would serve for a full four year term.

The first of these options is in fact very similar to the Council's existing arrangements. The second option is not a new option – it has been available since 2000 but after a referendum in October 2001, the public decided against that option for Sunderland.

The Council has to make a final decision about its future arrangements by the end of 2009. However, before putting together detailed proposals about the new arrangements it plans to adopt, it wants to hear from you about the two options available. These views will be considered before the Council makes its decision.

You can contact us by e-mail to bob.rayner@sunderland.gov.uk; or by writing to R C Rayner, Chief Solicitor, Civic Centre, Sunderland, SR2 7DN no later than Friday 21 August 2009.

Dave Smith
Chief Executive
Sunderland City Council

10th July 2009

FUTURE OF THE CENTRAL AREA MULTI-STOREY CAR PARK**Report of the Director of Development and Regeneration****1.0 Purpose of Report**

- 1.1 To seek Cabinet approval to proposals for the future of the Central Area Multi-Storey Car Park.

2.0 Description of Decision

- 2.1 Cabinet is requested to authorise the Director of Development and Regeneration to award a contract for the demolition of the car park to levels A and B, retaining Jackie Whites market hall open both throughout and after the works as part of an estimated scheme cost of £2.9m; subject to Council approval of a commitment of £1.4m against the 2010/2011 capital resources.

3.0 Background

- 3.1 The car park, which opened in 1969 was designed and constructed to standards current at that time. In common with many concrete structures of this age the building has suffered from various environmental factors that have caused it to deteriorate significantly. This deterioration has materialised as spalling and delaminating concrete, and corroding reinforcement. Over recent years this has required the introduction of a regime of inspections and works to ensure safe operation.
- 3.2 Jacky Whites market hall is located immediately below the car park and is part of the same structure. One of the major factors in considering the future of the car park is the effect that this would have on the operation of the market both during any works and in the longer term.
- 3.3 The design of the car park places constraints upon its operation in that it involves restricted manoeuvring space for vehicles, very low headroom and poor pedestrian access. Recently both lifts have been decommissioned as they are beyond economic repair. The car park also provides the facility for direct access to the Astral, Planet and Solar residences in the city centre. Level A of the car park is reserved for residents of Astral, Solar and Planet Houses, level B is designated for blue badge holders only, with levels C – O for public use. Prior to closure the car park was rarely busy with typical peak hour occupancy levels of around 40%. There is sufficient capacity within other city centre car parks to accommodate overall demand.
- 4.0 Current Position**
- 4.1 Following a structural inspection by consultants in December 2008, concerns were raised that the condition had deteriorated to a point where it was advisable to close the car park and to provide temporary propping to reduce the risk of potential structural failure. Temporary props were installed and the car park has remained closed pending further investigation and consideration of the options.

- 4.2 Faber Maunsell, the Council's engineering framework consultant, was commissioned to undertake an investigation into the structural condition of the car park and to provide an evaluation of the options available to the Council regarding the future of the structure. The findings of that commission are now sufficiently developed to enable a decision to be considered.
- 4.3 Due to the closure of the car park residents of the three towers who are existing permit holders have relocated to other Council controlled car parks with arrangements for blue badge holders being made at each of the service areas fronting the three towers.

5.0 Proposal

- 5.1 In considering the preferred option for dealing with the problems of the car park it is recognised that there is significant cost and impact on the economy and vitality of the city centre associated with any potential closure of Jacky Whites market and any potential temporary relocation. Indicatively, a temporary closure of the market is likely to cost of the order of £1m in direct costs alone. Should there be a need to temporarily relocate the market traders then there would be additional costs which would be dependant upon the location.
- 5.2 The costs associated with options for the car park, including refurbishment have been analysed. Taking that into consideration and the inherent defects in the operational layout of the car park, demolition is considered to be the most appropriate, and economically advantageous option. In order for the market to remain open during demolition and in the longer term the installation of temporary protection measures above the market hall roof is necessary to allow demolition works to proceed safely. Health and safety is a major factor in the conduct demolition works, particularly so in this instance given its location and close proximity to other city centre premises. The demolition cost of this option is currently estimated to be in the order of £2.4m with a duration of approximately 6 months. It should be noted that given the city centre location of the car park and the associated constraints, it is difficult to establish a firm estimate without obtaining competitive tender prices. There are also likely to be associated utility costs and there could potentially be asbestos present that would require specialist work in its removal. Due to the nature of the necessary works there will be some disruption to the market hall to allow the installation of temporary propping. It is considered prudent to allow an additional £300,000 for these costs, which will be subject to review as the project progresses.
- 5.3 Consideration has been given to the various means of carrying out the demolition. It is proposed that protection measures above the market hall be specified. This will minimise the installation of temporary works within the market hall. The demolition methodology adopted will take due regard to health and safety and the site-specific constraints.

