









THE CABINET

AGENDA

Meeting to be held in the Civic Centre (Committee Room No. 1) on
Wednesday, 16 February, 2011 at 2.00 p.m.

Part I

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1. Minutes of the Meeting of the Cabinet held on 17th January, 2011, Part I (Copy to follow).	
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	Report of the Executive Director of Commercial and Corporate Services (copy herewith).	

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

The reports contained in Part II of the Agenda are not for publication as the Cabinet is considered likely to exclude the public during consideration thereof as they contain information relating to any individual, which is likely to reveal the identity of an individual, the financial or business affairs of any particular person (including the Authority holding that information) or to consultations or negotiations in connection with labour relations matters arising between the Authority and employees of the Authority (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 1, 2, 3 and 4).

Part II

13. **Minutes of the Meeting of the Cabinet held on 17th
January, 2001, Part II**

(Copy to follow).



Denotes Key Decision.

- * **Denotes Rule 15 Notice issues – item which is a key decision which is not included in the Forward Plan.**

ELAINE WAUGH
Head of Law and Governance

Civic Centre
SUNDERLAND

8 February, 2011.

CABINET MEETING – 16 FEBRUARY 2011

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

MINUTES, PART I

Author(s):

Head of Law and Governance

Purpose of Report:

Presents the minutes of the last meeting held on 9 February 2011 Part I.

Action Required:

To confirm the minutes as a correct record.

At a meeting of the CABINET held in the CIVIC CENTRE (COMMITTEE ROOM NO. 1) on Wednesday 9 February 2011 at 2.00 p.m.

Present:-

Councillor P. Watson in the Chair

Councillors Allan, Anderson, Blackburn, Gofton, P. Smith, Speding, Trueman and D. Wilson.

Part I

Minutes

The minutes of the meeting of the Cabinet held on 17 January 2010, Part I (copy circulated) were submitted.

(For copy report - see original minutes).

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

Receipt of Declarations of Interest

There were no declarations of interest.

Apologies for Absence

Apologies for absence were received from Councillor Charlton.

Report of the meeting of the Personnel Committee, Part I

The report of the meeting of the Personnel Committee held on 27 January 2011, Part I (copy circulated) was submitted and consideration was given thereto.

(For copy report – see original minutes).

2. RESOLVED that the report of the meeting held on 27 January 2011, Part I be noted.

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

At the instance of the Chairman, it was:-

3. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it was considered to involve a likely disclosure of information relating to any individual, which is likely to reveal the identity of an individual, the financial or business affairs of any particular person (including the Authority holding that information) or to consultations or negotiations in connection with labour relations matters arising between the Authority and employees of the Authority (Local Government Act 1972, Schedule 12A, Part 1, Paragraphs 1, 2, 3 and 4).

(Signed) P. WATSON,
Chairman.

Note:-

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

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

<p>CABINET MEETING – 16 FEBRUARY 2011</p> <p>EXECUTIVE SUMMARY SHEET – PART I</p>	
<p>Title of Report: Review of Emergency Planning and Resilience in Tyne and Wear</p>	
<p>Author(s): Chief Executive</p>	
<p>Purpose of Report: The purpose of this report is to inform Cabinet of the outcome of the Review of emergency planning and resilience in Tyne and Wear and to recommend to Cabinet that it supports the decision of the Tyne and Wear Leadership Group to implement the local authority based approach for the delivery of emergency planning and resilience within Tyne and Wear.</p>	
<p>Description of Decision: Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Note the outcome of the Review of emergency planning and resilience in Tyne and Wear; (ii) Approve the decision of the Tyne and Wear Leadership Group to implement the local authority based approach for the delivery of emergency planning and resilience within Tyne and Wear. 	
<p>Is the decision consistent with the Budget/Policy Framework? *Yes/Ne</p>	
<p>If not, Council approval is required to change the Budget/Policy Framework</p>	
<p>Suggested reason(s) for Decision: Each of the Tyne and Wear councils are required to approve the decision of the Tyne and Wear Leadership Group by taking a formal report through their Cabinet arrangements.</p> <p>Therefore Cabinet is recommended to approve the decision of the Tyne and Wear Leadership Group to implement the proposed new model for emergency planning and resilience.</p>	
<p>Alternative options to be considered and recommended to be rejected: As outlined above, though two further options have been considered in detail these have been ruled out after a thorough process of challenge and review.</p> <p>No alternative options are suggested.</p>	
<p>Is this a “Key Decision” as defined in the Constitution? Yes/No</p>	<p>Relevant Scrutiny Committee: Community and Safer City Scrutiny Committee</p>
<p>Is it included in the Forward Plan? Yes/No</p>	

**REVIEW OF EMERGENCY PLANNING AND RESILIENCE
IN TYNE AND WEAR**

REPORT OF THE CHIEF EXECUTIVE

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to inform Cabinet of the outcome of the Review of emergency planning and resilience in Tyne and Wear and to recommend to Cabinet that it supports the decision of the Tyne and Wear Leadership Group to implement the local authority based approach for the delivery of emergency planning and resilience within Tyne and Wear.

2.0 DESCRIPTION OF DECISION

2.1 Cabinet is recommended to:

- (i) Note the outcome of the Review of emergency planning and resilience in Tyne and Wear;
- (ii) Approve the decision of the Tyne and Wear Leadership Group to implement the local authority based approach for the delivery of emergency planning and resilience within Tyne and Wear.

3.0 BACKGROUND

3.1 In 1986 the five Tyne and Wear councils set up the Emergency Planning Unit (EPU) in response to the demise of the County Council. They went on to campaign for the retention of the EPU following the introduction of the Civil Contingencies Act (CCA) in 2004 and the national introduction of the Local Resilience Forum (LRF) approach to emergency planning and resilience.

3.2 In that time local events such as flooding have increased significantly and councils have developed resources to enable local communities to prepare for and recover from these events. The context within which appropriate agencies ensure a proportionate level of preparedness for a civil emergency continues to change.

3.3 A review of emergency planning and resilience across Tyne and Wear was started in September 2009 and formed part of a wider review of the Tyne and Wear joint services. The focus of this particular review has been the role of the Tyne and Wear EPU and the individual resilience functions within each of the five local authorities. The delivery of emergency planning and resilience services in Tyne and Wear are currently split between the EPU and the five Local Authorities.

4.0 LIMITATIONS OF CURRENT ARRANGEMENTS

4.1 Current arrangements have provided a reasonable level of compliance with the statutory obligations placed on the sub region by the Civil Contingencies Act, including some aspects recognised as good practice. The limitations of these arrangements are:

- (i) The need for further development of Local Authority level planning and LRF planning with wider sub regional activity
- (ii) The demands placed upon the Local Authorities and the LRF by the expanding national agenda requires further improvements in working and the elimination of duplication.

5.0 CURRENT POSITION

5.1 Three options were identified for the delivery of future emergency planning and resilience within Tyne and Wear, these are:

- (i) Option 1 - a fully centralised Tyne and Wear joint resilience service whereby Council and EPU officers are reorganised into a single team and all resilience planning, co-ordination, multi agency liaison, training and exercising will be discharged on behalf of the five councils
- (ii) Option 2 - Local Authority delivery model (defined as: a consolidation of resilience activities and resources with appropriate coordination of effort facilitated through the Northumbria LRF and its associated framework) and
- (iii) Option 3 - a hybrid Tyne and Wear joint resilience service (defined as: a refinement of existing arrangements, with some resource at Council and some joint unit/service underpinned by a new Service Level Agreement with revised governance, management and reporting arrangements).

5.2 The Tyne and Wear Chief Executives have expressed a preference for option 2, a local authority based approach - the Tyne and Wear Leadership Group has endorsed this.

5.3 Through option 2, the closure of the EPU would enable the LRF to be strengthened through improvements to the Tyne and Wear arrangements. Also the new approach would enable the strengths of the existing arrangements sitting within the EPU, Civil Contingencies Committee and Tyne and Wear Fire and Rescue Authority (TWFR) to consolidate whilst tying these activities more closely to local communities and democracy.

5.4 The annual cost of emergency planning and resilience activity across Tyne and Wear has been estimated at approximately £1.2m. However, the direct costs have been estimated at approximately £890,489 (including an annual contribution of £513,877 for 2010/11 from the five local authorities towards the EPU and £376,612 within the local authorities). The local authority option is estimated to provide savings of £224,007 across Tyne and Wear, though the exact amount will be determined after further analysis that will be carried out as part of the transition and implementation process.

5.5 Any costs incurred in implementing any of the options, will need to be covered by the five local authorities collectively; however EPU balances currently stand at around £112k which could be factored in. Savings for 2011/12 will also depend on the timescales for implementation of any new arrangements.

5.6 The implementation of the new model will be led by Sunderland City Council under the direction of the Assistant Chief Executive, with close support from the Deputy Director of Human Resources and Organisational Development. This will be with regular liaison and engagement with the lead officer for the EPU.

There will also be the need for input from specialist support in terms of managing the release of the current accommodation (via the TWFRAs) and financial support.

- 5.7 In order to ensure a smooth transition to the new mode of operation it is proposed there is significant involvement and engagement with both the current employees within the Emergency Planning Unit, both as a group and as individuals. This will also be supported by their current employer, the TWFRAs, via the Assistant Chief Fire Officer.
- 5.8 A transition action plan is being compiled to ensure all activities are identified and changes are delivered in a joined up manner.

6.0 REASON FOR DECISION

- 6.1 Each of the Tyne and Wear councils are required to approve the decision of the Tyne and Wear Leadership Group by taking a formal report through their Cabinet arrangements.
- 6.2 Therefore Cabinet is recommended to approve the decision of the Tyne and Wear Leadership Group to implement the proposed new model for emergency planning and resilience.

7.0 ALTERNATIVE OPTIONS

- 7.1 As outlined above, though two further options have been considered in detail these have been ruled out after a thorough process of challenge and review.
- 7.2 No alternative options are suggested.

8.0 RELEVANT CONSIDERATIONS/CONSULTATIONS

- 8.1 The review took into account high level independent benchmarking with a senior emergency planning and resilience officer in Greater Manchester which raised a number of points. Category 1 responders (Local Authorities, Emergency Services, Health & Government Agencies) across Tyne and Wear were also consulted during the review and the majority of those that responded are in favour of the local authority option.
- 8.2 Northumberland County Council has also indicated it wishes to work with Tyne and Wear on improving the performance of the Northumbria LRF with a focus on effectiveness and efficiency. Indications are that a consolidated Local Authority model approach within Tyne and Wear would be supported by Northumberland with co-ordination through the Northumbria LRF structures.

