

CIVIC CENTRE,
SUNDERLAND
16 September 2014

TO THE MEMBERS OF SUNDERLAND CITY COUNCIL

YOU ARE SUMMONED TO ATTEND A MEETING of Sunderland City Council to be held in the Council Chamber, Civic Centre, Sunderland, on **WEDNESDAY 24 SEPTEMBER 2014** at **6.00 p.m.**, at which it is proposed to consider and transact the following business:-

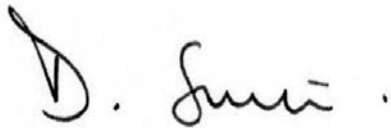
Item	Page
1. To read the Notice convening the meeting.	-
2. To approve the minutes of the Meeting of the Council held on 2 July 2014 (copy herewith).	1
3. Receipt of Declarations of Interest (if any).	-
4. Announcements (if any) under Rule 2(iv).	-
5. Reception of Petitions.	-
6. Apologies.	-
7. Report of the Cabinet (copy herewith).	11
8. Report of the Audit and Governance Committee (copy herewith).	29
9. Written Questions (if any) under Rule 8.2.	-
10. To receive a report on action on petitions (copy herewith).	37
11. To consider the attached motion.	41

Contact: Hazel Mackel, Governance Services Team Leader Tel: 0191 561 1042
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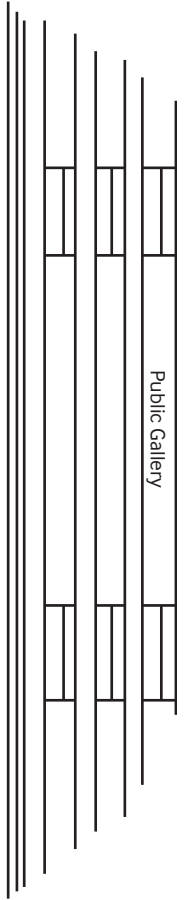
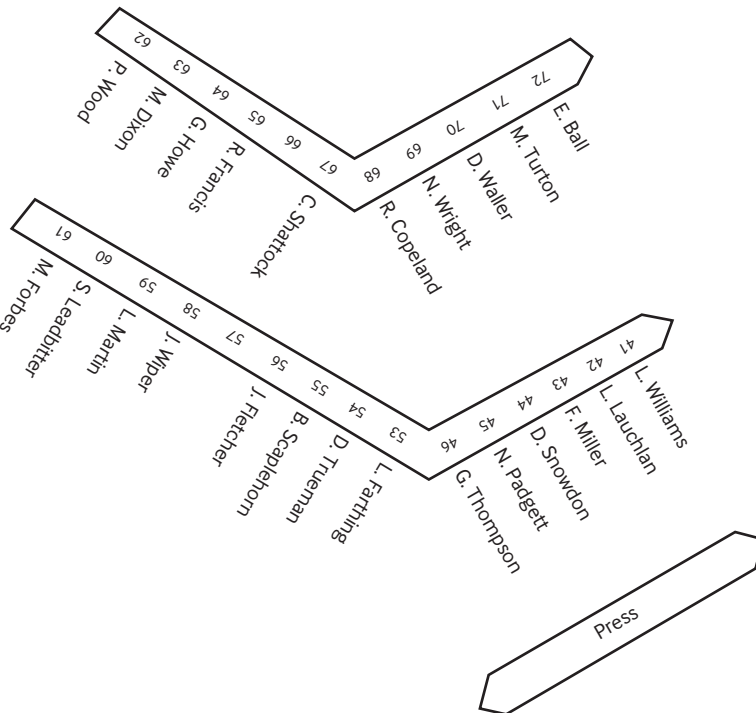
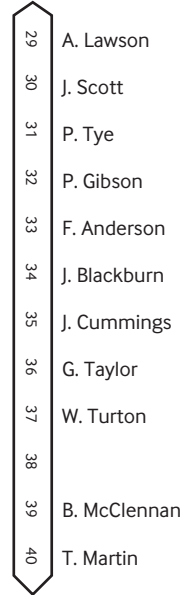
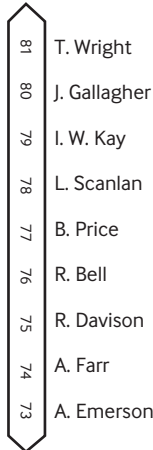
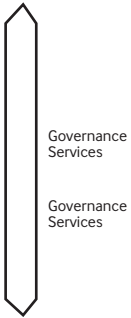
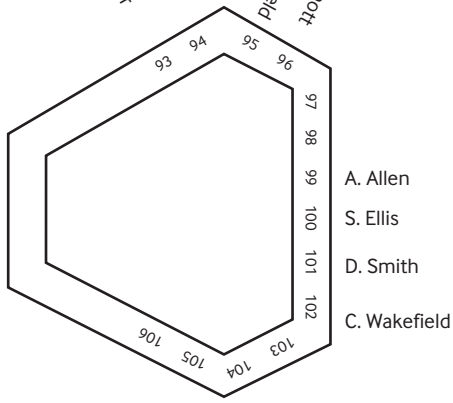
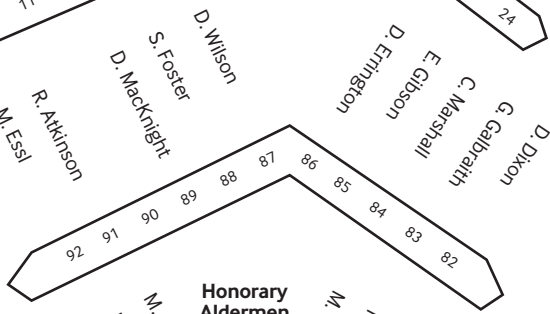
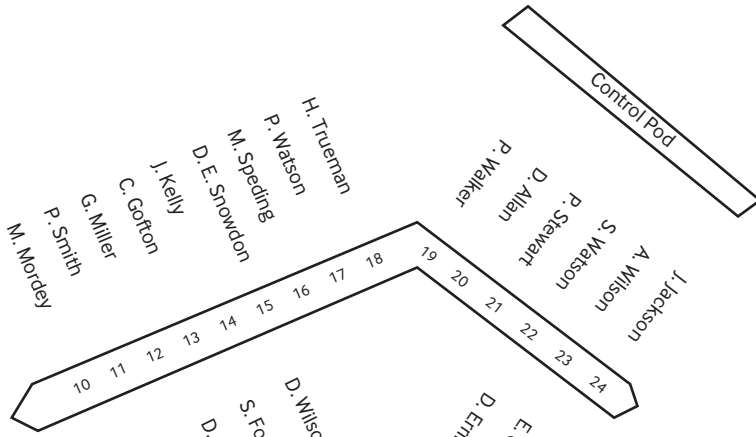
Information contained in this agenda can be made available in other languages and formats on request.

