

CABINET MEETING – 9 NOVEMBER 2023

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

MINUTES, PART I

Author(s):

Assistant Director of Law and Governance

Purpose of Report:

Presents the minutes of the meeting held on 12 October 2023, Part I.

Action Required:

To confirm the minutes as a correct record.

Meeting of the **CABINET** held in **CITY HALL (COUNCIL CHAMBER)** on **THURSDAY 12 OCTOBER 2023** at **10.00am**

Present: -

Councillor G Miller in the Chair

Councillors Chequer, Johnston, Price, Rowntree, Stewart and Williams.

Also present: -

Councillors F Miller and A Smith and Walker – Deputy Cabinet Members
Councillor Edgeworth

Part I

Minutes

The minutes of the meeting of the Cabinet held on 7 September 2023, Part I (copy circulated) were submitted.

1. RESOLVED that the minutes of the Cabinet meeting held on 7 September 2023, Part I, be confirmed and signed as a correct record.

Declarations of Interest

The following declarations were made: -

Agenda Item 14 – Purchase of Residential Property for the Provision of Residential Short Breaks

Councillor Chequer declared an interest as Member of Grace House Board.

The Director of Children’s Services declared an interest as Chief Executive and Board Member of Together for Children and withdrew from the meeting during consideration of the report.

Apologies for Absence

Apologies for absence were received from Councillor Scott.

Response from Economic Prosperity Scrutiny Committee – Food and Feed Law Plan

The Assistant Director of Law and Governance submitted a report advising the Cabinet of the comments of the Economic Prosperity Scrutiny Committee on the report of the Executive Director of City Development which sets out the Feed and Food Law Service Plan for 2023/2026.

Councillor Rowntree reported that the Economic Prosperity Committee had received the report of the Executive Director of City Development on the Feed and Food Law Service Plan 2023/2026 at its meeting held on 12 September 2023.

She was pleased to report to Cabinet that the Economic Prosperity Scrutiny Committee approved the contents of the Service Plan and commended the work of the staff who were undertaking feed and food safety enforcement across the city. The Scrutiny Committee also supported the Cabinet's recommendation to submit the Feed and Food Law Service Plan for 2023/2026 to Council for final approval.

With no further comments from the Economic Prosperity Scrutiny Committee, it was:

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2. RESOLVED that the comments of the Economic Prosperity Scrutiny Committee be received and the Feed and Food Law Service Plan 2023/2026 be referred to Council for approval.

Performance Report Quarter 1 of 2023/2024

The Chief Executive submitted a report providing performance information in relation to Quarter 1 of 2023/2024.

Councillor Stewart advised that the report set out the progress made by the Council in delivering the City Plan during the first quarter of 2023/24. The report was set out under the three themes of the City Plan – Dynamic Smart City, Healthy Smart City and Vibrant Smart City.

This was the first quarter where progress had been reported against the updated version of the City Plan which now looked ahead to 2035 with a completely refreshed timeline of activities. All of the activities on the previous version of the timeline, that had taken the city from 2019 to the end of 2022/2023, had been delivered and completed.

Performance in relation to a set of 'Council' or 'organisational health' indicators was also monitored and set out in the report. Councillor Stewart particularly highlighted the expansion in access to public Wi-Fi and that this key manifesto promise was being delivered. The launch of city-wide app was also getting closer.

Having considered the report, it was: -

3. RESOLVED that the performance information in relation to Quarter 1 of 2023/2024 be considered and accepted.

Capital Programme Second Review (including Treasury Management) 2023/2024

The Director of Finance submitted a report setting out the outcome of the second review of the 2023/2024 Capital Programme and progress on implementing the 2023/2024 Treasury Management Borrowing and Investment Strategy.

Councillor Stewart advised Members that the anticipated capital spend this financial year had reduced by £49.1m since the first capital review had been reported. The overall reduction included:

- the reprofiling of £55.4m expenditure into future years; and
- the addition of new schemes or variations to schemes of £6.3m within the Capital Programme primarily due to additional external funding.

These variations were set out in Appendix A to the report and the revised capital investment budget would still see investment of over £224m in the city this year.

Moving on to the Treasury Management aspects of the report, Councillor Stewart referred to paragraph 5.2 of the report which showed that the Council remained fully compliant with the Treasury Management prudential indicators. Following further increases in the Bank of England base interest rate, PWLB borrowing rates had remained at a high level and most recently The Bank of England's Monetary Policy Committee had voted to hold the Base Rate at its current level of 5.25%. Borrowing rates would continue to be closely monitored along with cash flow requirements to see when further borrowing should be taken to fund the capital programme.