CABINET – 16 FEBRUARY 2011

EXECUTIVE SUMMARY SHEET – PART 1

Title of Report:
PARTNERSHIP FOR RENEWABLES: WIND ENERGY

Author:
Deputy Chief Executive

Purpose of Report:
This report presents the findings of the feasibility work carried out by Partnership for Renewables (PfR) on the development of large turbine sites and details the business case for Sunderland City Council to grant an Option to PfR to acquire 25 year leasehold interests in 2 Council owned sites for the development and operation of wind energy farms.

This report seeks approval from Cabinet to finalise the Option Agreement and Lease Agreements for the 2 sites.

Description of Decision:
To enter into an Option Agreement with PfR to grant leases in respect of 2 Council owned sites for the development and operation of wind energy at Hetton Lyons Country Park and at land to the north of the former Ryhope Golf Course on the basis of the following terms and otherwise on terms to be agreed by the Deputy Chief Executive in consultation with Director of Commercial and Corporate Services and Portfolio Holder. The Option Agreement will give PfR an Option for a period of 3 years to require the grant of the Lease Agreements at the 2 sites. The 3 year option period will allow PfR time to undertake development and survey work required to submit a planning application. The Lease Agreements will provide for the leasing of the 2 sites to PfR for a period of 25 years, with the council receiving all rental income.

Is the decision consistent with the Budget / Policy Framework? Yes

If not, Council approval is required to change the Budget / Policy Framework

Suggested reason(s) for Decision:
The decision to proceed to the Option and Lease Agreement stage with PfR to develop the wind turbines at Hetton Lyons Country Park and at the land to the north of the former Ryhope Golf Course is required to progress the project. The decision has been made to progress these sites as;

- The feasibility work carried out by PfR indicates that they are suitable for large scale turbines;
- The development and installation of large scale wind energy on council sites will demonstrate Sunderland's commitment to renewable energy and it's ambition to become a national hub of the low carbon economy as set

<p>out in the Economic Masterplan;</p> <ul style="list-style-type: none"> • If the projects are successfully developed, the council will receive a rental income from the Lease Agreements, which will be at best consideration for land leased for wind turbine developments. 	
<p>Alternative options to be considered and recommended to be rejected:</p> <ul style="list-style-type: none"> • For the council to invest in wind development opportunities themselves. To develop both the proposed sites, an investment of approximately £8million would be required. This option has been rejected as that level of resource does not currently exist and the council would be responsible for all the development costs and risks. • Do nothing. The council decide not to enter the Option Agreement with PfR and thus not develop wind energy at these sites. This option has been rejected on the basis that the council will not be pro-active in the development of renewable energy and will not receive the potential rental income from the Lease Agreements. 	
<p>Is this a “Key Decision” as defined in the Constitution?</p> <p>Yes</p>	<p>Relevant Scrutiny Committee:</p> <p>Sustainable Communities</p>
<p>Is it included in the Forward Plan?</p> <p>Yes</p>	

PARTNERSHIP FOR RENEWABLES: WIND ENERGY**REPORT OF THE DEPUTY CHIEF EXECUTIVE****1 Purpose of the Report**

- 1.1 This report presents the findings of the feasibility work carried out by Partnership for Renewables (PfR) on the development of large turbine sites and details the business case for Sunderland City Council to grant an Option Agreement to PfR for the grant of 25 year Lease Agreements in relation to the development of 2 sites.
- 1.2 This report seeks approval from Cabinet to agree and enter into the Option Agreement and the Lease Agreements with PfR

2 Description of Decision (Recommendation)

- 2.1 To enter into an Option Agreement with PfR to grant leases in respect of 2 Council owned sites for the development and operation of wind energy at Hetton Lyons Country Park and at land to the north of the former Ryhope Golf Course on the basis of the following terms and otherwise on terms to be agreed by the Deputy Chief Executive in consultation with Director of Commercial and Corporate Services and Portfolio Holder. The Option Agreement will give PfR an Option for a period of 3 years to require the grant of the Lease Agreements at the 2 sites. The 3 year option period will allow PfR time to undertake development and survey work required to submit a planning application. The Lease Agreements will provide for the leasing of the 2 sites to PfR for a period of 25 years, with the council receiving all rental income.

3 Background

- 3.1 Partnership for Renewables (PfR) is a commercial venture of the Carbon Trust, set up to work in partnership with public sector bodies to develop commercially feasible large (1-10MW) onshore wind projects. PfR will fund all the development costs of wind energy projects, thereby retaining most of the resulting revenue from the production of the renewable electricity, with the public sector body receiving an income on land leases or a percentage of revenue from the electricity sales
- 3.2 Under a Confidentiality Agreement signed in December 2007, PfR undertook a desk top scoping study of 19 council owned sites, of which 8 were found to be potentially feasible to accommodate one or more 1MW turbines.
- 3.3 Following council-wide consultation, four of these sites were deemed to be suitable to be considered for more detailed feasibility work. Following Cabinet approval in December 2008, a 12 month Exclusivity Agreement was signed in February 2009 that allowed PfR to undertake

more detailed feasibility work on the four sites; Hetton Lyons Country Park; Hetton Woodlands; land to the north of the former Ryhope Golf Course and Elemore Golf Course.

- 3.4 The detailed feasibility work carried out on four council sites, identified that Elemore Golf Course and Hetton Woodland would not be suitable for large wind turbines due to their proximity to Meteorology Station at High Moorsley.
- 3.5 The feasibility work indicated that both Hetton Lyons Country Park and land to the north of the former Ryhope Golf Course are suitable to accommodate a single 2.5MW wind turbine. PfR wish now to progress under an Option Agreement
- 3.6 To proceed to development, PfR and Sunderland City Council would enter into an Option Agreement for each site PfR would manage the planning process, source the finance and implement construction and commissioning.
- 3.7 The wind turbine that has been identified for both sites is a 2.5MW Nordex N90 model with a hub height of 80m, blade length of 45m and an overall tip height of 125m. The turbine location would require access tracks and a control building on site. In both instances, the area of land PfR would lease from the council would be in the region of 31,400m² (approx 3 hectares), but this will be clarified during the development stage under the Option Agreement.

4 The estimated income generated

- 4.1 The Lease Agreement would be for a 25 year period, which can be extended for a further 25 years. The council is being offered a land rental based on percentage of the electricity sales revenue of the project, which is 6% in the first 10 years and 8% in the following 10 years, based on PfR estimates of generated output subject to basic minimum rent of £3,200 per annum for each megawatt of installed electrical generating capacity of the Leased Premises as detailed below.

4.1.1 Hetton Lyons Country Park.

- Estimated output of 7,950MWh per annum, which would power approximately 1,890 homes
- The lease rental income for the first 10 years would be approximately £47,700 per annum (based on 6% of estimated electricity sales at current market price, so income will vary depending on the market price of electricity and output of the turbine).
- The annual lease rental income for years 11-20 would be approximately £63,500 per annum (based on 8% of estimated electricity sales)

- The total estimated rental income for a 20 year period would be approximately £1,112,000¹.
- Approximately 4,200tCO₂/year saved (N.b. these CO₂ savings won't be counted towards the council's Carbon Reduction Commitment or Carbon Plan targets, but they will contribute to national legally binding renewable energy targets, which will also help lower the carbon intensity of the grid helping to reduce the city's CO₂ emissions).

4.1.2 **Land to the north of the former Ryhope Golf Course.**

- Estimated output of 7,400MWh per annum, which would power approximately 1,760 homes
- The lease rental income for the first 10 years would be approximately £42,500 per annum (based on 6% of estimated electricity sales)
- The annual lease rental income for years 11-20 would be approximately £56,700 per annum (based on 8% of estimated electricity sales)
- The total estimated rental income for a 20 year period would be approximately £992,000².
- Approximately 3,900tCO₂/year saved

4.2 The figures above are estimated. The actual performance of the wind turbine and prevailing market prices of electricity will result in variations in income. However, under the present proposals the council is guaranteed a basic minimum rent of £3,200 per annum for each megawatt of installed electrical generating capacity of the Leased Premises, which at both sites would be £8,000 per annum. This is paid where the sales revenue attributable to the council falls below this minimum. The minimum rent will increase or decrease in line with the Index of Retail Prices.

4.3 **Discounted electricity purchase.** In addition to the land rent, PfR can also tender for the supply of electricity to the council and typically offer a 16-18% reduction of the market value. Assuming the market price of electricity at 10p/kWh, a 16% reduction in price of the 15350MWh of generated electricity would equate to £245,600 per year or approximately £122,800 per site.

4.4 Overall, the financial impact of the PfR project in terms of income and potential savings could be up to £335,000 per annum in the first 10 years, subject to the output and price being achieved at estimated levels. This income would only be derived once the initial planning period (suggested 5 years) is complete and turbines operational.

¹ Although the lease period is for 25 years, PfR estimate incomes based on a 20 year period as it is assumed the first 5 years of the lease will be taken up by the development and installation of the wind turbine.

² As above.

4.5 All development, operational and insurance costs are met by PfR.

5 Current position

To proceed with the development of the project with PfR, the next stage will be to enter negotiations with PfR to agree the terms of and enter the Option Agreements. The current terms proposed by PfR are outlined in this section.

5.1.1 Option Agreement

The Option Agreement grants a 3 year option to PfR to undertake site surveys and testing resulting in the submission of a planning application.

It is at this time that the form of the Lease Agreements are also agreed and are attached to the Option Agreement.

At any time during the 3 year option, PfR can call for the Lease Agreements to be granted.

The Option Agreement allows PfR to extend the Option period for a further 3 years, providing that they have submitted the planning application within the first 3 year period.

During the Option period, the council must not;

- Do anything in respect of the leased land or retained land (land outside the boundary of the leased land) that would prejudice the viability of the project (such as erecting or permitting the erection of buildings or structures or planting trees without PfR's approval);
- Interfere with PfR's work to progress the Project (for example by obstructing or hindering access to the premises, or interfering with equipment brought onto the land by PfR);
- Apply for planning permission in respect of the land³;
- Co-operate with third parties in developing a similar project on the same site;
- Create encumbrances, including easements, restrictive covenants, leases or other rights of occupation over the land without consent from PfR.

³ N.B no mention is made of a third party submitting a planning application in respect of the leased land. As a Local Planning Authority, the council would be duly obliged to consider the application, although the actual release of the land would not be permitted.

5.1.2 Lease Agreement

The Lease Agreement is for a period of 25 years and is capable of extension by a further 25 years. PfR and the council must enter into the Lease Agreement within one month after the council receive notice from PfR that they wish to exercise the option.