12. To consider the undermentioned reports:-

- (i) Quarterly Report on Special Urgency Decisions – Report of the Leader of the Council (copy herewith); 47**
- (ii) Appointments – Association of the Friends of Sunderland Museums, Parker Memorial Home and Nominations to Committees established by the Combined Authority – report of the Head of Law and Governance (copy herewith). 49**
- (iii) Chief Finance Officer – Section 151 Local Government Act 1972 – report of the Chief Executive and the Head of Law and Governance (copy herewith). 53**

A handwritten signature in black ink, appearing to read "D. Smith", is written on a light-colored rectangular background.

CHIEF EXECUTIVE



Minutes

Sunderland City Council

At a meeting of SUNDERLAND CITY COUNCIL held in the CIVIC CENTRE on WEDNESDAY, 2nd JULY, 2014 at 6.00 p.m.

Present: The Mayor (Councillor S. Porthouse) in the Chair
The Deputy Mayor (Councillor B. Curran)

Councillors	Allen	Francis	Miller, G.	Trueman, D.
	Anderson	Gibson, E.	Mordey	Trueman, H.
	Ball	Gibson, P.	Padgett	Turton, M.
	Bell	Howe	Scanlan	Turton, W.
	Blackburn	Jackson	Scaplehorn	Tye
	Copeland	Kay	Scott	Wakefield
	Cummings	Kelly	Smith, D.	Walker
	Davison	Lauchlan	Smith, P.	Waller
	Dixon, D.	Lawson	Snowdon, D.	Watson, P.
	Dixon, M.	Leadbitter	Snowdon, D.E.	Watson, S.
	Ellis	McClennan	Speding	Williams
	Emerson	MacKnight	Stewart	Wilson, D.
	Errington	Marshall	Taylor	Wood
	Essl	Martin, L.	Thompson	Wright, T.
	Foster	Martin, T.		

Also Present:-

Honorary Aldermen Michael Arnott and Mark Greenfield

The notice convening the meeting was read.

Minutes

11. RESOLVED that the minutes of the Annual Meeting of the Council and those of the Extraordinary Meeting of the Council held on 10th June, 2014 (copies herewith) be confirmed and signed as correct records.

Declarations of Interest

The following declaration of interest was submitted and the Deputy Chief Executive left the Council chamber during consideration of the item: -

Item 7 – Report of the Cabinet: Capital Programme Outturn 2013/14 and First Review 2014/15 (including Treasury Management)	Janet Johnson (Deputy Chief Executive)	Governor of Sunderland College
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Announcements

(i) Municipal Journal Digital City of the Year Award

At the invitation of the Mayor, Councillor Speding reported that the Council had been successful in being awarded the Municipal Journal Digital City of the Year Award.

Councillor Speding advised that this was the first ever UK Digital City of the Year Award; Sunderland was one of seven finalists and the judges had felt that Sunderland had most improved the lives of its citizens, developed their potential and met their changing needs for integrated, digital public services.

(ii) Royal Town Planning Institute Award for Planning Excellence

At the invitation of the Mayor, Councillor Speding reported that the Council had been successful in being awarded the Royal Town Planning Institute Award for Planning Excellence.

Councillor Speding advised that this was a prestigious award that had been given in recognition of the work done to breathe new life into Marine Walk and Seaburn Seafront; he congratulated everyone who had been involved in this highly impressive scheme.

Reception of Petitions

12. RESOLVED that the under - mentioned petitions, submitted by the Councillors named, be received and referred for consideration in accordance with the Council's Petition Scheme:-

Councillor Taylor – Petition requesting the installation of a bus stop on Newbottle Street near the Houghton le Spring Library and Gentoo Offices - Nexus.

Councillor Emerson – Petition requesting that Early Days Nursery at Ryhope be saved – Executive Director of People Services.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Allan, Atkinson, Farr, Farthing, Fletcher, Forbes, Galbraith, Gallagher, Gofton, F. Miller, Price, Shattock, A. Wilson, Wiper, N. Wright and Honorary Alderman Mrs Mary Smith.

The Cabinet reported and recommended as follows:-

1. Capital Programme Outturn 2013/2014 and First Review 2014/2015 (including Treasury Management)

That they had given consideration to a report of the Head of Financial Resources on an aspect of the report on the Capital Programme Outturn 2013/2014 and First Review 2014/2015 (including Treasury Management), which requested the Council to approve the variations in the capital programme for both years to include additional schemes with an estimated cost in excess of £250,000.

Accordingly, the Cabinet recommended that the Council approve the proposed variation to the Capital Programme for 2013/2014 and 2014/2015 to include additional schemes with an estimated cost in excess of £250,000 as set out in the extract attached to the report.

They also referred the report to the Scrutiny Committee for advice and consideration in the context of inclusion of the additional schemes for 2013/2014 and 2014/2015 costing over £250,000 which were set out in the relevant extracts attached to the report.

The Scrutiny Committee supported the Cabinet recommendation to recommend the Council to approve the proposed variations to the Capital Programme for 2013/2014 and 2014/2015 to include additional schemes with an estimated cost in excess of £250,000 as set out in the extract to the Cabinet report.

2. Revenue Budget Outturn for 2013/2014 and First Revenue Review 2014/2015

That they had given consideration to a report of the Head of Financial Resources on the Revenue Budget Outturn for 2013/2014 and First Revenue Review 2014/2015 which requested that the Council approve the transfer of funds.

In accordance with the Council's Budget and Policy Framework certain transfers require Council approval. The attachment to the report set out the relevant extract from the Cabinet report, which referred to the transfer of £5.001m under spending on the revenue budget 2013/2014 to a Capital Priorities Reserve to support priority projects in 2014/2015 and future years in order to minimise the impact on future revenue budgets.

Accordingly, the Cabinet recommended that the Council approve the budget transfer as set out above and in the attachment to the report.

They also referred the extract of the budget transfer to the Scrutiny Committee, for advice and consideration.

The Scrutiny Committee supported the Cabinet recommendation to recommend the Council to approve the transfer of £5.001million under spend from the 2013/2014 Revenue Budget to the Capital Priorities Reserve to support priority projects in 2014/2015 and future years in order to minimise the impact on future revenue budgets.

