

CABINET MEETING – 18 JANUARY 2024

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 7 December 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 7 DECEMBER 2023** at **10.00am**

Present: -

Councillor G Miller in the Chair

Councillors Johnston, Price, Stewart and Williams.

Also present: -

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

Part I

Minutes

The minutes of the meeting of the Cabinet held on 9 November 2023, Part I (copy circulated) were submitted.

1. RESOLVED that the minutes of the Cabinet meeting held on 9 November 2023, Part I, be confirmed and signed as a correct record.

Declarations of Interest

There were no declarations of interest.

Apologies for Absence

Apologies for absence were received from Councillors Chequer, Rowntree and Scott.

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

The Director of Finance submitted a report providing an update, since the Budget Planning Framework and Medium Term Financial Plan (MTFP) report to Cabinet in October, on the key factors influencing the development of the Council's financial plans into the medium term and setting out the updated headlines and context for the MTFP 2024/2025 to 2027/2028. The report also set out provisional budget savings proposals for 2024/2025 to assist in meeting the current budget gap, as a basis for budget consultation, prior to the receipt of the Local Government Finance Settlement for 2024/2025 and setting out the consultation/communication strategy for the budget 2024/2025.

Councillor Stewart reported that the updates outlined in section three of the report incorporated announcements made in the Chancellor's Autumn Statement as well as national economic updates which demonstrated the continuing fragility of the economic position that the country was in.

Cabinet Members were advised that the Autumn Statement announcements did not include any further funding for local government and therefore failed to recognise the continued cost pressures within children's and adult social care. It was disappointing that despite lobbying from the Council and other sector partners the Government had failed to confirm any additional funding to alleviate the financial pressure that councils across the country were facing.

Councillor Stewart explained that there remained areas of uncertainty in the funding system for the next year and beyond, which included the long-awaited fair funding review and associated business rates reform. There remained the risk that the Council would lose out under the fair funding review but planning assumptions were currently that any changes would be financially neutral.

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 currently stood at £50.101 million over the four years to 2027/28. The gap for 2024/25 was £17.042m which reduced to £8.042m after taking into account the use of £9m of earmarked reserves. The scale of this gap laid bare the continued underfunding of local authorities after over a decade of cuts by the Government.

Councillor Stewart highlighted that, given the size of the gap, uncertainty of Government funding and ongoing cost pressures, difficult decisions would need to be made to achieve a balanced budget. Savings proposals totalling £6.673m had been developed to help address the 2024/2025 gap and these were included in section 3.9 of the report with further detail included in Appendix 1. However, even with these savings a gap of £1.369m remained for the 2024/2025 financial year.

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 currently anticipated to be in late December would be reported to Cabinet in January 2024 and then fed into subsequent revenue budget decisions. Councillor Stewart expressed his hope that the Government would come to its senses and would welcome any late change to the funding settlement.

Councillor Edgeworth repeated his plea on behalf of residents that the Cabinet should very carefully consider any increase in Council Tax as local people were very concerned about this in the current financial climate. He was pleased to see the proposed reduction in the Communications budget and felt this could go further with a reduction in spending on the Council magazine. Councillor Edgeworth also suggested that the level of Special Responsibility Allowances should be cut and would welcome a discussion about the budget for additional day's leave for employees and how this would work for more senior staff.

Councillor Williams expressed surprise that anyone would think that the Council would choose to increase Council Tax in order to make residents suffer; Cabinet Members were very aware of the financial situation and were residents too. More and more families were suffering due to the cruel and callous decisions of the Government and the difficulty was in the need to have appropriate funding to deliver services and deploy staff effectively.

Councillor Williams went on to say that things could not continue in this way and there was money in the system nationally for the NHS and social care if the right choices were made. Fair funding for local government was needed now but unfortunately she was not optimistic that any additional funding would be forthcoming.

Councillor Stewart thanked Councillor Edgeworth for sharing alternative budget proposals and stated that no one wanted to increase Council Tax. He said that the Conservative Government had no moral compass and poverty was now at the highest level for generations. Councillor Stewart said that the Council would keep Council Tax as low as it could but the only way to have a significant impact was for the Government to have a change in direction; in the current climate, more local councils would go to the wall because they simply could not fund all of the required services.

The Leader was pleased that Councillor Edgeworth was present at the meeting to engage on finance matters. The proposals in the report were solid but the Council was in the position it was due to the financial mismanagement of the Government and it was a serious matter to ensure that resources were available to deliver services.

Having considered the report, it was: -

2. 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; and
- (ii) the provisional additional budget savings proposals, as the basis for budget consultation, prior to the receipt of the Local Government Finance Settlement for 2024/2025 be approved.

Homelessness Action Plan

The Executive Director of Health, Housing and Communities submitted a report presenting the Homelessness Action Plan which had been developed to underpin the aims of the Homelessness Reduction and Sleeping Rough Strategy 2023 – 2028 which had been approved by Cabinet on 16th March 2023.

Councillor Johnston said that it was clear that all partners were passionate in a desire to collaborate to tackle homelessness and work together to target the end of homelessness in the city.