The Lease Agreement will comprise the land required by PfR to;

- Run cables from the local electricity distribution network connection point to and between the cables;
- For the turbine bases / substation / crane pads / construction compound / control building; and
- To lay tracks from either the adopted highway or leading from any existing roads already on site.

Under the Lease Agreement, the council will, on PfR's request, grant the local electricity distribution company a lease in respect of any substation the company wishes to use.

Under the Lease Agreement, the council is restricted from undertaking activities on the "retained premises", land owned by the council but not leased to PfR, which would affect the operation of the turbine. For example, the council must not erect wind turbines on the retained premises or other structures that may interfere with the wind speed or wind direction over the leased land. Similarly, the retained premises may also contain the strip of land through which all or some of the cables for the turbine run. The council must not erect fences or plant deep rooted shrubs or trees in the area of the cables.

PfR may end the Lease, and decommission the wind turbine;

- If in PfR's opinion the project ceases to be economically viable;
- If the local electricity distribution terminates the agreement under which the project is connected to the national electricity system;
- After the 10th anniversary of the Lease being entered into, on 12 months notice; or
- If PfR is unable to maintain or comply with the necessary planning consents and generation licences for operating the project.

The Lease will terminate automatically after 25 years unless PfR gives notice to Sunderland City Council that it wishes to exercise its option to extend the Lease for a further 25 years.

6 Reason for the Decision

- 6.1 The decision to proceed to the Option and Lease Agreement stage with PfR to develop the wind turbines at Hetton Lyons Country Park and at the land to the north of the former Ryhope Golf Course is required to progress the project. The decision has been made to progress these sites as:
- i. The feasibility work carried out by PfR indicates that they are suitable for large scale turbines;
 - ii. The development and installation of large scale wind energy on council sites will demonstrate Sunderland's commitment to renewable energy and it's ambition to become a national hub of the low carbon economy as set out in the Economic Masterplan;
 - iii. If the projects are successfully developed, the council will receive a rental income from the Lease Agreements, which will be at best consideration for land leased for wind turbine developments.

7 Alternative options

- 7.1 For the council to invest in wind development opportunities themselves. To develop both the proposed sites, an investment of approximately £8million would be required. This option has been rejected as that level of resource does not currently exist and the council would be responsible for all the development costs and risks.
- 7.2 Do nothing. The council could decide to not enter the Option Agreement with PfR and thus not develop wind energy at these sites. This option has been rejected on the basis that the council will not be pro-active in the development of renewable energy and will not receive the potential rental income from the Lease Agreements.

8 Relevant Considerations / Consultations

- 8.1 **Financial implications / Sunderland Way of Working.** The programme supports Value for Money by generating income from council owned land and also supports Sunderland Way of Working by thinking of innovative ways in which to bring an income into the council, whilst meeting strategic priorities.
- 8.2 **Climate Change Action Plan and EU Covenant of Mayors.** The Pfr wind energy project will contribute to targets set out in the Climate Change Action Plan and the Covenant of Mayors obligation as the electricity generated will be fed into the national grid, helping to lower the carbon intensity of it's energy.
- 8.3 **Sunderland Strategy.** Supports Aim 5 of the Sunderland Strategy "To ensure that Sunderland becomes a clean, green city with a strong culture of sustainability, protecting and nurturing both its built heritage

and future development and ensuring that both the built and natural environments will be welcoming, accessible, attractive and of high quality.”

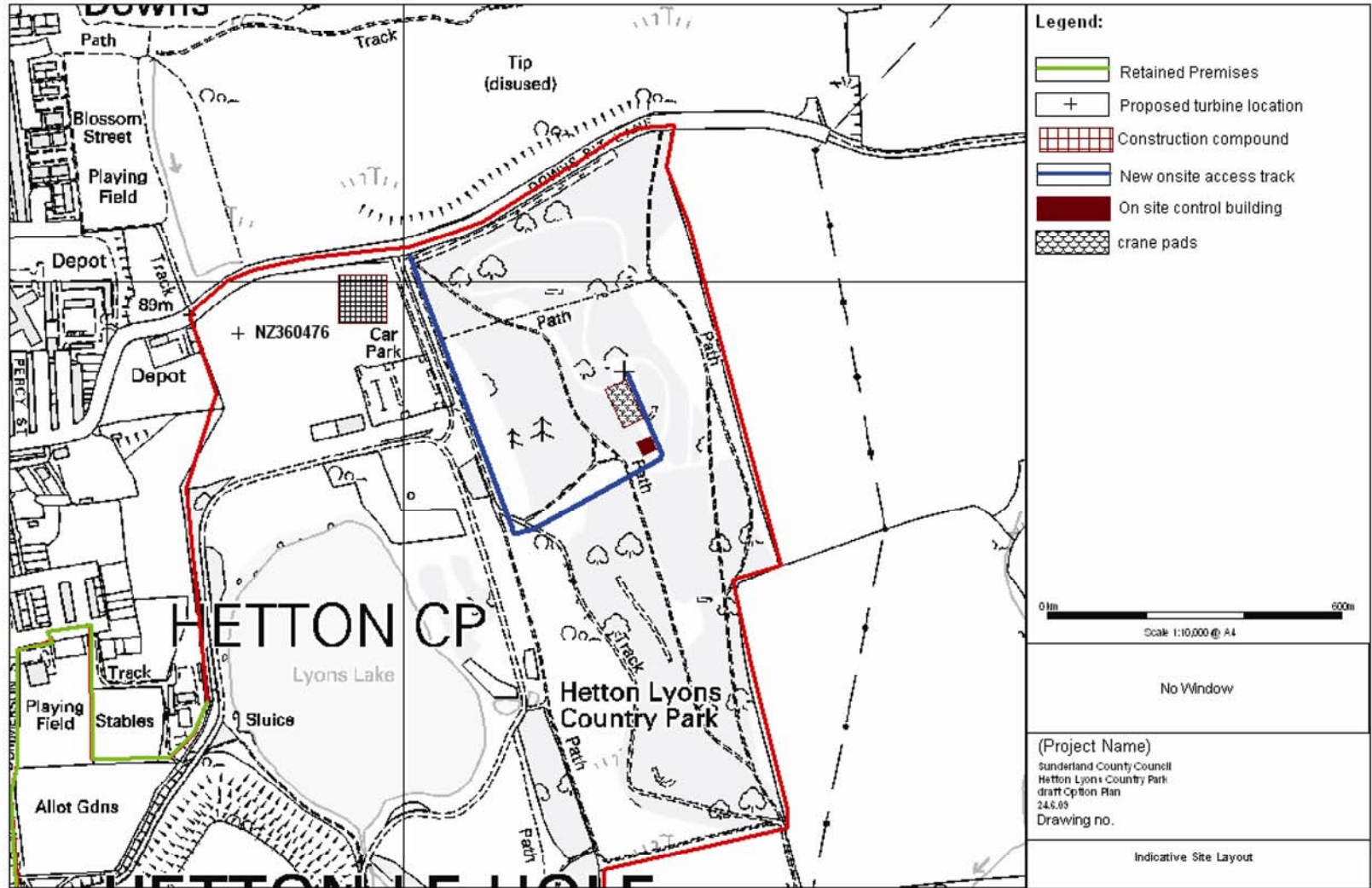
- 8.4 **Economic Masterplan.** Supports Aim 2 of the Economic Masterplan “a national hub of the low carbon economy”, by demonstrating the council’s commitment to low carbon technologies and a low carbon future.
- 8.5 **Sustainability.** A Sustainability Impact Appraisal has been carried out for this Cabinet decision, which found that there were no negative impacts of proceeding to the Option and Lease Agreement. In the main, the SIA found that the decision would bring about positive impacts.
- 8.6 **Other services.** Consultation has been carried out with the following services;
- The Deputy Chief Executive and Head of Land and Property – to seek support to conclude the negotiations with PfR; to ascertain whether the income proposed by PfR represents best value for the land and on PfR’s proposed terms of the Option Agreement and Lease Agreement. When detailed terms have been finalised it will be necessary to carry out a valuation assessment in accordance with the requirements of the RICS Appraisal and Valuation Standards as evidence that the Council is achieving Best Consideration.
 - City Services (Environmental Services, Street Scene and Community Services) – to secure support from users of the site that may benefit from installation of a wind turbine.
 - Corporate Procurement – to discuss details of the procurement procedures and whether the offer from PfR is in accordance with Procurement Rules.
 - Legal Services – to seek opinion on the legality of the PfR proposal and on the terms of the Confidentiality Agreement; Exclusivity Agreement; and on PfR’s proposed terms of the Option Agreement and Lease Agreement.
 - Finance – to seek opinion on the income being ring fenced for specific projects
 - Development Control – pre-planning advice has been sought from Development Control in respect of both sites to ensure their feasibility from a planning perspective.
 - Ward Members – a meeting was held with the Ward Members (Silksworth and Hetton) to obtain their support for the PfR proposal.

9 Background Papers

- 9.1 Site infrastructure details and revenues for Sunderland sites. Copies can be obtained from Kathryn Warrington, Sustainability Officer.