The Leader of the Council, Councillor P. Watson, duly seconded by the Deputy Leader, Councillor H. Trueman, moved the report of the Cabinet.

Accordingly it was:-

13. RESOLVED that the report of the Cabinet be approved and adopted.

Scrutiny Matters: Annual Scrutiny Report 2013/2014

The Chief Executive submitted the Annual Scrutiny Report (copy circulated) which summarised the work of the Scrutiny Committee and panels during the year 2013/2014.

(For copy report – see original minutes).

Councillor T. Martin, duly seconded by Councillor D.E. Snowdon, moved the Annual Report of the Scrutiny Committee and accordingly it was:-

14. RESOLVED that the operation, achievements and impact of the Scrutiny Committee during 2013/2014, as outlined in the Annual Report, be received and noted.

Area Committees Annual Report 2013/2014

The Chief Executive submitted the Combined Area Committee Annual Report (copy circulated) which summarised the work of the five Area Committees during the year 2013/2014.

(For copy report – see original minutes).

The Deputy Leader, Councillor H. Trueman, duly seconded by Councillor S. Watson, moved the Combined Annual Report of the Area Committees and accordingly it was:-

15. RESOLVED that the achievements and impact of the work of the Area Committees during 2013/2014, as outlined in the Annual Report, be received and noted.

Written Questions under Rule 8.2

Pursuant to Rule 8.2 of the Council Rules of Procedure, Members of the Council asked questions of the Leader and Members of the Executive.

Action Taken on Petitions

The Council received and noted the under mentioned report on action taken in relation to the following petition which had been presented to Council.

(i) Petition from the residents of Railway Cottages, Dubmire, requesting regular maintenance of the garages facing their houses – Presented by Councillor Ellis on 26 March 2014.

The above petition was forwarded to Gentoo Sunderland who had advised in response that a visit had been made to the garages in question which they believed were located at Chilton Gardens in Fence Houses.

Gentoo Sunderland advised that the garages were inspected on a regular basis and any works required were reported to the depot. Individual tenants of the garages could also report repairs as and when required.

Any major works to the garages such as painting would be carried out as part of a planned maintenance programme.

Gentoo Sunderland had not been made aware that there was a problem with children climbing onto the roofs of the garages but would request that some anti climb paint be applied to them as a matter of urgency.

Gentoo Sunderland would also contact the local neighbourhood police team and ask them to pay this area some extra attention when doing their patrols and had offered to meet Councillor Ellis at the garages if she would like to discuss the matter further.

Councillor Ellis had been advised of the action taken on the petition.

Notices of Motion

(i) Notice of Motion – Worklessness

Councillor L. Martin, seconded by Councillor Howe, moved the following motion in relation to worklessness:-

‘This council welcomes the 450,000 fall in the number of workless households since 2010 and resolves to do everything it can to eradicate generational unemployment in this city.’

Upon being put to the meeting the motion was unanimously carried, and accordingly it was:-

16. RESOLVED that this council welcomes the 450,000 fall in the number of workless households since 2010 and resolves to do everything it can to eradicate generational unemployment in this city.

(ii) Notice of Motion – Sunderland Council – restating our cooperative principles

Councillor Stewart, seconded by Councillor G. Miller, moved the following motion:-

“We believe that the unprecedented financial challenges facing the public and voluntary sectors across England will have a severe impact on our communities. We believe that as a Community Leadership Council we must continue to find new ways of meeting the priority needs of our communities in ways which, though innovative and enterprising, remain firmly guided by our core values ‘Decent, Proud and Together.’

As a Community Leadership Council and founding member of the Co-operative Council Network Sunderland City Council has risen to the challenges it faces. We believe that through collective action and co-operation, empowerment and enterprise we are laying the foundations for the fresh and innovative solutions that are needed to move forward together.

We want to build on the substantial progress achieved by the Council in supporting new models of cooperation which re-balance power between public services and citizens. We believe these will help to build stronger and more resilient communities, manage service demand, achieve better outcomes and generate more sustainable social and economic growth.

We therefore call upon the Council to review its operating framework, policies and protocols to:

- Encourage further, closer working with partners who share our core values of ‘Decent, Proud, Together’
- Support practical engagement with our communities as sources of ideas, innovation, intelligence and enterprise
- Continue to promote a practical approach to “self-help, self-responsibility, democracy, equality, equity, solidarity and other cooperative values in both policy development and actions taken to implement policy

We believe this approach will strengthen our capacity and capabilities as a Council that will be closer to and understands its communities and is committed to innovation, creativity and social productivity in meeting the priority needs of the residents of the city of Sunderland.”

Upon being put to the meeting the motion was unanimously carried, and accordingly it was:-

17. RESOLVED that we believe that the unprecedented financial challenges facing the public and voluntary sectors across England will have a severe impact on our communities. We believe that as a Community Leadership Council we must continue to find new ways of meeting the priority needs of our communities in ways which, though innovative and enterprising, remain firmly guided by our core values ‘Decent, Proud and Together.’

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- Continue to promote a practical approach to “self-help, self-responsibility, democracy, equality, equity, solidarity and other cooperative values in both policy development and actions taken to implement policy

We believe this approach will strengthen our capacity and capabilities as a Council that will be closer to and understands its communities and is committed to innovation, creativity and social productivity in meeting the priority needs of the residents of the city of Sunderland.

Quarterly Report on Special Urgency Decisions

The Leader of the Council submitted a quarterly report (copy circulated) on executive decisions which had been taken as a matter of special urgency.

(For copy report – see original minutes).

18. RESOLVED that the report be noted.

Appointments – Sunderland Safeguarding Adults Board (SSAB), Localism Act 2011: Independent Person, Strategic Transport

The Head of Law and Governance submitted a report (copy circulated) which sought approval for the appointment of the Portfolio Holder for Health Housing and Adult Services to the Sunderland Safeguarding Adults Board (SSAB) and also asked the Council to note the retirement of Mr Anthony Atkinson from his role as Independent Person to the Standards Committee and note the Leader's decision to include strategic transport within his portfolio.

(For copy report – see original minutes).

19. RESOLVED that the Council:-

- (i) formalise the appointment of the Portfolio Holder for Health, Housing and Adult Services to the SSAB;
- (ii) note the retirement of Mr Anthony Atkinson from the post of Independent Person at the expiry of his current term of office, at the end of July this year and delegate to the Head of Law and Governance, in consultation with the Chair of the Standards Committee, to make arrangements to advertise for, shortlist and interview for a second Independent Person, to be recommended to full Council for appointment, should it be considered to be beneficial to do so in the future; and
- (iii) note the Leader's decision to include strategic transport within his portfolio.