5.3 A recent inspection to monitor any further deterioration and the condition of the temporary propping has indicated no significant change since December 2008 and on this basis it is considered that it is reasonable to plan for the start of demolition to commence early in 2010 following the Christmas shopping period.

6.0 Suggested Reasons for the Decision

6.1 The car park structure has reached the point where it cannot be economically repaired and maintained. Even in a structurally sound condition, the inherent shortcomings in the design and layout are such that they do not readily allow the provision of a secure and attractive environment.

7.0 Alternative Options

7.1 *Repair and refurbishment of the structure.* To repair and refurbish the structure to allow it to be returned to full operational use would involve extensive works creating significant environmental disturbance, cost of the order of £6.0m, and take approximately 42 weeks to complete. An additional allowance of £200K would be prudent in relation to potential utility costs and for dealing with asbestos. This would not address the fundamental shortcoming in the design with respect to operational matters. This option is not considered cost effective.

7.2 *Complete demolition of the car park and market hall.* This would cost of the order of £1.9m and would take approximately 20 weeks to complete. In addition there would be the cost of closure of the market hall estimated as a minimum of £1m and an allowance of £200K to cover potential utility and asbestos removal costs would also be made. If a replacement market hall and car park were required this would cost of the order of £6m.

7.3 *Leave in current form.* The car park structure could be left in its current form and essential health and safety measures undertaken. The car park would remain closed, and as well as internal structural measures the exterior would be covered with scaffolding/cladding. This would initially cost of the order of £2.2m. This option would not address the long-term future of the structure, and there would be very significant ongoing maintenance and inspection costs.

7.4 *Relocate the market during demolition.* The market traders could be relocated during demolition works to reduce the extent of temporary works required. This would reduce the cost of the works to approximately £2.16m but there would be the cost of relocation estimated to be approximately £1m thus giving a cost of the order of £3.16m and the need for an allowance of £200K for potential utility and asbestos removal costs. This option would also significantly disrupt trading for the market.

8.0 Relevant Considerations

8.1 Financial Implications

The temporary propping and professional fees has cost approximately £200,000 to date and can be funded from the Central Car Park scheme in the approved Capital Programme.

The option to be recommended to Council is currently estimated to cost a total of £2.9m, including fees already incurred. The current approved scheme budget is £1.5m and it is proposed to recommend to Council that the additional cost of £1.4m be a commitment against the capital resources for 2010/2011.

9.0 Consultations

The Chief Solicitor and Director of Financial Resources have been consulted on this report and their comments included within it.

10.0 Background Papers

10.1 Office file ref NB093

Port of Sunderland: Proposed Governance Arrangements

Report of the Director of Development and Regeneration

1.0 Purpose of Report

- 1.1 The report sets out proposals for a new governance structure at the Port of Sunderland in accordance with the decision by Cabinet on 25 June 2009 to progress with governance arrangements in accordance with the best practice recommendations as set out in the Municipal Ports Review.

2.0 Description of Decision

That Cabinet resolves to:

- i) Recommend to full Council that the operational Port functions outlined in the Annex to this report be redesignated as Council functions from 1 January 2010.
- ii) Recommend to full Council that a Port Board is established and constituted as a Council Committee to be responsible for the discharge of operational Port functions from 1 January 2010.
- iii) Agree that the Director of Development of Regeneration, in consultation with the Chief Solicitor and the Director of Financial Resources, shall produce detailed terms of reference for the Port Board and its composition for subsequent approval.

3.0 Background

- 3.1 At its meeting on 25 June 2009 Cabinet agreed in principle to progress a new governance structure for the Port of Sunderland in line with best practice as set out in the Municipal Ports Review. In summary, the Review recommends that a new-style harbour management committee structure is the most appropriate model for effective and accountable decision-making in relation to a municipal port. The Cabinet report, attached for information, details a number of key steps and activities to be undertaken in order to implement the Review's recommendations for the Port of Sunderland. The following progress has been made;
- 3.2 Stakeholder consultation; consultation has been undertaken the results of which have been used to develop a Business Improvement Plan (BIP).
- 3.3 BIP; a draft Business Improvement Plan has been completed with the intention that it be used as a working document by the new Port Board. The purpose of the

BIP is to set out how the Port might be organised, managed and traded into a position of financial resilience. It provides an analysis of the Port's financial position, reviews the market and identifies opportunities for growth, identifies priorities for investment in infrastructure and illustrates how the Port may achieve financial self sufficiency.