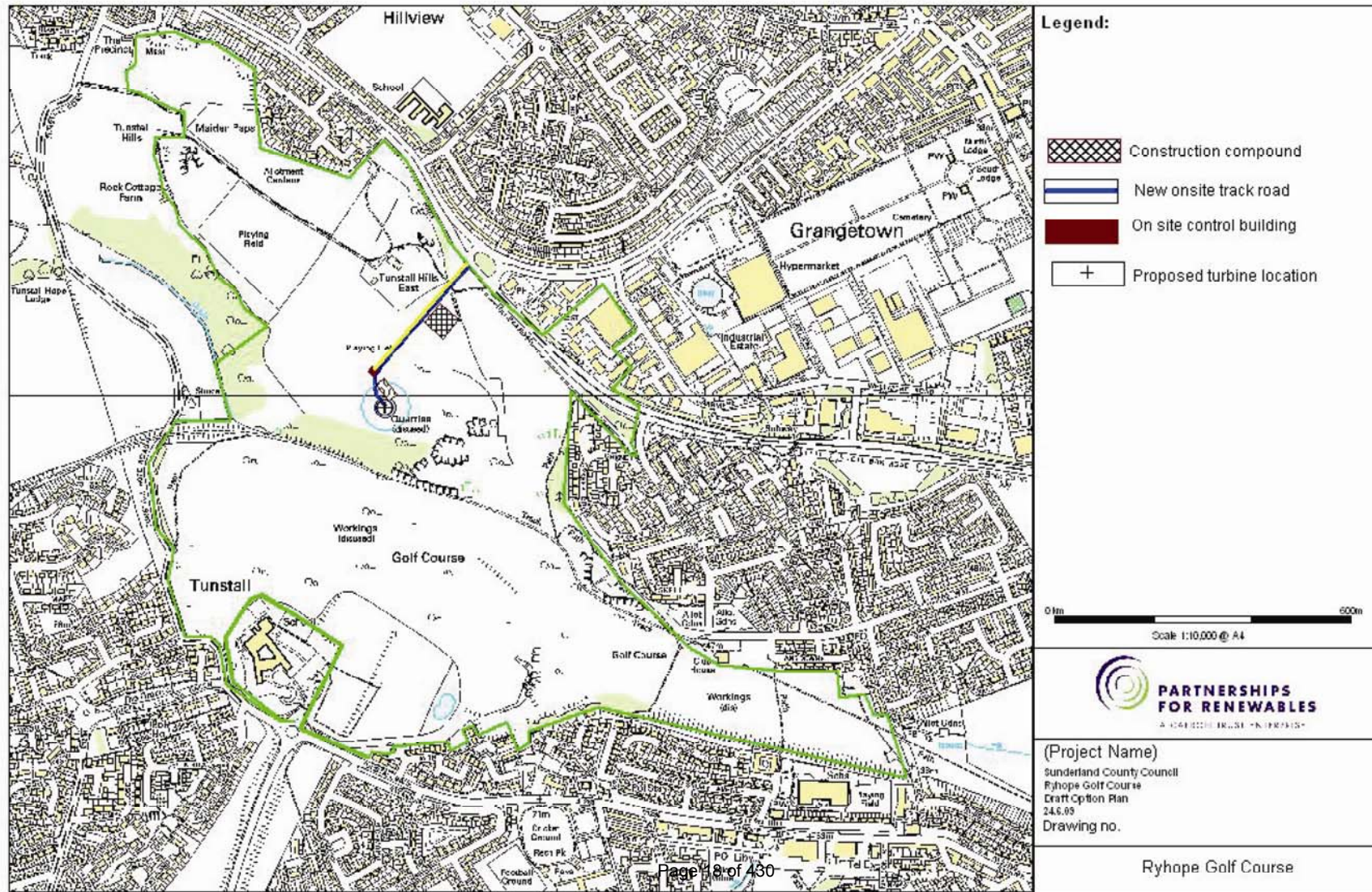
3. Hetton Lyons Country Park typical site layout

Appendix I



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Ryhope Golf Course typical site layout Appendix II



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CABINET MEETING –16th FEBRUARY 2011

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Compulsory Purchase Order- Land at Sunderland Retail Park, Newcastle Road.

Author(s):

Report of the Deputy Chief Executive and the Executive Director of Commercial and Corporate Services

Purpose of Report:

This report follows on from the previous report considered by Cabinet on 1st December 2010 (copy at **Appendix 7**), when Cabinet approved, in principle, the use of compulsory purchase powers under section 226(1)(a) of the Town and County Planning Act 1990 (“the 1990 Act”) in respect of land at Sunderland Retail Park (“the Site”). Approval is now sought to progress with land assembly and to implement the use of these powers for the purpose of facilitating the carrying out of the comprehensive redevelopment of the Site, as shown on the Plan at **Appendix 3**. This redevelopment will provide a new retail superstore, associated public realm improvements and infrastructure, with the aim of achieving the promotion and improvement of the economic, social and environmental well-being of the area. An application for outline planning permission for this redevelopment scheme was considered by the Planning and Highways Committee on 5th October 2010. A copy of the report to the Planning and Highways Committee on the planning application is contained in **Appendix 8**. Outline planning permission was subsequently granted for the Scheme on 27th October 2010. It is considered that there is a compelling case in the public interest which justifies the use of CPO powers in this case. The compelling case in the public interest and the economic, social and environmental benefits to the well-being of the area are summarised in this report and set out more fully in the draft statement of reasons for the CPO which is attached at **Appendix 4**. Members should also read the Planning and Highways Committee report dated 5th October 2010 and the Cabinet report 1st December 2010, and the draft statement of reasons in conjunction with this report.

Description of Decision:

Cabinet is recommended to:

1. Authorise the making of a Compulsory Purchase Order (“CPO”) to be known as The Council of the City of Sunderland (Sunderland Retail Park) Compulsory Purchase Order 2011 under section 226(1)(a) of the 1990 Act to acquire land and under section 13 of the Local Government (Miscellaneous Provisions) Act 1976 (“the 1976 Act”) in order to acquire new rights at Sunderland Retail Park to facilitate the carrying out of its comprehensive redevelopment;
2. Authorise any of the following officers:- the Chief Executive, Executive

Director of Commercial and Corporate Services or the Head of Law and Governance to make minor amendments, modifications or deletions to the CPO schedule of interests and map, should this be necessary; and to finalise and make the CPO comprising the CPO and Schedule of interests and CPO map;

3. Authorise the Head of Law and Governance to serve notice of making of the CPO on all owners and occupiers of the site and all land interests identified.
4. Authorise the Deputy Chief Executive and the Head of Law and Governance to take all necessary actions to secure confirmation of the CPO by the Secretary of State for Communities and Local Government (“the Secretary of State”), including promoting the Council’s case at public inquiry if necessary and to continue negotiations with a view, in tandem with the exercise of CPO powers, to attempt to reach agreement with affected landowners.
5. Subject to confirmation of the CPO by the Secretary of State, authorise the Deputy Chief Executive and Head of Law and Governance to acquire title and/or possession of the CPO land, including as appropriate, by:-
 - a. Serving Notice of Confirmation of the CPO on owners and occupiers;
 - b. Serving Notice of Intention to Execute a General Vesting Declaration on owners and occupiers to transfer the title of the land included in the CPO to the Council;
 - c. Executing the General Vesting Declaration;
 - d. Serve Notices to Treat and/or Notices of Entry; and,
 - e. Acquiring land and interests through negotiation.
6. Authorise the Deputy Chief Executive and Head of Law and Governance to acquire and dispose of any land or interests required to enable the proposed redevelopment of the Sunderland Retail Park to proceed, subject to appropriate indemnity provisions being in place with the developer of the Site.

Is the decision consistent with the Budget/Policy Framework? *Yes/No

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

Section 226(1)(a) of the 1990 Act gives local authorities the power to acquire land compulsorily in order to facilitate the assembly of a site for private sector development.

The development at Sunderland Retail Park (“SRP”) for which planning permission has been granted is expected to contribute to the achievement of the promotion and improvement of the economic, social and environmental well-being of Sunderland, as required under s.226(1A) of the 1990 Act.

In addition, in the light of the substantial physical, social and economic benefits that would arise from the proposed development at SRP, it is considered that there is a compelling case in the public interest to justify the use of CPO powers in order to facilitate the development.

Planning permission has already been granted for the Scheme (ref: 08/03336/OUT) and the proposals are in accordance with the national planning policy, the Unitary Development Plan and the emerging Core Strategy.

There are no alternative proposals for SRP that would achieve the regenerative benefits required.

Negotiations have been attempted with the owners and occupiers of the land needed to be acquired for the comprehensive redevelopment but it has not proved possible to date to reach a concluded agreement. It is proposed to continue negotiations in tandem with the exercise of CPO powers in accordance with the Circular,

Finally, without the CPO and the Scheme, it is likely that SRP would continue to fail and that economic, social and environmental conditions in the area would worsen.

Alternative options to be considered and recommended to be rejected:

The alternative option in this case would be for Tesco to seek to progress the development without the support of the Council's CPO powers. However, there is no certainty that it would be able to secure the necessary interests in the Order Land to carry out the comprehensive redevelopment proposed and to acquire any third party interests that would otherwise impede the development proposals, thereby putting at risk the delivery of this significant economic and physical regeneration project.

It is considered that the use of Compulsory Purchase powers is necessary in the circumstances in order to achieve the required assembly of the remaining interests at SRP and in turn deliver the comprehensive redevelopment and regeneration of the Site. If the Scheme did not proceed, then the economic, social and environmental benefits set out in this report are very unlikely to be achieved.

<p>Is this a “Key Decision” as defined in the Constitution? Yes</p> <p>Is it included in the Forward Plan? No</p>	<p>Relevant Scrutiny Committee: Prosperity and Economic Development</p>
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**COMPULSORY PURCHASE ORDER: LAND AT SUNDERLAND RETAIL PARK,
NEWCASTLE ROAD****REPORT OF THE DEPUTY CHIEF EXECUTIVE AND THE EXECUTIVE
DIRECTOR OF COMMERCIAL AND CORPORATE SERVICES****Purpose of Report**

This report follows on from the previous report considered by Cabinet on 1st December 2010 (copy at Appendix 7), when the Cabinet approved, in principle, the use of compulsory purchase powers under section 226(1)(a) of the Town and County Planning Act 1990 ("the 1990 Act") in respect of land at Sunderland Retail Park ("SRP"). Approval is now sought to progress with land assembly and to implement the use of these powers for the purpose of facilitating the carrying out of the comprehensive redevelopment of SRP, as shown on the plan at **Appendix 3**. This redevelopment will provide a new retail superstore, associated public realm improvements and infrastructure, with the aim of achieving the promotion and improvement of the economic, social and environmental well-being of the area. An application for outline planning permission for this redevelopment Scheme was considered by the Planning and Highways Committee on 5th October 2010. A copy of the report to the Planning and Highways Committee on the planning application is contained in **Appendix 8**. Outline planning permission was subsequently granted for the Scheme on 27 October 2010 (copy at **Appendix 9**). It is considered that there is a compelling case in the public interest which justifies the use of CPO powers in this case. The compelling case in the public interest and the economic, social and environmental benefits to the well-being of the area are summarised in this report and set out more fully in the draft statement of reasons for the CPO which is attached at **Appendix 4**. Members should also read the Planning and Highways Committee report dated 5th October 2010 and the Cabinet report dated 1st December 2010, and the draft statement of reasons in conjunction with this report.