Signed) S. PORTHOUSE,
Mayor.

Report of the Cabinet

The CABINET reports and recommends as follows:-

- 1. Amendments to the Constitution:**
 - (i) The Localism Act 2011- Assets of Community Value**
 - (ii) North East Procurement Organisation (NEPO) Transformation – Introduction of New Arrangements for the Leadership & Governance of the NEPO Service and Regional Collaborative Procurement**

That they have given consideration to reports of the Deputy Chief Executive and Chief Executive (copies attached) on arrangements to implement the Community Right to Bid provisions contained in the Localism Act 2011 and the revised arrangements for the leadership and management of the NEPO Service and Regional Collaborative Procurement respectively.

The Cabinet having agreed the arrangements accordingly recommend Council to:-

- (a) authorise the Head of Law and Governance, in consultation with the Leader, to amend the Council's Constitution as necessary to reflect the arrangements for the Community Right to Bid provisions contained in the Localism Act 2011, and
- (b) authorise the Head of Law and Governance to make any consequential changes to the Constitution to give effect to the revised arrangements in respect of the leadership and management of the NEPO Service and Regional Collaborative Procurement.

CABINET

16 APRIL 2014

LOCALISM ACT 2011- ASSETS OF COMMUNITY VALUE

REPORT OF DEPUTY CHIEF EXECUTIVE

1. Purpose of the Report

To seek Cabinet's approval to the proposed arrangements to implement the Community Right to Bid provisions contained in the Localism Act 2011.

2. Description of Decision (Recommendations)

Cabinet is recommended to:-

(1) Note the Council's obligations under the Localism Act in relation to Assets of Community Value ("ACV") and the Community Right to Bid and approve the proposed arrangements set out in this report for administering these new duties.

(2) Authorise the Head of Planning and Property to maintain and publish the required lists of ACV and unsuccessful nominations for ACV and to take all necessary steps to promote and implement the proposed arrangements.

(3) Authorise the Head of Planning and Property in consultation with the Head of Scrutiny and Area Arrangements to receive and determine nominations to list any building and/or other land as ACV and to deal with compensation claims relating to listing of ACV

(4) Authorise the Deputy Chief Executive, in consultation with the Cabinet Secretary and the Portfolio Holder for Responsive Services and Customer Care, to determine any review of such decision of the Head of Planning and Property and Head of Scrutiny and Area Arrangements as mentioned in (3) above

(5) Recommend Council to authorise the Head of Law and Governance, in consultation with the Leader, to amend the Council's Constitution as necessary to reflect the above arrangements

3. Background

3.1 Key Provisions of the Assets of Community Value

In summary, the provisions give local groups a right to nominate land or property to be listed as ACV if the principal use of the asset furthers (or has recently furthered) their community's social well-being or social interests (which include cultural, sporting or recreational interests) and is likely to do so in the future. If the asset is listed the provisions give community groups a fairer chance to mobilise themselves to bid for it.

The Council is required to administer the scheme. The procedures to be followed are detailed in the legislation and in order to meet the various prescribed deadlines responsibility needs to be delegated to the most relevant officers

The main provisions are detailed below with the precise requirements contained in Part 5 of the Localism Act 2011 and the Assets of Community Value (England) Regulations 2012.

3.2 Building or land within a Local Authorities area is classified as ACV if in the opinion of the authority:

- an actual current use of the building or other land furthers the social wellbeing or social interests of the local community, and
- it is realistic to think that there can continue to be use of the building or other land which will further the social wellbeing or social interests of the local community.

If the above criteria are not met the building or land could still be considered as of ACV if:

- there is a time in the recent past when an actual use of the building or other land furthered the social wellbeing or interests of the local community, and
- it is realistic to think that there is a time in the next five years when there could be use of the building or other land that would further the social wellbeing or social interests of the local community.

The Council will need to determine if a nominated Asset meets the above definition and will set its criteria for a successful nomination wide enough to allow for reasonable discretion on the part of the decision makers.

3.3 A nomination to list ACV can only be received from a relevant body with a local connection.

Local authorities cannot list land on their own initiative, it must be nominated. The voluntary or community bodies which may make community nominations are set out below:-

- A Parish Council or Neighbouring Parish Council if it borders an unparished area;
- An Unincorporated Body with at least 21 local individuals who appear on the electoral role within a local authority or neighbouring local authority and which does not distribute any surplus it makes to its members;
- a Neighbourhood Forum;
- Community Interest Groups with a local connection which must have one of the following structures:-
 - a) A Charity
 - b) A Community Interest Company
 - c) A Company Limited by Guarantee that is non profit distributing
 - d) An Industrial and Provident Society that is non-profit distributing

A local group can only nominate if it can demonstrate that its activities are wholly or partly concerned with the local authority area where the asset sits or with a neighbouring authority.

3.4 A Nomination must include:

- a description of the nominated land or buildings including its proposed boundaries,
- a statement detailing all information which the nominator has with regard to the freeholders, leaseholders and current occupants of the land including names and addresses,
- the nominator's reasons for thinking that the authority should conclude that the land or buildings are ACV.
- Evidence that the nominator is eligible to make a community nomination

3.5 On receipt of a valid nomination the Council must decide within eight weeks whether to include the land or buildings in the List of Assets of Community Value

3.6 If an Asset is considered to be of Community Value then the Asset must be added to the list of ACV.

The ACV list must be maintained and published by the Local Authority. The maintenance of the list will include the inclusion of new assets and the removal of existing assets following a successful review/appeal, a relevant disposal, where the Council form the view that the land or building is no longer of community value or the expiry of 5 years beginning with the date of the entry. An asset can be re-listed should it be nominated again.

3.7 Assets not considered to be of Community Value

The Council must maintain and publish a list of unsuccessful nominations which must include reasons for the land not being listed and the nominator must be informed.

3.8 The owner of ACV included in the Asset list can request a review within 8 weeks

3.9 The Council will appoint an officer of the appropriate seniority who did not take part in making the listing decision to carry out the review.

As soon as practicable following the written request for review, the Council must notify the owner of the procedure to be followed in connection with the review. An oral hearing must be held at the owner's written request. The Council must complete the review within eight weeks of receipt of the written request to review or such longer period as agreed with the owner in writing.

3.10 If the Owner remains dissatisfied following the review of the Council's decision they can appeal to the General Regulatory Chamber of the First-Tier Tribunal of HM Courts and Tribunals.