Aligned to this, there continued to be positive performance in investments with returns above the benchmark rate thereby making an additional contribution to support the revenue budget in the current year. These would also be closely monitored to maximise potential returns whilst adhering to the prudent policy agreed by the Council.

4. RESOLVED that: -

- (i) the inclusion of additional schemes or variations to existing schemes for 2023/2024 detailed at Appendix A be approved;
- (ii) the increased cost pressures on the Capital Programme as detailed in paragraph 4.3 of the report be noted; and
- (iii) the increase in borrowing interest rates, progress in implementing the 2023/2024 Treasury Management Strategy and Prudential Indicators be noted.

Second Revenue Budget Review 2023/2024

The Director of Finance submitted a report advising of the overall Revenue Budget position following the second revenue review for 2023/24 including proposed contingency transfers.

Councillor Stewart directed Members to section 3 of the report which summarised the significant financial pressures arising in a number of budget areas. Significant financial strain was being experienced by residents and businesses and the Council was facing the same cost pressures. Additionally, adults' and children's social care continued to see significant demand and specific cost pressures including the costs of home to school transport and unfunded costs associated with supporting unaccompanied asylum seeker children. The cost of the proposed pay award was also impacting on the Council's budget position alongside high levels of inflation.

The table in paragraph 3.1.3 of the report showed that in overall terms net revenue pressures of £1.197m were forecast at this stage in the financial year, which was largely driven by social care and forecast pay pressures. This overspend would be met from the Energy and General Inflation reserve set aside as part of prior years' outturns. The full details by portfolio were set out in Appendix 1 of the report.

Councillor Stewart explained that this forecast overspend position was largely offset by savings arising from Treasury Management activity which was linked to capital programme expenditure reprofiling and increased investment returns, as noted at section 3.6 of the report, and further savings from reducing energy prices were also assisting with the position.

Cabinet Members were reminded that the budget for this year was reliant on the delivery of £13.379m worth of savings initiatives. As noted in paragraph 3.3.2 of the report, of these savings plans, 59% of the savings had been delivered, 25% were making good progress and at this stage 16% were experiencing delays and as such are factored into the forecast position.

The Council would continue to seek to mitigate the forecast overspend where possible, whilst ensuring it continued to play its full part in supporting residents and businesses where appropriate through the cost-of-living crisis.

Councillor Williams commented that budget pressures were increasing and adequate funding was not available to allow people to 'live long and happy lives'. Social care was expensive and she felt that it was time for the Government to act to fund the sector so that all people were treated equally. Councillor Stewart agreed that these pressures were not new, the Government was well aware of the issues but continued to cause problems through insufficient funding of local government.

5. RESOLVED that: -

- (i) the contents of the report be noted; and
- (ii) the contingency transfers proposed at section 3.4 be approved.

Budget Planning Framework and Medium Term Financial Plan 2024/2025 – 2027/2028

The Director of Finance submitted a report which: -

- identified the key factors influencing the development of the Council's financial plans into the medium term and setting out the budget planning framework for the Council for 2024/2025;
- set out the headlines and context for the Medium Term Financial Plan (MTFP) 2024/2025 to 2027/2028;
- set out the consultation/communication strategy for the budget 2024/2025; and
- seeks a recommendation to Council for the approval of the updated Capital Strategy.

Councillor Stewart advised that the report provided an update on the Medium Term Financial Plan through to 2027/2028, setting out the key issues which would impact on the Council's financial position over the next four years. The report went on to propose the Budget Planning Framework on which the budget for next year would be based and also provided the annual update of the Capital Strategy.

The Medium Term Financial Plan was summarised at section 3 of the report and included current best estimates of government funding over the period. There remained areas of uncertainty in the funding system for next year and beyond; this included the long-awaited fair funding review and associated business rates reform which did not help with financial planning in the Authority.

Planning was based on the best information available at this time and there remained the risk that the Council would lose out under the fair funding review but planning assumptions were currently that any changes will be financially neutral. Notwithstanding this, the combined impact on the Council from pay and general inflation pressures alongside ongoing demand and increasing cost pressures within social care, would mean that the Council would need to deliver further significant ongoing savings in next year and beyond. The levels of savings required would make this a difficult task given that the Council had a statutory duty to balance its books each year.

After taking account of these pressures and reflecting assumed council tax and business rate increases for planning purposes aligned to the Government's assumptions, the funding gap stood at £51.7 million over the four years to 2027/28. The gap for 2024/25 was £10.3m which is after taking into account the use of £9m of earmarked reserves, without which the gap would be almost £20m, the scale of this gap laid bare the continued underfunding of local authorities after over a decade of cuts by the government, coupled with the significant inflationary and other cost pressures which were now being faced.