To underpin the delivery of the Council's strategy it was agreed that a detailed Action Plan would focus efforts in key areas and through partner and Member working groups over the past year, a detailed review of eight priority pathways had been undertaken.

The report outlined the proposed action plan which had been developed with 96 recommendations. Tackling homelessness was a key priority and Councillor Johnston asked that the Cabinet agreed to the recommendations within the report.

Councillor Edgeworth asked for an update on the plans for the Thorney Close Inn as the local people on the estate had not been asked about the site and local councillors had not been involved or brought on board with the proposals. Several attempts at a public meeting had been refused and ward councillors had previously been told that the Council had no interest in the site.

Councillor Johnston reported that discussions had been held with ward councillors prior to the pre-consultation letter being sent and this had clearly set out what the planned accommodation would be; at this moment the Council did not have an interest in the land. Councillor Johnston acknowledged that there could be misconceptions within the community and was happy to sit down with ward councillors again to address this.

There was a need for this type of accommodation to address the homeless population and Councillor Johnston noted that it was an emotive issue but these residents needed support and a level headed approach was required.

Councillor F Miller supported what Councillor Johnston had said and highlighted that the numbers of homeless people in the country were rising and there needed to be safe places for them.

Councillor A Smith commented that the Homelessness Working Group referred to in the report was cross-party and representatives should have been feeding back information to their colleagues. An immense amount of work had gone into the development of the action plan.

Accordingly it was: -

3. RESOLVED that: -

- (i) the Homelessness Action Plan to underpin the Homelessness Reduction and Sleeping Rough Strategy 2023-2028 be approved;
- (ii) the governance and monitoring arrangements be approved; and
- (iii) the development of the Action Plan and future work programme once the initial priority pathways have progressed be approved.

Low Carbon Annual Report 2022/2023

The Executive Director of City Development submitted a report providing an overview of the Low Carbon Annual Data Report 2022/2023 including the Council's emissions for 2022/2023 and city-wide emissions for 2021.

Councillor Stewart highlighted that climate change continued to represent a significant challenge and over the past 50 years, the average global temperature had increased at the fastest rate in recorded history and this trend was accelerating.

Key partner organisations from across the city – through the 2030 Shadow Board – had committed to working collectively to drive forward Sunderland's ambitions and commitment to tackling climate change and to delivering against the priorities set out in the city's Low Carbon Framework.

Ambitious targets had been set for the Council to become carbon neutral as an organisation by 2030 and for the city as a whole to become carbon neutral by 2040.

The 2022/2023 Low Carbon Annual Report provided an estimation for the annual greenhouse gas emissions for the Council in 2022/2023, against the original baseline year of 2017/2018, and set out citywide carbon emissions for Sunderland for the 2021 calendar year which was the latest year for which the city-wide data published by Government is available.

Councillor Stewart stated that the report outlined that the Council's scope 1 and 2 carbon footprint was 7,866 tonnes of carbon dioxide equivalent in 2022/2023 which was a 9% reduction from the previous year and a 58% reduction against the 2017/2018 baseline.

Improved data availability and revised methodology used during preparation of the 2022/2023 Annual Report meant that the 2021/2022 figure for Council emissions was also recalculated for consistency. It was not currently mandatory to report on scope 3 emissions but the Council recognised that this was good practice and the data had been included in the report. Work remained ongoing to build on and refine the Council's scope 3 inventory.

City-wide emissions were published annually by the Department for Energy Security and Net Zero and these indicated that total carbon emissions for Sunderland in 2021 were 1,089,313 (one million, 89 thousand, three hundred and 13 tonnes) of carbon dioxide equivalent which was an increase of 7% emissions compared to the previous year when there was a general reduction in activity due to Covid.

Emissions across the city had however seen a reduction of 6.2% compared to pre-Covid 2019 levels and more importantly had reduced by 21% since the 2015 baseline year.

Against the science-based targets set by the Tyndall Centre for the city as a whole, Sunderland was currently on track to meet its initial five-year carbon budget for 2018 to 2022 due to strong, early reductions in carbon emissions. However the city was not currently on track to meet its second interim target, which required a 65% reduction in carbon emissions by 2025 against the 2015 baseline.

Councillor Stewart advised that a summary of key activity and progress against each Low Carbon strategic priority area during this period was outlined in section 6 of the report. The data and progress to date set out in this annual report would inform key areas to be prioritised moving forward both from a Council and city-wide perspective.

Councillor Edgeworth commented that he had previously criticised the Council for using the low carbon agenda to take difficult decisions such as the cancellation of the airshow and 'Free After 3' and asked if the Cabinet would agree to use an alternative to short haul flights for conferences.

The Leader said that the suggestion would be taken on board and clarified that 'Free After 3' had not been scrapped but the scheme had instead been amended.

Upon consideration of the report it was: -

4. RESOLVED that the Low Carbon Annual Data Report 2022/2023 be noted and approved for publication on the MySunderland webpages.

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

At the instance of the Chair, it was: -

5. 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.