3.11 An owner of a listed Asset must notify the Council when they intend to make a relevant disposal of the asset.

When notice is received the Council must:

- Update the ACV list to note that a notice has been received, the date that the notice was received together with the details of relevant timetables
- Notify the group who nominated the Asset with the updated details to the ACV list
- The disposal must be publicised

3.12 A Parish Council or Community body as defined by the Act have six weeks from the date of notification of intention to dispose to advise whether they wish to be treated as a bidder.

If such a notice is received then the group have a full moratorium period of six months from the date that the Council receives notification from the owner to submit a bid for the property.

At the end of the full six month moratorium period the owner can consider the bids for the property and is free to sell to whomever they choose at whatever price.

3.13 An owner is entitled to compensation

If an owner can prove that they have incurred loss or expense in relation to the land which would be likely not to have been incurred if the land had not been listed they can make a claim for compensation to the Council with a prescribed timetable.

4. Proposal

It is proposed that the above legislation be implemented by Authorising the Head of Planning and Property to maintain and publish the required lists of ACV and unsuccessful nominations for ACV and to take all necessary steps to promote and implement the proposed arrangements and authorising the Head of Planning and Property, in consultation with the Head of Scrutiny and Area Arrangements to receive and determine nominations to list any building and/or other land as ACV and to deal with compensation claims relating to listing of ACV.

It is also proposed that the Deputy Chief Executive, in consultation with the Cabinet Secretary and the Portfolio Holder for Responsive Services and Customer care, be authorised to determine any review of such decision of the Head of Planning and Property and Head of Scrutiny and Area Arrangements as mentioned above it is also proposed that details of the Community Right to Bid are appropriately published and posted on the Council's website together with the required lists and a nomination form for local groups ease of use.

6. Reasons for the Decision

6.1 The Localism Act 2011 and The Assets of Community Value (England) Regulations 2012 Regulations introduced the Community Right to Bid ("the scheme"). The scheme gives communities the opportunity to nominate land and buildings for listing as ACV with the aim that if a listed asset is put up for sale, community groups are given time to mobilise themselves to bid for it.

6.2 The Council is required to administer the scheme. The procedure and timescales for dealing with nominations, compensation, reviews and subsequent disposals of ACV are defined within the legislation and in order to meet the various prescribed deadlines the responsibilities need to be delegated to relevant officers.

7. Alternative Options

- 7.1 The Council has a statutory duty to comply with the Assets of Community Value provisions so the proposed steps outlined in this report must be undertaken to enable the Council to implement the provisions in practice.
- 7.2 If the Council does not delegate the responsibility for meeting the provisions of the Act it would prove difficult to meet the timescales dictated by the Act which could lead to a breach of the legislation and additional compensation payments.

8. Financial Implications

- 8.1 The Council must meet the cost of preparing, maintaining and publishing the appropriate property lists and dealing with the disposal opportunities in accordance with the Act. The council may also receive requests for compensation from private owners for loss and expense incurred through the asset being listed or previously listed.
- 8.2 The Council must meet the costs of advertising the Assets of Community Value process on the Council website.
- 8.3 The Council will receive New Burdens funding of £8,000 in both 2013/14 and 2014/15 to meet the costs referred to above, including the estimated costs of compensation (the government estimates only 40 successful claims each year for compensation nationally). The government will also meet the cost of compensation payments over £20,000 for any authority in a financial year.

9. Impact Analysis

9(a) Equalities –N/A

9(a)(i) The Government has published an Impact Assessment of Community Right to Bid. This includes assessment of the preferred option to provide a moratorium on the sale of an asset designated as an asset of community value, but with no right of first refusal, for community bodies. The equalities impact assessment of this option found that there were no foreseeable adverse impacts on any single equality group. The policy change was considered to provide greater opportunities for those affected by closure and disposal of private and public assets to obtain and run them. It is stated that mechanisms of

support will be considered for those who require it, targeting those who lack the skills, expertise and knowledge to make a competitive bid for an asset.

9(a)(ii) There are not considered to be any particular equality or diversity implications for the proposals set out in this report as the assessment of community nominations will need to be carried out in a consistent manner in accordance with the requirements of the regulations. There will be a need to ensure documents relating to Assets of Community Value are available in accessible formats if required and that the lists are available to view at the Customer Service Centre as required by the legislation.

9(a)(iii) With regard to human rights implications the Government's Impact Assessment (DCLG, Community Right to Bid – Impact Assessment, 21 June 2012) recognises that imposing a moratorium on sale of a listed site will be an interference with the owner's property rights under Article 1 of Protocol 1 to the European Convention on Human Rights. It is stated that the interference is justified in the general interests of the community. The provision for compensation is considered to contribute to making the temporary restriction on sale a proportionate way of achieving the benefit for the community. Attention is also drawn to the right for a landowner to request an internal review by the local authority of its decision to list their land. In response to the results of national public consultation and to ensure Article 6 compliance, the legislation also allows landowners to claim compensation for loss of value and expenses incurred as a consequence of adhering to provisions. They are also able to appeal against a decision on a compensation claim.

9(b) Privacy Impact Assessment (PIA) – N/A

9(c) Sustainability

Sustainability Impact Appraisal

Sunderland Strategy Objectives cross check with decisions outcomes:

• Prosperous City

No impact

• Healthy City / Safe City

No Impact

• Learning City

No impact

• Attractive and Inclusive City

No Impact

- 9(d) Reduction of Crime and Disorder – Community Cohesion / Social Inclusion** – The Localism Act gives communities the right to identify a building or other land they believe to be important to the communities social well-being. The aim is that if the asset comes up for sale they will be given a fair chance to make a bid for the asset on the open market. This means groups will have more time to put together a credible bid and raise funds.

10. Other Relevant Considerations / Consultations

The Government has published additional guidance on this issue which provides further detail to the summary provided by this report. This can be found in the DCLG document, *Community Right to Bid: Non-statutory advice note for local authorities* October 2012.

11. Background Papers

Localism Act 2011
Assets of Community Value (England) Regulations 2012

CABINET

18 JUNE 2014

NEPO TRANSFORMATION – INTRODUCTION OF NEW ARRANGEMENTS FOR THE LEADERSHIP & GOVERNANCE OF THE NEPO SERVICE AND REGIONAL COLLABORATIVE PROCUREMENT

REPORT OF CHIEF EXECUTIVE

1. Purpose of the Report

- 1.1 To seek Cabinet agreement for the revised arrangements for the leadership and management of the NEPO Service and Regional Collaborative Procurement.