Councillor Stewart highlighted that savings proposals to address the 2024/2025 gap were being developed which would be considered later in the budget planning process. However, it was recognised that given the size of the gap, uncertainty of Government funding and high inflation levels that difficult decisions would need to be made to achieve a balanced budget.

Whilst the Medium Term Financial Plan included assumptions to increase council tax in line with the maximum permitted, decisions in respect of the level of increase in core council tax and any social care precept would be considered as part of the final budget proposals in February 2024. The outcome of the provisional Local Government Finance Settlement anticipated for late December would feed into the Council's revenue budget decisions in the New Year.

Councillor Edgeworth referred to residents' concerns about the potential rise in Council Tax and asked what the Cabinet would be doing to keep the rise low. He also queried if there was a risk associated with potential equal pay claims.

Councillor Stewart stated that the Cabinet was always open to suggestions around the budget setting process and any proposals would be considered by the Scrutiny Co-ordinating Committee.

The Chief Executive advised that negotiations had been opened with unions regarding equal pay claims but at this point there had been no evidence submitted so it was not possible to form an opinion on the level of risk.

Accordingly it was: -

6. RESOLVED that: -

- (i) the summary MTFP set out at section 3 of the report be noted and it also be noted that the full MTFP 2024/2025 to 2027/2028 would be presented to Cabinet in February 2024;
- (ii) the proposed Budget Planning Framework set out at section 4 of the report which would guide the preparation of the Revenue Budget for 2024/2025 be approved;
- (iii) the consultation/communication strategy for the budget 2024/2025 as set out at section 6 of the report be noted; and
- (iv) the Council be recommended to approve the Capital Strategy.

Annual Health and Safety Report

The Director of Finance submitted a report providing an overview of the management of health and safety at work within the Council during 2022/2023.

Councillor Stewart advised that the report summarised:

- significant health and safety events,
- incidents reported to the Health & Safety Executive,
- information from formal health and safety audit/inspection reports,
- Council-wide initiatives to improve health and safety, and
- confirmed future priorities.

The provision of an annual report was a key measure in reviewing the management of health and safety at work within the Council and provided assurance about the Council's compliance with its legal obligations in relation to health and safety at work.

Councillor Stewart highlighted that section 5 of the report referenced two significant health and safety incidents where fortunately no one was injured. In each case appropriate action had been undertaken including implementing key learning points.

Section 6 of the report identified some initiatives and priorities for 2023/24 which included improvements to procurement and vetting of suppliers and contractors, a review of the Health and Safety Management System including action monitoring, and Fire Risk Assessment annual review process.

Upon consideration of the report, it was: -

7. RESOLVED that the content of the Annual Health and Safety report be noted.

2023-2025 Better Care Fund Section 75 Agreement

The Executive Director of Health, Housing and Communities submitted a report seeking approval for the Council to enter into a Section 75 Agreement with the North East and North Cumbria Integrated Care Board (ICB), to enable improved health and care integration and to meet national conditions of the 2023/2024 – 2024/2025 Better Care Fund (BCF) programme.

Councillor Chequer stated that the Better Care Fund programme was a key enabler of health and care integration, supporting the joint delivery of person-centred and sustainable health and care provision that delivered better outcomes for people, place and population. The Better Care Fund enabled the Council and Integrated Care Board (ICB) to establish a joint budget arrangement that supported effective collaboration in delivering on the NHS Joint Forward Plan alongside local strategies to improve population health and reduce inequalities such as the Healthy City Plan.

The legal mechanism for underpinning the required integrated commissioning and pooled budget arrangements for the Better Care Fund, was a Section 75 Partnership Agreement. This document set out the roles and responsibilities of the ICB and Local Authority in delivering the 2023-2025 Better Care Fund that had been agreed by the Health and Wellbeing Board in June.

Councillor Chequer advised that the total Local Authority funding which would be pooled into the section 75 agreement was £25,712,500. This was a national condition of the BCF policy and planning framework. Funding was provided direct to local authorities under the following grant arrangements: a section 31 iBCF grant; Disabled Facilities Grant; and Adult Social Care Discharge Funding.

As with previous years, Cabinet approval was required to enable the Local Authority to enter into the section 75 agreement with the ICB, however in contrast to previous years, the 2023/24 BCF covered a two-year period. The funding and pooled budget arrangement had therefore been limited to include only mandatory funding pots, plus

existing ICB and local authority infrastructure investment of £560,000, to minimise the risk of non-delivery of the BCF as a result of ICB and local authority efficiency programmes.