Description of Decision

Cabinet is recommended to:

1. Authorise the making of a Compulsory Purchase Order ("CPO") to be known as The Council of the City of Sunderland (Sunderland Retail Park) Compulsory Purchase Order 2011 under section 226(1)(a) of the 1990 Act to acquire land and under section 13 of the Local Government (Miscellaneous Provisions) Act 1976 ("the 1976 Act") in order to acquire new rights at Sunderland Retail Park in order to facilitate the carrying out of its comprehensive redevelopment;
2. Authorise any of the following officers:- the Chief Executive, Executive Director of Commercial and Corporate Services or the Head of Law and Governance to make minor amendments, modifications or deletions to the CPO schedule of interests and map, should this be necessary; and to finalise and make the CPO comprising the CPO and Schedule of interests and CPO map;

3. Authorise the Head of Law and Governance to serve notice of making of the CPO on all owners and occupiers of the site and all land interests identified.
4. Authorise the Deputy Chief Executive and the Head of Law and Governance to take all necessary actions to secure confirmation of the CPO by the Secretary of State for Communities and Local Government (“the Secretary of State”), including promoting the Council’s case at public inquiry if necessary and to continue negotiations with a view, in tandem with the exercise of CPO powers, to attempt to reach agreement with affected landowners.
5. Subject to confirmation of the CPO by the Secretary of State, authorise the Deputy Chief Executive and Head of Law and Governance to acquire title and/or possession of the CPO land, including as appropriate, by:-
 - a. Serving Notice of Confirmation of the CPO on owners and occupiers;
 - b. Serving Notice of Intention to Execute a General Vesting Declaration on owners and occupiers to transfer the title of the land included in the CPO to the Council;
 - c. Executing the General Vesting Declaration;
 - d. Serve Notices to Treat and/or Notices of Entry; and,
 - e. Acquiring land and interests through negotiation.
6. Authorise the Deputy Chief Executive and Head of Law and Governance to acquire and dispose of any land or interests required to enable the proposed redevelopment of the Sunderland Retail Park to proceed, subject to appropriate indemnity provisions being in place with the developer.

BACKGROUND

Sunderland Retail Park

Need for regeneration

1. Sunderland Retail Park (“SRP”), shown edged red on the plan contained in **Appendix 2**, extends to 6.23 ha and is located approximately 1km to the north of Sunderland city centre. It is bounded to the west by Newcastle Road, to the south by Monk Street, Shore Street, Roker Avenue and to the west and north by Portobello Lane.
2. SRP occupies a prominent gateway site on the principal approach to the City Centre from the north. It comprises 12 retail units, a bowling alley and former night club, a McDonalds “drive thru” restaurant and a former Reg Vardy car showroom, all with associated parking. The site contains a mixture of vacant and occupied buildings but gives the appearance of a predominantly poorly performing retail offer. In particular all but 3 of the retail units (one of which is subdivided) are vacant. The only other occupiers remaining are Macdonalds and Sunderland Bowl. Consequently large areas of car parking are un-used. The vacant units are characterised by closed security shutters, an increasing proliferation of graffiti, and a general air of neglect. The site lacks any vibrancy and vitality and is no longer a retail destination of choice which exacerbates its poor appearance.

3. Whilst SRP is in an accessible location, for car borne traffic and for users of bus and Metro services, it does not provide a retail offer that maximises its accessibility. In particular it has poor permeability for pedestrians who have been dropped off by public transport outside of SRP or for those accessing the site from nearby residential areas.
4. A number of the wards surrounding SRP have some of the highest unemployment figures within Sunderland. Issues with the labour market in Sunderland are identified in Sunderland Economic Masterplan (adopted by Full Council on 29 September 2010), which notes that Sunderland still suffers from high unemployment and a low skills base. The Masterplan notes that the situation is inextricably linked with deprivation, low educational attainment and low skills. Combined, these produce a major drag on Sunderland's ability to fulfil its economic potential. The Monkwearmouth area also experiences higher levels of poor health and crime than the national average.

Need for retail investment

5. In terms of access to shopping facilities for local residents, The Sunderland Retail Needs Assessment produced by Roger Tym & Partners (published in September 2009) found that there is a localised deficiency in convenience goods provision in the north of Sunderland along with a qualitative need for additional food and grocery provision.
6. There is also currently significant trade leakage from the Sunderland North area of convenience expenditure to the Asda store at Boldon Colliery in South Tyneside.

Cabinet Meeting, 1 December 2010

7. At its meeting on 1 December 2010, Cabinet considered a report on proposals to regenerate SRP through a new retail development including a new food retail superstore. Members are advised to remind themselves of the terms of this report, a copy of which is contained in **Appendix 7**.
8. Cabinet resolved in principle to use the Council's compulsory purchase powers under section 226(1)(a) of the 1990 Act and, if necessary, to ensure that all relevant interests in SRP are brought into the ownership of the Council in order to enable the delivery of the Scheme.
9. The following approvals were also granted:
 - a. The Deputy Chief Executive was authorised to appoint suitable property and legal advisers in respect of the CPO process;
 - b. The Deputy Chief Executive and Head of Law Governance, in consultation with the Portfolio Holder, were authorised to agree and enter into appropriate indemnification arrangements with the developer in respect of the costs to the Council of the CPO process;
 - c. The Deputy Chief Executive and the Head of Law and Governance were authorised to undertake a land referencing exercise to identify all owners, tenants, occupiers and others with a legal interest in the Site and serve requisitions for information under s. 16 of the 1976 Act on all potential owners of legal interests in the site.

The progress achieved following these approvals is described later in this report at **paragraph 84** .

THE COMPULSORY PURCHASE POWERS

10. For the reasons set out in this report and in the draft Statement of Reasons contained in **Appendix 5**, Cabinet is requested to authorise the use of the Council's compulsory purchase powers in order to assemble land and interests to allow the comprehensive redevelopment of SRP to proceed. In considering whether to exercise such powers, it is important that Members understand both the statutory provisions from which the powers derive as well as Government guidance on the use of the powers which is set out in ODPM Circular 06/2004 Compulsory Purchase and the Crichel Down Rules ("the Circular").
11. Section 226(1)(a) of the 1990 Act gives the Council the power to acquire land compulsorily in its area if the authority thinks the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. This can include the assembly of a site to facilitate either a public or private sector development.
12. However, under s.226(1A) of the 1990 Act, before exercising the power under s.226(1)(a), the Council must also be satisfied that the proposals are likely to "contribute to the achievement" of any one or more of the following objects—
 - 1) the promotion or improvement of the economic well-being of Sunderland;
 - 2) the promotion or improvement of the social well-being of Sunderland; or
 - 3) the promotion or improvement of the environmental well-being of Sunderland.
13. Advice on the exercise of the s. 226(1) powers is set out in Appendix A to the Circular.
14. Paragraph 17 of the Circular sets out the key test that must be applied by the Council in considering whether to make a compulsory purchase order; that is to say that a "*compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected. Regard should be had, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights...*"
15. The requirement of a compelling case in the public interest in paragraph 17 encapsulates the key requirement of proportionality under the European Convention on Human Rights as explained further in Paragraphs 87- 91 below.

PLANNING, REGENERATION AND ECONOMIC POLICY

16. The local development plan for the Sunderland area comprises the saved policies contained in the Council's Unitary Development Plan 1998, as revised by Alteration Number 2 to the Development Plan adopted in September 2007.
17. SRP is located on the inset plan for Monkwearmouth in the UDP proposals map. The UDP explains that an inset plan was required for Monkwearmouth because major change was anticipated in the locality including significant new commercial and residential developments, environmental enhancements and improvements to transport infrastructure.
18. Parts of the SRP site are covered by saved Policy NA44 which allocates the land for a mixture of uses including retailing and other main town centre uses subject to the application of the sequential test and a retail impact assessment. This policy also identifies the need for development to contribute to a balanced distribution of facilities accessible to all sectors of the community, on foot and by a range of transportation.
19. The explanation to NA44 states that the locality is highly accessible from a wide area by bus and car and in future by a proposed Metro Station (which now exists at the northern end of SRP). In addition, there is a large population within the densely populated residential areas to the north, west and east of the location. The UDP recognises that the area is highly suitable as a focus for retail and commercial activity and that there is a clear opportunity to regenerate this high profile, but presently unattractive, locality and to effect environmental improvements to this gateway site.
20. The south western corner of SRP falls within saved Policy NA48 which seeks to promote environmental improvements to the commercial buildings in the area north of Roker Avenue and to upgrade the visual environment in this locality.
21. The key saved retail policy is S1 which seeks to enhance the City's shopping provision by encouraging a wide range of attractive, well distributed facilities to meet future shopping and related needs. The policy provides that new retail development will be based in existing centres whilst development elsewhere will be subject to the sequential test, be in accordance with other policies in the UDP, should complement existing facilities and be accessible to all groups by a variety of modes of transport.
22. Economic development policy EC1(iv) of the UDP provides that the Council will encourage development proposals and initiatives which target areas of economic and social deprivation.
23. The Indices of Multiple Deprivation 2007 published by DCLG measures overall multiple deprivation at a small area level (referred to as Lower Super Output Areas (LSOAs)). There are 188 LSOAs in Sunderland and 4 of the most 20 deprived LSOAs in the City are situated within close proximity to SRP.

24. Further, Policy EC3(iv) states that the Council will support new economic development which involves the re-use and enhancement of previously developed sites.
25. The Sunderland Economic Masterplan also highlights the need in Sunderland for new and better shops. Whilst addressed in the context of the City Centre, the Masterplan highlights the issues connected with the loss of trade to rival retail centres which has had a detrimental effect on the City economy. In the case of SRP, there are no sites within the City Centre upon which the Scheme for SRP could be accommodated and the impacts of the Scheme on the City Centre are acceptable. Accordingly, the only way to address the current trade leakage and the localised deficiency in convenience floorspace in North Sunderland is to address the quality of retail provision at SRP.
26. The Masterplan also states that public areas need to be improved and areas that are currently at risk of decline need to be upgraded so that they remain attractive areas to walk through.
27. As part of the emerging Local Development Framework (LDF), the Council agreed a revised version of its Core Strategy Preferred Options in March 2010. Although relatively little weight can be given to the Strategy at this stage, it provides up to date and continued confirmation of the underlying principles behind the saved policies in the UDP.
28. The following preferred options policies are relevant to the proposed development at SRP:-

- CS1 Spatial Development, Growth and Regeneration in Sunderland

This policy seeks to achieve a sustainable spatial distribution of economic development in the City including new retail development. It states that the priority for new convenience retailing will be focused towards the City Centre, Houghton-le-Spring Town Centre and North Sunderland.

The supporting text refers to the findings of the City wide Retail Needs Assessment for Sunderland produced in September 2009 as part of the evidence base for the LDF. This Assessment highlighted the localised qualitative deficiencies in convenience goods provision in North Sunderland and Houghton Town Centre.

In relation to North Sunderland, the Zone encompassing the Castletown, Monkwearmouth and Southwick areas (Zone 2) has the lowest convenience goods retention rate in the City with most residents in this Zone travelling to the Asda store in Boldon Colliery in neighbouring South Tyneside for their convenience shopping (Zone 9). As a consequence, there is a quantitative and qualitative need to clawback this substantial leakage of convenience expenditure out of the City to Boldon.