2. Description of Decision (Recommendations)

- 2.1 Cabinet is recommended to:

- (i) Approve, subject to ANEC's formal agreement, the revised governance structure and staffing arrangements as outlined in this report for the administration of the NEPO Service and future collaborative procurement on behalf of the LA12.
- (ii) Note the Leader's appointment of the Cabinet Secretary to serve on the Collaborative Procurement Subcommittee of ANEC.
- (iii) Recommend Council to authorise the Head of Law and Governance to make any consequential changes to the Constitution to give effect to these revised arrangements.
- (iv) Authorise the Head of Law and Governance, in consultation with the Cabinet Secretary, to approve such further changes to the agreements envisaged by this report as she may determine and to complete them on behalf of the Council.

3 Background

- 3.1 The North East Procurement Organisation (NEPO) is responsible for organising collaborative contracts through which councils procure goods, services and works. It is governed through a Shared Services Arrangement entered into on 28th October 2010 by the 12 local authorities in the North East (the "LA12"). Gateshead Council is currently the host authority for NEPO (i.e. employing the NEPO staff and holding its financial assets) and supports its work with the provision of a range professional and support services. The LA12 pay an annual subscription to contribute to NEPO's costs.

3.2 Following an extensive review during 2013, and subsequent reports to the Regional Chief Executives' Group, the Executive Subcommittee of NEPO, and to the ANEC Leader's and Elected Mayors' Board it was resolved to take steps to improve its efficiency and effectiveness, including exploring options, and then to set up arrangements, for the purpose of transforming the way in which regional procurement will be delivered in future.

3.3 Consequently it was agreed to:

- create a revised accountability structure and strengthen member involvement with the NEPO Service via ANEC (the Association of North East Councils Ltd)
- clarify strategic leadership through ANEC's management structure and governance
- improve the operational relationships between NEPO and the LA12
- improve credibility for NEPO and provide clarity about its new role and agree areas of common purpose managing delivery and harnessing collaboration
- apply a flexible approach to local sub regional and regional procurement using NEPO or alternatives within or outside the region
- clarify what activities and procurements should be led under the NEPO branding for the LA12
- create sustainability for the NEPO Service via appropriate funding arrangements and business plans.

4 Governance and Funding Arrangements Proposals

4.1 At its meeting on 9th April 2014 the Executive Subcommittee of NEPO approved a detailed report outlining new and revised functions and objectives for the NEPO Service and future collaborative procurement activity ;it proposed establishing a new arrangement for the governance of the NEPO Service and for regional collaborative procurement generally via ANEC.

4.2 It was agreed that the NEPO Joint Committee should be disestablished by the LA12 and new governance and delivery arrangements for the collaborative procurement service be created under ANEC. Decisions are yet to be considered formally by ANEC and a final meeting of NEPO's Joint Committee will be convened.

4.3 These changes will require the LA12 to terminate the current Joint Committee arrangement and, through ANEC, agree a new arrangement under the Leaders and Elected Mayors' Group (as ANEC's Member Management Board) with strategic direction and advice available through the proposed member-led Collaborative Procurement Subcommittee advised by two lead Directors of Resources on behalf of the Directors of Resources Group. Under

this proposal issues can if necessary be referred to the Regional Chief Executives' Group.

4.4 Local Authorities will appoint members to the NEPO Collaborative Procurement Subcommittee at Cabinet/Annual Council as appropriate.

4.5 The Leaders and Elected Mayors' Group of ANEC will have the following responsibilities:

- overarching responsibility for North East collaborative procurement activity and the NEPO Service
- on the recommendation of the Collaborative Procurement Subcommittee, approval of the annual business plan, annual report and work programme
- receive regular six monthly updates from the NEPO Collaborative Procurement Subcommittee and
- receive reports on other relevant issues where necessary for decision.

4.6 The Collaborative Procurement Subcommittee will have the following responsibilities:

- develop an annual business plan and work programme for North East collaborative procurement activity including the existing regional service known as NEPO and to prepare and agree an annual report for approval by the Leaders and Elected Mayors' Group
- monitor and scrutinise the provision of collaborative procurement services and their budget
- monitor the range and effectiveness of collaborative procurement activity being undertaken generally
- provide the Leaders and Elected Mayors' Group with assurance on all aspects of internal controls and risk management
- keep under review appropriate strategic plans, a regional procurement strategy and an appropriate performance management framework
- ensure that there are appropriate and effective arrangements for stakeholder engagement in the NEPO service and
- ensure appropriate protocols and procedures are in place to secure the effective operation of the service and collaborative procurement across the north east.

5. Staffing

- 5.1 Following completion of a staffing review staff transfer arrangements will be undertaken in accordance with TUPE regulations and all existing assets and contracts will be passed to ANEC Ltd under the terms of an agreement to be entered into between the 12 constituent authorities of NEPO and ANEC Ltd. The intention is for the new structure and governance to come into effect on 1 July 2014 and for TUPE to apply from 1 August 2014.

6. Support Services

- 6.1 Gateshead Council currently provides the legal and financial support services to NEPO. ANEC Ltd has indicated that, subject to formal approval, it wishes to continue with those arrangements going forward, at least for an initial period to support a smooth transition to the new governance and service delivery model. Accordingly, and for that purpose, it is envisaged that a further agreement will be entered into between ANEC Ltd and Gateshead Council under which those support services arrangements will continue to be provided on similar terms.
- 6.2 The Leader has power under Article 11.02 of the Council's Constitution to establish joint arrangements with one or more local authorities to exercise functions which are executive functions, including the appointment of a joint committee and to make appointments of executive members as representatives of the Council on the new committee.

7. Reasons for the Decision

- 7.1 These proposals will serve to improve the capacity and capability of the LA12 collectively and the Council individually to maximise the benefits of engagement in collaborative procurement both regionally and locally.

8. Alternative Options

- 8.1 Do not participate in the new arrangements: This option is recommended to be rejected as it would not allow the Council to benefit from the opportunities that collaborative procurement bring.

9. Financial Implications

- 9.1 The revised governance structure and staffing arrangements will provide more transparency and accountability to charges incurred by the LA12 in the funding of NEPO. The funding model is yet to be finalised although there is expected to be a saving achieved on the overall costs of NEPO which will be passed on to each of the member authorities.

10. Other Relevant Considerations / Consultations

The Cabinet Secretary has been consulted in the preparation of this report and has attended relevant meetings leading to the proposals that are contained in this Report. All Member Authorities have been consulted. Formal decisions are yet to be considered and made by ANEC. A final meeting of the NEPO Joint Committee is to be arranged.