- 3.4 Port Masterplan; this has been prepared in draft as part of the BIP, and identifies areas of the Port estate where new uses could be located.
- 3.5 Assured Accounts; work is underway so as to present future Port accounts in terms of commercial business performance. The BIP makes significant progress in this regard.
- 3.6 Progress with the establishment of a Port Board; is dealt with in Section 4 below.
- 3.7 Establish and recruit to a new post of Port Director; at the time of writing this report, it is intended to recommend that Personnel Committee at its meeting in September, establish the post of Port Director.

4.0 Proposed Governance Arrangements

Constitutional Amendments

- 4.1 Currently, the responsibility for the management of port functions outlined in the Annex to this report rest with Cabinet as executive functions. The new arrangements involve re-designating these operational port functions as non-executive (i.e. Council) functions and the establishment of a Port Board as a committee of the Council.

5.0 Port Board

- 5.1 The Port Board would become responsible for the discharge of the Council's functions in relation to the Port. In addition it will be charged with budget management and developing new business opportunities in line with the BIP. Currently responsibility for day-to-day commercial and statutory operations are vested in a Chief Officer subject to the normal officer delegation limits. This could be reviewed as and when a Port Director of appointed.
- 5.2 Best practice suggests that the composition of Board should be approximately half Council appointees and half co-opted members. It is recommended that the number of Board members should be limited whilst ensuring that the Board can benefit from relevant industry expertise... As this is a Council committee, the normal political balance provisions would apply to those Council member appointments.
- 5.3 It is recommended that the co-opted members are recruited through a public advertisement and selection process. It is important that the Board members have the required skills so as to effectively oversee the management of the Port and

the development of the business. As a consequence a skills audit has been prepared which highlights the knowledge, functional or professional skills, and personal skills which the co-opted members should possess. The skills audit has been used to develop a person specification and job description that will be used for the recruitment of co-opted Board members.

5.4 Draft terms of reference for the Board are set out below.

(i) to exercise all of the Council's functions in respect of the Port under the Harbours Act 1964, the Sunderland Corporation Act 1972, the Pilotage Act 1987 and all other relevant statutory provisions;

(ii) to manage the Port business and to take commercial decisions in relation to the Port business, including entering into contracts with existing and prospective Port users and the procurement of works, services and supplies for the Port, in accordance with the Council's budget and policy framework and the Port budget and business plan approved by Council (subject to delegations to officers);

(iii) to manage and maintain the Port assets and estate, namely the maintenance of the existing assets, the acquisition of new assets, and the disposal of leasehold interests in accordance with the agreed budget and business plan;

(iv) to act as duty holder in relation to the exercise and discharge of the Council's functions and duties under the Port Marine Safety Code and all other legislation or guidance as may from time to time be published by the Government;

(v) to submit reports to Council on an annual basis regarding the performance of the Port during the preceding year in light of the agreed budget and business plan.

5.5 A further report will be submitted in due course to deal with the precise composition of the Board and its finalised terms of reference.

6.0 Alternative Options

6.1 The alternative options were set out and fully explored in the Cabinet report of 25 June 2009, attached for information.

7.0 Reason for Decision

7.1 To ensure that the governance and business management arrangements in respect of the Port are fit for purpose and accord with best practise recommendations as set out in the Municipal Ports Review.

8.0 Consultations

8.1 The Chief Solicitor and Director of Financial Resources have been consulted and their comments are contained in the body of the report.

9.0 Background papers

9.1 Port of Sunderland file held by Director of Development and Regeneration.

Annex

1. To exercise the Council's jurisdiction under Section 14 of the Sunderland Corporation Act 1972 (the Act) as harbour undertakers within the port.
2. To exercise the duties of the Council under Section 15 of the Act to provide, maintain, operate and improve the port facilities and generally under Part III of the Act.
3. To exercise the powers of the Council in relation to docks contained within Part V of the Act and generally in relation to all other matters under the Act, including the exercise of powers pursuant to Byelaws made under Sections 63 and 65.