- CS8 Sunderland North

This policy promotes the transformation of the Sunderland North area in the period up to 2026. The centre of Monkwearmouth will be revitalised and strong linkages will allow it to provide a complimentary retail and leisure role to the city centre.

The supporting text recognises the existing localised deficiency in convenience provision and that the current retail provision in North Sunderland is not well distributed. It provides that new retail development will be encouraged which provides high quality retail facilities to serve the sub-area.

29. In terms of national planning policy, the following are of particular relevance to the Scheme:
30. Planning Policy Statement 1: Delivering Sustainable Development (2005) sets out the Government's vision for planning and the key policies and principles which should underpin the planning system. PPS1 notes that one of the key objectives of planning should be to make suitable land available for development in line with economic, social and environmental objectives to improve people's quality of life. It should contribute to sustainable economic development, ensure high quality development and ensure that development supports existing communities providing good access to jobs and key services for all members of the community.
31. PPS1 also states that planning authorities should promote urban regeneration to improve the wellbeing of communities and their facilities, including improved access to shops.
32. Planning Policy Statement 4 - Planning for Sustainable Economic Growth (2009) sets out the Government's overarching objective of achieving sustainable economic growth. It states that planning applications that secure such economic growth should be treated favourably.
33. For retail developments that are not in an existing centre (such as SRP) and are not in accordance with an up to date development plan, PPS4 requires that the applicant undertakes a sequential assessment to determine whether there is an alternative, town centre or edge of centre site that could accommodate the particular development proposal which is available, suitable and viable. In addition, a retail impact assessment is also required to determine the level of impact that the proposal will have on existing centres and out of centre allocated sites. These sequential and retail impact tests are also incorporated within the UDP policies relevant to SRP and the development.

34. In relation to regional planning policy, the Regional Spatial Strategy for the North East (2008) sets out a long term strategy for the scale, location and phasing of development in the region. The Strategy promotes an urban and rural renaissance, the sustainable development of the region and a sequential approach to development proposals. The Strategy includes the following specific references to Sunderland:-
- The concentration of the majority of new development to be in Sunderland and Washington with development to meet local needs in Houghton and Hetton;
 - Regeneration of central Sunderland is supported with economic, retail and leisure development to be focused on the city centre.
35. The Regional Economic Strategy 2006-2016 (Leading The Way) has at its primary objective an increase from 80% to 90% GVA (Gross Added Value) per head by 2016. This is to be achieved by:
- tackling worklessness and unemployment to increase economic activity;
 - creating 61,000 to 73,000 new jobs by 2016;
 - improving productivity;
 - raising GVA;
 - creating 18,500 to 22,000 new businesses by 2016.

SCHEME PROPOSALS

Evolution of the Scheme and consideration of alternatives

36. The proposed redevelopment of SRP has been through a number of design iterations prior to an outline planning application being made by the then owner of the site, Mountview Securities Limited ("Mountview"), in August 2008. Various options were considered for the siting of the foodstore and its massing, and the scale and siting of the additional retail units, and account was taken of views expressed during public consultation
37. A key consideration was the need for the foodstore to be of a sufficient scale to claw back trade from other stores outside of the City, and to be accompanied by a selection of thriving comparison retail units and/or leisure uses. Having established the scale of development required, the principal considerations for the location and composition of the development were:
- a. The existing layout and the desire to retain existing retail units or to relocate existing occupiers within SRP.
 - b. The minimum size requirements of the proposed food retail store.
 - c. The highways network and access solution.
 - d. The need to provide a more efficient car parking layout and servicing solutions.
 - e. The need to ensure an attractive frontage onto key approaches to SRP in order to attract maximum footfall, particularly from the Metro station.

38. Following the submission of the initial planning application the Council released the Sunderland Retail Needs Assessment prepared by Roger Tym & Partners (September 2009) and Planning Policy Statement 4 was issued (December 2009). The Council's retail advisors RTP reviewed Mountview's retail assessment and recommended a reduction in the size of the superstore. At the same time, issues of site assembly and scheme content led Mountview to revisit the scheme and reduce the scale of the foodstore.
39. Ultimately, despite various design solutions being considered, it was not possible to avoid impinging upon land in which third parties have an interest. The Scheme selected was the least intrusive whilst maintaining the key components of the Scheme, notably the store size required to provide the necessary quantum and quality of convenience goods offer to claw back trade and avoid trade leakage, appropriate car parking and access arrangements and ensuring that comprehensive redevelopment was achieved through the creation or replacement of new retail units and the improvement of existing units.

Planning position

40. Following public consultation, revisions to outline planning application (ref: 08/03336/OUT) were received by the Council on 5 August 2010 on behalf of Mountview.
41. The comprehensive redevelopment of SRP in accordance with the revised planning application is supported by site specific policies NA44 and NA48 and economic policies EC1(iv) and EC3(iv) of the Council's UDP referred to above. In addition, the development accords with key retail policy S1 as it will meet the established need for additional convenience provision in Sunderland North and will seek to clawback the current substantial leakage of convenience expenditure from outside the City.
42. The comprehensive redevelopment of SRP is also consistent with policies CS1 and CS8 of the emerging Core Strategy.
43. The Scheme is also supported by PPS1 and PPS4 since it will help to promote sustainable economic growth and provide local communities with better access to facilities such as shops. The retail assessment submitted with the planning application also satisfied the requirements of PPS4. In particular it has been demonstrated that there are no sequentially preferable sites in the town centre or on edge of centre sites to accommodate the need which the particular development at SRP is intended to meet, namely the established need for additional convenience provision in North Sunderland and to successfully clawback the retail expenditure currently lost from the Sunderland area. In addition, the retail impact assessment has concluded there is no clear evidence that the development proposals at SRP would have a significant adverse impact on existing centres.
44. In addition the Scheme is also compatible with the RSS and the key objectives of the Regional Economic Strategy.

45. Outline planning permission was granted for the Development by the Council on 27 October 2010 which comprised:
- 1) The demolition of the majority of the existing buildings on the Retail Park site, including the Bowling Alley and former Reg Vardy car showroom;
 - 2) The construction of a new food superstore of 16,140m² gross external area (GEA) and net retail sales area of 8,378m²;
 - 3) The retention and recladding of an existing retail unit of 1,168 m² GEA and 934m² net retail sales area;
 - 4) The erection of four additional retail units totalling 2,661m² GEA and 2,129 m² net retail sales area;
 - 5) The retention and recladding of the existing Farmfoods/Blockbuster unit;
 - 6) The provision of 900 parking spaces to service the entire development;
 - 7) The creation of new vehicular accesses to the site, the reopening of a section of highway to emergency vehicles, and the resurfacing/landscaping and the stopping up of the highway.
46. For further detail, Members should read the report to the Planning and Highways Committee in respect of the outline planning application which was considered on 5 October 2010 and is contained in **Appendix 8**.
47. The Development will also involve a major highway improvement scheme in respect of the adjoining Wheatsheaf gyratory. These works will be carried out pursuant to an agreement between the Developer and the Council under s278 of the Highways Act 1980.
48. The Developer has applied to the Secretary of State for an order under s.247 of the 1990 Act to stop-up the areas of public highway in order to enable the Scheme to proceed. This stopping-up order has now been made and a copy is contained in **Appendix 10**.
49. Together these components constitute the comprehensive redevelopment of SRP ("the Scheme").

REASONS FOR THE DECISION

Issues for the making and confirmation of the CPO

50. Members first need to be satisfied that the requirements of s. 226(1)(a) and (1A) of the 1990 Act will be met for the purposes of making of the CPO. In this respect, it is considered that s. 226(1)(a) will be satisfied because the acquisition of the relevant interests at SRP will facilitate the redevelopment of the site by Tesco for the Scheme. Further, in light of the significant environmental improvements that result from the physical redevelopment of SRP, the economic benefits of the Scheme in clawing back retail expenditure and generating new employment as well as the improved access to facilities for local people, it is considered that the requirements of s.226(1A) will be

satisfied; that is to say that it is considered that the Scheme would be likely to contribute to the achievement of the promotion or improvement of the economic, social and environmental wellbeing of the area.

51. The Circular provides advice, both generally and at paragraph 16, Appendix A, on the key factors which the Secretary of State can be expected to consider when deciding whether to confirm an order made under section 226(1)(a) of the 1990 Act. Members must consider these factors now in considering whether to make the CPO and so they are set out below, with reference to the relevant sections of the Circular together with an analysis in relation to the proposed use of CPO powers to deliver the Scheme.

52. Paragraph 20-21, Resources Implications of the Scheme

53. A CPO indemnity agreement has been negotiated with Tesco, under which Tesco is required to indemnify the Council for all costs, liabilities and expenses in promoting the proposed CPO, for the costs of any land acquisition and for all compensation payable pursuant to a CPO. At the time of the preparation of this report the CPO indemnity agreement is being circulated for signature and will be completed imminently. Tesco is also responsible for implementation of the Scheme at its own cost and there is no need for any public sector funding.

54. Tesco has made it clear, both in its statements and by its actions in progressing land acquisitions at SRP and its planning application for the Scheme, that obtaining a trading position in the city is a priority objective. Tesco has also confirmed that it wishes to progress with the Scheme as soon as possible once the relevant interests at SRP have been acquired.

55. Paragraph 22-23, Impediments to implementation

56. Tesco has confirmed that it controls all land interests in SRP, except those included in the proposed CPO, that are necessary to enable the Scheme to proceed.

57. Tesco has obtained outline planning permission for the Scheme, described above, and intends to submit its application for approval of reserved matters imminently. The Council has already held pre-application discussions with Tesco in connection with the reserved matters submission.

58. Other potential impediments are in the process of being resolved. Notably, Tesco require a stopping up order to be made in respect of certain highways affecting the site. An application has been made by Tesco under s.247 of the 1990 Act and an order has been made by the Secretary of State (copy at **Appendix 10**). An agreement under section 278 of the Highways Act 1980 is also currently being negotiated in order to secure the improvement of the highways infrastructure around SRP and this is expected to be completed shortly.

59. Accordingly, the Scheme is not likely to be blocked by any impediment to implementation.

60. Paragraph 24-25, Negotiation

61. Tesco, through its agent GL Hearn, has led negotiations with the leasehold owners/occupiers of the properties required to implement the Scheme. The current proposal for Blockbuster, Farmfoods and Macdonalds is that the

occupiers are retained within the units during and following the construction of the Scheme. The Netto unit would be demolished, but there is an offer to relocate the store to another unit within the development. Notwithstanding these offers, to date it has not been possible to acquire these interests through private treaty, although efforts are continuing.