10. Background Papers

None

Report of the Audit and Governance Committee

THE AUDIT AND GOVERNANCE COMMITTEE reports and recommends as Follows:-

1. Annual Report on the work of the Audit and Governance Committee 2013/14

That they have given consideration to a report by the Head of Assurance, Procurement and Projects (copy attached) on the work of the Audit and Governance Committee during 2013/14, demonstrating how they have fulfilled their delegated responsibilities.

Accordingly, the Committee recommends Council to note the Annual Report on the Work of the Audit and Governance Committee 2013/14.

ANNUAL REPORT ON THE WORK OF THE COMMITTEE 2013/14

Report of the Head of Assurance, Procurement and Projects

1. Purpose of Report

- 1.1 This report provides a summary of the work undertaken by the Audit and Governance Committee during 2013/14 and the outcome of this work. The purpose of this report is to demonstrate how the Committee has fulfilled its role and will be presented to Council once agreed by this committee.

2. Role of the Committee

- 2.1 The Audit and Governance Committee is a key component in the Council's Corporate Governance Arrangements. Its role is to:
- approve the Authority's Statement of Accounts, income and expenditure, and balance sheet or record of receipts and payments (as the case may be);
 - consider the effectiveness of the authority's corporate governance arrangements, risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements and seek assurance that action is being taken on risk-related issues identified by auditors and inspectors;
 - be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it;
 - receive, consider and monitor reports on treasury management policy, strategy and practices.

3. Matters Considered

- 3.1 The Committee has met five times during the course of the year to consider a range of issues. Appropriate officers of the Council have been in attendance at the meetings to present reports and provide additional information in order to clarify issues and respond to questions from members of the Committee. Regular attendees at the meetings were the Executive Director of Commercial and Corporate Services, Head of Assurance, Procurement and Projects, Head of Law and Governance and the Council's External Auditors.
- 3.2 To enable the Committee to fulfil its role as set out in paragraph 2.1, a range of reports were considered, as follows:

- a) The Committee endorsed the Corporate Assurance Map for 2013/14 which set out the key risk areas for the Council, the assurance that will be gathered in relation to them and where the assurance will be sought from. The report included the plans of work for the year for the Internal Audit and Risk and Assurance teams, and the performance indicators for Internal Audit. The Committee was also given the opportunity to identify any areas of work to be considered for 2013/14.
- b) Committee Members were provided with an update on current and future issues that would impact on the Council so that they could ensure that these issues were appropriately reflected in the work of the committee and the reports presented to them. Members were also received a presentation on the framework underpinning the Corporate Assurance Map, including details of how assurance is gathered and the details of work that make up the opinions in each of the columns on the Corporate Assurance Map.
- c) A new Independent Member was welcomed to the Committee.
- d) Progress reports in relation to the Corporate Assurance map were presented on a quarterly basis. These provided details of the level of assurance for the strategic and corporate risks areas from management, specialist assurance functions, Internal Audit, Risk and Assurance, the external auditor and other external agencies. Specific key issues were highlighted within the reports for members to consider further, specifically in relation to issues raised by a whistleblower in relation to the issue of Housing Related Support Grants. The appropriate Executive Director was in attendance to explain how the issues were being addressed. At the end of the year, issues in relation to ICT were discussed. The Assistant Chief Executive was in attendance to explain the actions that were being taken to address the issues raised. Members asked questions regarding the capacity of the ICT service to deal with the issues and were assured that options were being considered to ensure that the ICT could deliver on its priorities and support the Council.
- e) It is pleasing to note that the Internal Audit Plan was delivered with all of the Key Performance Indicators being met. The head of internal audit's opinion on the Council's internal control environment was positive.
- f) An annual review of the effectiveness of Internal Audit is carried out and the results of this review were reported to members to provide assurance that the arrangements in place are sound. The review, undertaken by the External Auditor (Mazars) was very positive, and concluded that the internal audit function continues to meet all relevant professional standards.
- g) Members received a report regarding a review of how the Integrated Assurance Framework had been implemented, which was undertaken by PricewaterhouseCoopers. The review concluded that good progress had been made in the development of the framework so far and made a small number of

recommendations detailing how the arrangements could be further developed.

- h) External Auditors provided progress reports to each meeting, the Annual Audit Letter, Audit Completion report and the Annual Certification of Claims and Returns report. These reports provided a very positive opinion regarding the Council's performance, financial management and value for money arrangements. The External Auditor also presented their Audit Strategy Memorandum setting out their work for the coming year.
- i) The External Auditors provided an update on the Local Accountability Framework and Members discussed what that would mean for the appointment of External Auditors for the Council in the Future.
- j) The results of the Annual Governance Review for 2012/13 were presented, which summarises the overall governance arrangements in place within the Council, and makes recommendations for further improvement. The resultant Annual Governance Statement highlighted the good corporate governance arrangements in place and was approved by the Committee and included within the Council's Statement of Accounts.
- k) The annual Statement of Accounts 2012/13 (subject to audit) was presented for members to challenge and approve before they were made available for public inspection and to the external auditors. Once the external auditor had completed the audit, any amendments were submitted back to the Committee for approval. The External Auditor commented positively on the arrangements the Council has in place with regard to the production of the Accounts.
- l) The Committee received reports in relation to the Council's Treasury Management arrangements to receive assurance that they are appropriate and approved the Treasury Management Policy and Strategy. The Committee noted the good performance in this area, and asked questions in relation to the Council's approach.
- m) Included within the Corporate Assurance Map update reports the Committee was provided with information regarding the areas of counter fraud work undertaken and the results of this work. No particular concerns were highlighted.

3.3 From the reports presented the Committee has been proactively monitoring activity in a number of important areas, as follows:

- *Corporate Assurance Map* – The Committee received quarterly update reports in relation to the assurance provided through the Corporate Assurance Map. This co-ordinates assurance from different sources to provide an overall view of the governance arrangements within the Council and its arrangements to manage risks.

- *Treasury Management* – The Committee have received regular updates regarding the Council's performance in relation to Treasury Management and continue to assure themselves about the arrangements in light of current developments in this area.

3.4 It can be seen that the work of the committee is wide ranging with members monitoring performance more closely in those areas where it was deemed appropriate.

4. Recommendation

4.1 The Committee is asked to consider the report and provide any comments for inclusion prior to the report being presented to Council.

Action on Petitions

ACTION TAKEN ON PETITIONS

Council Members are asked to note the action taken in relation to the under mentioned petition which was presented to Council.