8. RESOLVED that: -

- (i) Cabinet authorises the entering of an agreement by the Council in accordance with Section 75 of the National Health Act 2006 (a Section 75 agreement) on terms agreed by the Executive Director of Health, Housing and Communities, in consultation with the Portfolio Holder for Health and Social Care, Director of Finance, the Director of Adult Services, the Assistant Director of Law and Governance and the Assistant Director of Integrated Commissioning which:
 - makes provision for the exercise of functions, duties, budgets and governance arrangements that effectively meet the conditions of the 2023/2024 – 2024/2025 BCF; and ensures that the BCF Section 75 Agreement is fit for purpose in encompassing wider integrated health and care provisions, in order to support the effective implementation of place-based collaborative working arrangements in line with the government's integration White Paper 'Joining up care for people, places and populations'. It is proposed that this will cover the agreed functions, duties, budgets and governance arrangements needed to secure effective integrated health and care provision in Sunderland.
- (ii) the Executive Director of Health, Housing and Communities be authorised, in consultation with the Portfolio Holder for Health and Social Care, to take steps as are considered necessary to secure the completion of the Section 75 Agreement in line with national timescales of 31 October 2023.

Local Wildlife Sites

The Executive Director of City Development submitted a report seeking approval to adopt revised Local Wildlife Site boundaries and designations.

Councillor Johnston advised that the identification of Local Wildlife Sites was an important way to identify the best quality habitats within the city and would help to inform the preparation of the Local Nature Recovery Strategy (LNRS) and assist the Council in achieving its duty to conserve and enhance biodiversity. It was also important that the Council had an up-to-date baseline of important habitats within the city on which to base the Local Nature Recovery Strategy.

The existing Local Wildlife Site designations had been in place for a number of years and had not been updated or reviewed to take account of material changes to the habitat since their initial designation.

In December 2020, following Cabinet approval, the Council had published a review of its Local Wildlife Sites for consultation, which included reviewing the boundaries of existing sites, and also looked at whether any new sites should be designated based on the habitat meeting the qualifying features for designation.

There were currently 63 designated Local Wildlife Sites in Sunderland. The review recommended minor boundary amendments to 22 sites and major boundary amendments to 28 sites (as detailed in Section 3 of Appendix 1). The review also identified 18 new sites which met the selection criteria for Local Wildlife Site status and therefore recommended that these should be designated (as detailed in Section 4 of Appendix 1).

Councillor Johnston reported that the responses received to the consultation were broadly supportive of the proposed designations, however a number of landowners did raise concerns regarding the impact that the designations might potentially have upon the way that they operate or manage their land.

As the designation would not require landowners to manage the site in any particular way for nature conservation, and the surveys indicated that the sites met the requirements for designation, no changes had been proposed to those recommended by the review.

Councillor Edgeworth emphasised the need for resident buy-in for Local Wildlife Sites, for example people would request grass cutting in certain areas which were designated as Local Wildlife Sites and these could also be sites of anti-social behaviour and fly tipping.

Councillor Johnston stated that Environmental Services was working to address these issues across the city and to protect the Local Wildlife Sites.

Following consideration of the report, it was: -

9. RESOLVED that the revised Local Wildlife Site boundaries and designations be approved and adopted.

Winter Service Policy 2023/2024

The Director of Environmental Services submitted a report seeking approval to adopt and publish the Winter Service Policy Statement 2023/2024.

Councillor Rowntree advised that the Council had a legal duty under the Highways Act 1980, Railway and Transport Safety Act 2003 and the Traffic Management Act 2004 to introduce systems to ensure the safe and expeditious movement of traffic by ensuring, so far as was reasonably practical, safe passage along the highway without danger from snow or ice.

To achieve this the Council have reviewed the Policy that was in place for 2022/23 and made some slight changes and improvements. The new developed Winter Service Policy 2023/24 provided a clear outline on how the Council would manage

and respond to winter weather which adversely impacted upon the highway and other priority areas.

The proposed policy statement provided a range of winter services to the highway network and priority pedestrian areas. This would ensure as far as reasonably practicable, that designated roads and footpaths were treated, and snow and ice was removed through the 2023/24 winter period.

10. RESOLVED that: -

- (i) the Winter Service Policy 2023/2024 be approved and adopted; and
- (ii) the publication of the Winter Service Policy 2023/2024 on the Council's website be approved.

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

At the instance of the Chair, it was: -

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

(Signed) G MILLER
Chair

Note: -

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

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