62. It is hoped that agreements can be reached with each of the owners through negotiation. However, the use of compulsory purchase powers is required in the event that the attempts to acquire by agreement fail. The approach of making a CPO in parallel with conducting negotiations to acquire the relevant interests by agreement is in accordance with the guidance set out in the above paragraphs of the Circular.
63. Paragraph 16 (i) of Appendix A, whether the purpose for which the land is being acquired fits in with the adopted and/or emerging planning framework
64. As set out in the section on the planning position of the Scheme at **paragraphs 40-49** above, the Scheme is in line with the adopted and emerging development plan. This is borne out by the fact that the Council has granted planning permission for the Scheme and this Report should be read together with the report to the Planning and Highways committee on the planning application (**Appendix 8**).
65. Paragraph 16 (ii) of Appendix A, the extent to which the proposed purpose will contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing of the area
66. The proposed compulsory acquisition of the Order Land will facilitate the carrying out of the comprehensive redevelopment of SRP as part of the Scheme.
67. The Scheme will regenerate SRP physically and economically, bringing with it new jobs, investment and positive environmental benefits. The proposed superstore will be designed to the highest quality to ensure that it complements its surroundings and that it is easily accessible for all users.
68. The Scheme will give rise to the following benefits:
 - a. The superstore element of the Scheme will meet the quantitative need for additional food and grocery provision in the Sunderland North area, and will reduce the leakage of convenience expenditure to the Asda store at Boldon Colliery. This will improve access to facilities for local people and will assist with the economic revitalisation of the area by ensuring that local trade is retained.
 - b. It will improve the retail offer of Sunderland Retail Park by offering five retail units alongside the foodstore and retaining the two retail units occupied by Farmfoods and Blockbuster. This will attract other businesses into the area and increasing footfall into the SRP thereby having a catalytic effect, which will further assist local economic conditions.
 - c. It is estimated that the foodstore element of the Scheme alone will generate 400 full time and part jobs on the Site compared

to the existing 50 jobs estimated to be on site at the moment. This excludes additional jobs created within the construction period. It is predicted that the majority of the jobs created on the site will go to residents within the surrounding local areas, which this report has noted are in much need of employment opportunities.

- d. The design of the store will incorporate sustainable design features to promote energy efficiency, minimise any impact on the environment and ensure the store is operated in as sustainable a manner as is currently possible.
 - e. At present the site has a high level of vacant units, some of which have been vandalised and these factors detract from the visual appearance of the site and affect visitors' perspective of how safe the site is. The proposal will provide an enhanced landscape buffer around the perimeter of the site and throughout the car park. This landscaping buffer will also provide an improved habitat area for wildlife within the site and could also attract further wildlife found within the urban area to the site.
 - f. The Scheme will improve visitors' perception of safety within the site through increased security measures, natural surveillance from the occupied retail units and increased visitor numbers. The proposed external lighting scheme will also improve the appearance of, and perception of safety within the site.
 - g. The Scheme includes various improvements to the surrounding highway network and seeks to provide a number of safe crossings into SRP from the surrounding area, thereby improving accessibility.
 - h. The provision of a new and direct pedestrian walkway will significantly improve access from SRP to the Stadium of light Metro station to the north of the site. The incorporation of a bus stop in a central location within the site will further enhance access to public transport in a site which is in close proximity to a Metro station and a range of bus services.
 - i. Measures taken to improve pedestrian access to and within the site, the provision of cycle parking facilities, and improved access to public transport services aim to encourage the use of more sustainable modes of transport, and reduce the impact of the Scheme on traffic congestion and pollution.
69. The development of the Scheme would substantially improve the visual appearance of SRP which currently has largely vacant units and suffers from vandalism. Increased occupancy, the provision of a new external lighting scheme and landscaping on the redeveloped site would reduce perceptions of

crime. This would constitute a marked improvement to the environmental wellbeing of the area. The Scheme would provide an attractive retail environment of a contemporary design with much needed quantitative and qualitative improvement to convenience and comparison goods provision. This will improve the public perception of the area by clawing back trade thereby stimulating economic growth and new jobs would benefit local people. The Scheme will therefore stimulate improvements to the social and economic wellbeing of the area.

70. As a consequence, when applying the statutory tests in Section 226(1)(a) and s.226(1A) of the 1990 Act it is considered that the proposed use of CPO powers in this instance is likely to contribute to the promotion or improvement of the economic, social and environmental well-being of the Council's area.
71. In addition, in the light of the substantial physical, social and economic benefits that would arise from the proposed development, it is considered that there is a compelling case in the public interest to justify the use of CPO powers in order to facilitate the development of the Scheme.
72. Paragraph 16 (iii) of Appendix A, the potential financial viability of the scheme for which the land is being acquired;
73. The financial viability of the scheme is not in question, given the identity of the developer and the nature of the end use. Tesco has advanced countless retail schemes across the UK and has a huge amount of experience in regenerating brownfield sites. Tesco has already shown significant commitment to the Scheme in acquiring the majority of the land comprising SRP as well as obtaining planning permission for the Scheme.
74. Paragraph 16 (iv) of Appendix A, whether the purpose for which the acquiring authority is proposing to acquire the land could be achieved by any other means, having regard to alternative locations and alternative proposals for the site itself.
75. **Paragraphs 36-39** above describe the various options that were considered by Mountview and Tesco prior to submitting the revisions to their outline planning application. It is clear for the reasons set out above that the option selected involves the least possible intervention whilst maintaining the integrity of the Scheme and delivery of the public benefits identified in this report.
76. As part of its planning application, Mountview and Tesco were required as part of a Retail Impact Assessment to consider alternative sites. This found that *"there are no suitable, viable or available in centre or edge-of centre sites for an appropriately scaled superstore to serve primarily the residents of North Sunderland"*. In any event, as this report has shown, SRP is in need of regeneration and other than the Scheme, there are no competing proposals for its redevelopment or refurbishment. Tesco also own the majority of SRP and so it seems unlikely that another preferable proposal would come forward for the regeneration of SRP. Indeed, if it were not for the Scheme, it is likely that SRP would continue to fail and that the social, economic and environmental conditions of the surrounding area would worsen.

The need for the Order Land

77. Mountview initially indicated that the preferred operator for the superstore component of the scheme would be Tesco. Following the grant of the planning permission, Mountview transferred its land interests at SRP to Tesco, who will be the developer of the Scheme and the operator of the foodstore.
78. Although Tesco owns the majority of the freehold interests in SRP, there are three units within the retail park (one of which is subdivided), subject to leases, that will need to be acquired in order to allow the Scheme to proceed. The drawing contained in **Appendix 6** overlays the proposed scheme on top of the existing units to be acquired to illustrate graphically why these units must be acquired.
79. The units to be acquired through the CPO are also described in the schedule of interests contained in **Appendix 4**, whilst **Appendix 11** provides a narrative in respect of each plot explaining the reasons why the interest must be acquired to progress the Scheme.
80. In summary, the car parking and access arrangements for Macdonalds and Blockbuster/Farmfoods units must be rearranged as part of the redevelopment. The Blockbuster/Farmfoods units will also require re-cladding because it would otherwise have a visually detrimental effect on the Scheme. The other unit occupied by Netto is physically located in an area that is crucial for car parking and access provision for the new Scheme and will need to be demolished.
81. Tesco, through its agent GL Hearn, have led negotiations with the leasehold owners/occupiers of the properties required to implement the Scheme. The current proposal for Blockbuster, Farmfoods and Macdonalds is that the occupiers are retained within the units during and following the construction of the Scheme. The Netto unit would be demolished, but there is an offer to relocate the store to another unit within the Scheme. Notwithstanding these offers, to date it has not been possible to acquire these interests through private treaty, although efforts are continuing.
82. It is hoped that agreements can be reached with each of the owners through negotiation. However, it is now considered that the use of compulsory purchase powers is required in the event that the attempts to acquire by agreement fail. The approach of making a CPO in parallel with conducting negotiations to acquire the relevant interests by agreement is in accordance with the guidance at paragraph 24 of the Circular.
83. The extent of SRP to be the subject of the compulsory purchase order ("the CPO") is shown shaded pink on the draft CPO Map contained in **Appendix 4**, which will accompany the CPO ("the Order Land").

Preliminary Steps Taken

84. Following the Cabinet Meeting of 1 December 2010, the following preliminary work has been undertaken:
- a. The Council has negotiated appropriate CPO indemnity provisions with the developer, Tesco, to ensure that the Council is fully indemnified for all costs arising from the proposed compulsory acquisition process, including the costs of acquiring the land, the compensation payable and the expenses incurred by the Council in appointing appropriate property and legal advisers in taking the CPO forward. This agreement will be completed imminently;
 - b. The Council instructed through its external legal advisers land referencing agents, Persona Associates, to obtain accurate information regarding the current land interests in the Order Land. Formal requests for information were served on those known to have an interest in the Order Land pursuant to Section 16 of the Local Government (Miscellaneous Provisions) Act 1976 in order to establish the exact nature of their interest in the property. These notices were served on 14 January 2011 and responses were required by 31 January 2011. All but one response has been received. This process along with Persona's site visit and title investigations have assisted in the production of an accurate schedule of the relevant interests to be acquired through the proposed CPO as contained in **Appendix 4**. Whilst this is an advanced draft, it is recommended that the Chief Executive, Executive Director of Commercial and Corporate Services or the Head of Law and Governance should be authorised to make minor amendments, modifications or deletions to the CPO schedule of interests and map, should this be necessary in light of any new information received after the date of the Cabinet meeting;
 - c. A draft CPO has been prepared, a copy of which is contained in **Appendix 4**.
 - d. A draft statement of reasons to accompany the proposed CPO has been prepared and is contained in **Appendix 5**. This should be read alongside this report.

Alternative Options

85. The alternative option in this case would be for Tesco to seek to progress the development without the support of the Council's CPO powers. However, there is no certainty that it would be able to secure the necessary interests in the Order Land to carry out the comprehensive redevelopment proposed and to acquire any third party interests that would otherwise impede the development proposals, thereby putting at risk the delivery of this significant economic and physical regeneration project.

86. It is considered that the use of Compulsory Purchase powers is necessary in the circumstances in order to achieve the required assembly of the remaining interests at SRP and in turn deliver the comprehensive redevelopment and regeneration of SRP. If the Scheme did not proceed, then the economic, social and environmental benefits set out in this report are very unlikely to be achieved.