- (i) Petition requesting that Early Days Nursery at Ryhope be saved - Presented by Councillor Emerson on 2 July 2014.**

The above petition was forwarded to the Executive Director of People Services who has advised that following the school's announcement in May 2014, the Council undertook an options appraisal on the alternatives available for continued day care provision in the Ryhope area for children and their parents.

As a result of the options appraisal, a short procurement exercise was undertaken seeking expressions of interest from providers, which concluded on 4th July. Through this exercise the Council was successful in securing one very well developed bid from a provider who already ran a viable and valued day care provision elsewhere in Sunderland. The Council worked with the bidder and Ryhope Infant School on the detail of the bid. Parents have been informed and would be kept informed as this progressed towards 1st September.

Councillor Emerson has been advised of the action taken on the petition.

Notice of Motion

NOTICE OF MOTION

Council Members are asked to consider the under mentioned Motion:-

(i) Notice of Motion – Living Wage Employer

This Council aspires to become a Living Wage employer and instructs the Chief Executive to bring forward proposals to achieve this aspiration.

Councillor L. Martin
Councillor J. S. Wiper
Councillor G. E. Howe
Councillor R. Francis
Councillor S. Leadbitter
Councillor P. Wood
Councillor M. Forbes

Reports

Quarterly Report on Special Urgency Decisions

Report of the Leader

The Council's Constitution requires that a quarterly report be submitted to Council on executive decisions which have been taken as a matter of special urgency. The relevant provisions are now contained in Regulations 11 and 19 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

These are the special urgency provisions under which key decisions may be taken by the executive, although not contained in the 28 day Notice of Key decisions (whether proposed to be taken in public or private), where compliance with Regulation 10 (the general exception) was also impracticable.

There have been no such instances since the last report.

Recommendation

That the Council notes the content of this report.

APPOINTMENTS – ASSOCIATION OF THE FRIENDS OF SUNDERLAND MUSEUMS, PARKER MEMORIAL HOME AND NOMINATIONS TO COMMITTEES ESTABLISHED BY THE COMBINED AUTHORITY

Report of the Head of Law and Governance

1.0 Introduction

- 1.1 The purpose of this report is to consider appointments to the Association of the Friends of Sunderland Museums (FOSuMs) and to the Parker Memorial Home and also to inform Council of nominations to Committees established by the Combined Authority.

2.0 Sunderland Museums

- 2.1 Sunderland Museums, which includes Sunderland Museum and Winter Gardens, Monkwearmouth Station Museum and Washington F Pit, are owned by Sunderland City Council and until March 2013 were formerly managed through a regional agreement by Tyne and Wear Archives and Museums.
- 2.2 As of April 2013 the decision was made by the Council to bring the management of the service back into its own control.
- 2.3 The Friends of Sunderland Museums are an association who are made up of a range of volunteers whose role for a number of years has been to support the Museums in its service delivery.

3.0 Friends of Sunderland Museums (FOSuMs)

- 3.1 The Friends of Sunderland Museums role is to support and promote the Museum service on a local, regional and national level.
- 3.2 The object of the association as agreed in their constitution is the education of the public by promotion, support and assistance, and improvement of the Museums in Sunderland which are administered by the City Council.

3.3 Following the re-organisation of the Museum service the Council is accordingly asked to confirm the appointment of the Public Health, Wellness and Culture Portfolio Holder and appoint a second Member as his alternate to the Association.

4.0 Parker Memorial Home

4.1 At a meeting of the Managing Trustees of the Parker Memorial Home held on 28 July 2014, approval was given to the modification of the nomination provisions in the Scheme governing the Charity so that all twelve of the trustees may be appointed by the Council as the sole nominating body.

4.2 The Council is the Custodian Trustee for the Charity and under the previous nomination provisions it had been entitled to nominate seven trustees. A further body, the Sunderland Social Services Welfare Committee, had been entitled to nominate five additional managing trustees to the Charity but this committee had ceased to exist and no successor body had been identified. The Scheme therefore required modification to ensure that a full body of trustees are capable of appointment.

4.3 There are currently five trustees appointed to the Charity by the Council and it is now recommended that a further six trustees be appointed.

5.0 Nominations to Committees established by the Combined Authority

5.1 The Transport North East Committee and Transport North East (Tyne and Wear) Sub-Committee) were established following the creation of the Combined Authority consisting of the Tyne and Wear Councils along with Northumberland and Durham County Councils. The Leader of the Council has authority under the Council's Constitution to make appointments to this joint committee and sub-committee and the following appointments have been made:-

Transport for North East Committee (TNEC)

Leader of the Council and Cabinet Secretary

Transport North East (Tyne and Wear) Sub-Committee (TWSC)

Leader of the Council

6.0 Recommendations

6.1 The Council is accordingly recommended to:-

- (i) confirm the appointment of the Public Health, Wellness and Culture Portfolio Holder to the Friends of Sunderland Museums and appoint a second Member as his alternate,
- (ii) appoint an additional six Members as Managing Trustees of the Parker Memorial Home, and
- (iii) note the appointments to the Transport North East Committee and Transport North East (Tyne and Wear) Sub-Committee) made by the Leader of the Council under his delegation in the Council's Constitution.

CHIEF FINANCE OFFICER – SECTION 151 LOCAL GOVERNMENT ACT 1972

REPORT OF THE CHIEF EXECUTIVE AND HEAD OF LAW AND GOVERNANCE

1. Members will recall that at the meeting of Council held on 6 November 2013, it was agreed, following the resignation of the Executive Director of Commercial and Corporate Services, that the Council's Head of Financial Resources be designated Chief Finance Officer for the purpose of section 151 of the Local Government Act 1972 on an interim basis, pending a permanent appointment being made. In addition, members were advised that in the event of a Chief Officer post being vacant, the delegation scheme permits the relevant Heads of Service within the Department concerned to exercise delegated powers. This has enabled continuity of services within each of the areas within the Commercial and Corporate Services Directorate.
2. The Human Resources Committee has now appointed Alison Fellowes to the post of Executive Director of Commercial Development and Andrea Winders to the newly established post of Executive Director of Enterprise Development. In order to ensure that the Council fulfils its statutory obligations in respect of the appointment of a section 151 officer, it is proposed that the interim arrangements currently in place should continue.

3. RECOMMENDATIONS

That the Head of Financial Resources continue to be designated as the section 151 officer on an interim basis and that she be authorised to continue to exercise delegated powers in relation to the financial affairs of the Council which are currently delegated in the constitution to the Executive Director of Commercial and Corporate Services.