Compliance with the Human Rights Act 1998

87. Section 6 of the Human Rights Act 1998 (“the HRA 1998”) prohibits public authorities such as the Council from acting in ways incompatible with the European Convention on Human Rights (“ECHR”). The potential use of compulsory purchase powers in this case will involve two ECHR rights:

- a. Article 1 of the First Protocol of the ECHR: the right to peaceful enjoyment of one’s possessions and the right not to be deprived of one’s possessions. This right can be interfered with in the public interest and subject to the conditions provided for by law. That interference is only justified if the fair balance of the factors (which comprises a proportionate interference) is in favour of the public interest against the private interests to be acquired;
- b. Article 6 of the ECHR: the right to a fair and public hearing by an impartial tribunal.

88. **Article 1:** the law requires that before a CPO is made, the Council must be satisfied that there is a compelling case in the public interest for a CPO, and that this public interest in the development scheme proceeding sufficiently outweighs the interference with the affected party’s human rights. As a consequence, Cabinet must be satisfied that the benefits of the Scheme, set out in **paragraphs 68-69** above justify the compulsory acquisition of the outstanding interests at SRP.

89. The ECHR requires a “fair balance” to be struck between the public interest in securing a development proposal and an individual or legal person’s human rights under Article 1 of the First Protocol. This means that any interference with these rights must be proportionate. It is considered that there is a compelling case in the public interest to justify the use of CPO powers to facilitate the comprehensive redevelopment of SRP in the light of the substantial economic, social and environmental benefits that would arise from this redevelopment. In weighing these issues, the Council will also need to consider that parties whose interests are acquired are entitled to receive compensation for the losses they incur, calculated under the CPO compensation code, itself held to be compliant with Article 1.

90. The use of CPO powers in this instance is therefore considered to be proportionate.

91. **Article 6:** this confers on those whose civil rights are affected the right to a hearing before an independent and impartial tribunal. This is provided since any affected party is entitled to object to the CPO in which case the Secretary of State will hold a public inquiry to consider whether the CPO should be confirmed and such a decision would then be open to review before the High Court. The right to a fair hearing is therefore fully met as has been established before the Courts. Moreover, those directly affected by the CPO will be entitled to compensation proportionate to any losses that they have incurred as a result of the acquisition. Compensation will be payable in accordance with the Compulsory Purchase Code, assessed on the basis of market value of the property interest acquired, disturbance and statutory loss payment. The assessment of that compensation can be referred to the independent decision of the Lands Tribunal (the Lands Chamber of the Upper Tribunal). The reasonable surveying and legal fees incurred by those affected will also be paid by the Council. The CPO compensation code has also been held compliant with Article 6.

The CPO Process

92. A summary of the process involved in securing a confirmed CPO and transfer of title to the Council thereafter is included at **Appendix 12**.
93. The draft CPO schedule at **Appendix 4** will potentially be amended if further or new information is obtained regarding land interests. The schedule will be finalised at the time the CPO is made. Similarly the Statement of Reasons will be finalised at the same time. The CPO and Notice of Making the CPO will be served on all land interests identified and noted in the CPO schedule.

Financial Implications to the Council

94. As explained above, the Council has agreed appropriate indemnity arrangements with the Scheme Developer, Tesco in respect of all costs, liabilities and expenses arising from the CPO process including the costs of acquiring the relevant interests at SRP and for all compensation payable pursuant to the CPO. The objective of these indemnity arrangements is to ensure that the CPO process is cost neutral to the Council.

CONCLUSION

95. Section 226(1)(a) of the 1990 Act gives local authorities the power to acquire land compulsorily in order to facilitate the assembly of a site for private sector development.
96. The development at SRP for which planning permission has been granted is expected to contribute to the achievement of the promotion and improvement of the economic, social and environmental well-being of Sunderland, as required under s.226(1A) of the 1990 Act.

97. In addition, in the light of the substantial physical, social and economic benefits that would arise from the proposed development at SRP, it is considered that there is a compelling case in the public interest to justify the use of CPO powers in order to facilitate the development.
98. As described above, planning permission has already been granted for the Scheme (ref: 08/03336/OUT) and the proposals are in accordance with the national and regional planning policy, the Unitary Development Plan and the emerging Core Strategy.
99. Alternative proposals would not achieve the regenerative benefits required.
100. Negotiations have been attempted with the owners and occupiers of the land needed to be acquired but it has not proved possible to date to reach a concluded agreement. It is proposed to continue negotiations in tandem with the exercise of CPO powers in accordance with the Circular.
101. Finally, without the CPO and the Scheme, it is likely that SRP would continue to fail and that economic, social and environmental conditions in the area would worsen.

APPENDICES

Appendix 1	Background papers/documents
Appendix 2	SRP site plan
Appendix 3	Scheme layout drawing
Appendix 4	Draft CPO, Schedule of interests and Order Map
Appendix 5	Draft Statement of Reasons
Appendix 6	Plan showing the Scheme overlaid onto the properties to be acquired
Appendix 7	Report to the Cabinet on 1 December 2010
Appendix 8	Report to the Planning and Highways Committee on 5 October 2010
Appendix 9	Outline planning permission for the Scheme
Appendix 10	Stopping up Order
Appendix 11	Summary justifications for acquisitions
Appendix 12	Summary of CPO process and procedure

APPENDIX 1: Background papers (not appended)

In addition to the appendices, the following materials have been used to inform this report:

- 1) Design and Access Statement for Sunderland Retail Park dated June 2010 prepared by DPP LLP.
- 2) Retail Assessment dated 24 June 2010 prepared by DPP LLP.
- 3) Planning Statement dated June 2010 prepared by DPP LLP.
- 4) Review of Applicant's Retail Assessment dated September 2010 prepared by RTP.
- 5) City of Sunderland UDP adopted plan 1998.
- 6) City of Sunderland UDP alteration No.2 (Central Sunderland) adopted September 2007.
- 7) Sunderland UDP Sunderland Economic Masterplan adopted September 2010.
- 8) City of Sunderland Core Strategy draft revised preferred options (March 2010).
- 9) The Sunderland Strategy 2008 - 2025.
- 10) Sunderland City Council - Sunderland Retail Needs Assessment September 2009.
- 11) OPDM Circular 06/2004 "Compulsory Purchase and the Crichel Down Rules".

NOTES ORIGINAL A3



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PLANNING APPLICATION SITE BOUNDARY



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REVISIONS

CLIENT

Mountview Securities

PROJECT

Sunderland Retail park
Newcastle Road
Sunderland

TITLE

Parameter Plan 1
Site Location Plan

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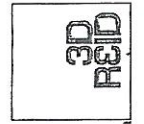
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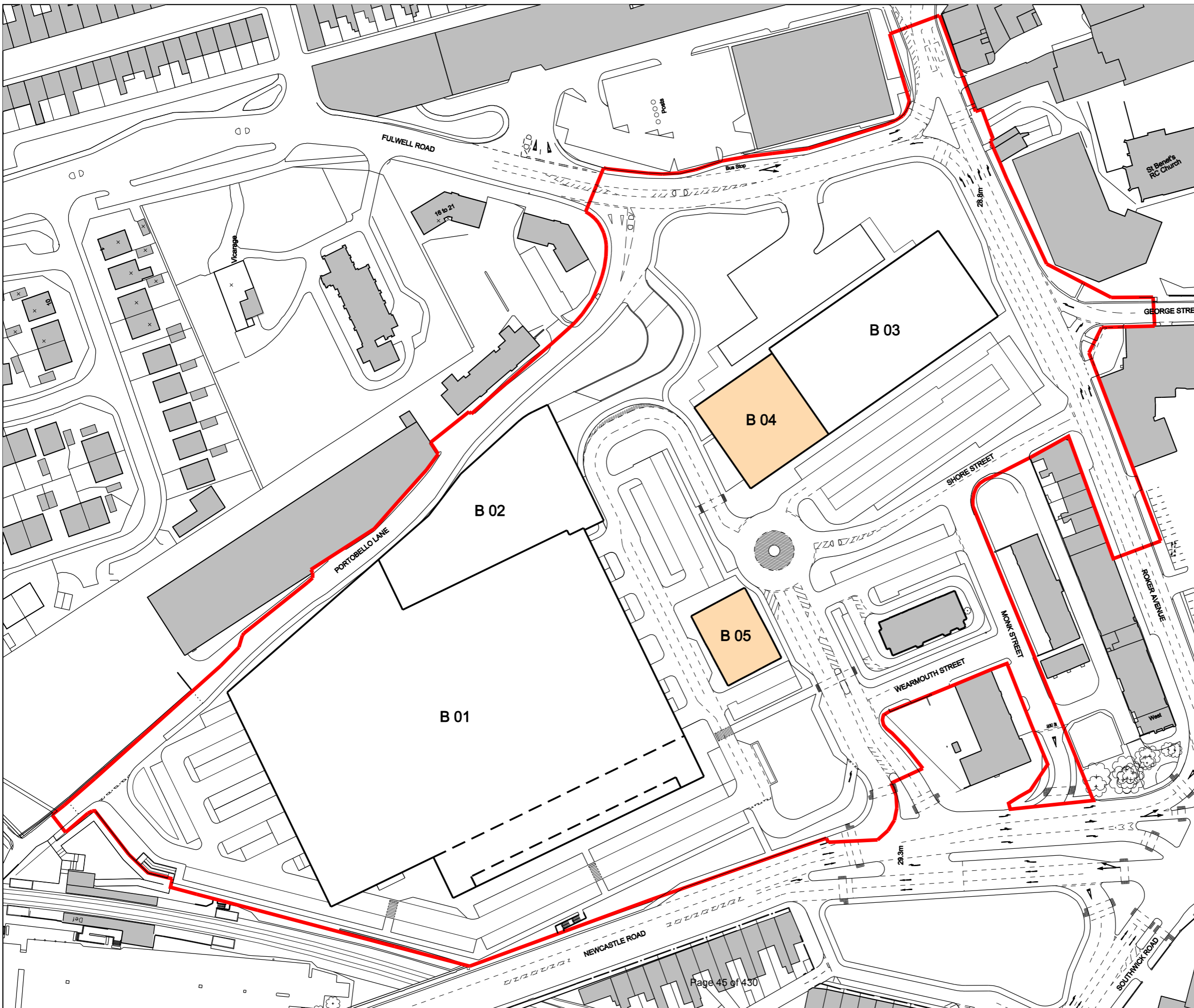


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- PLANNING APPLICATION SITE BOUNDARY
- EXISTING BUILDING TO BE RETAINED
- EXISTING BUILDING TO BE RETAINED.
BUILDING FACADE TO BE RECLADED
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CLIENT

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PROJECT

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Sunderland

TITLE

Parameter Plan 3
Block Plan

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Appendix 3

NOTES

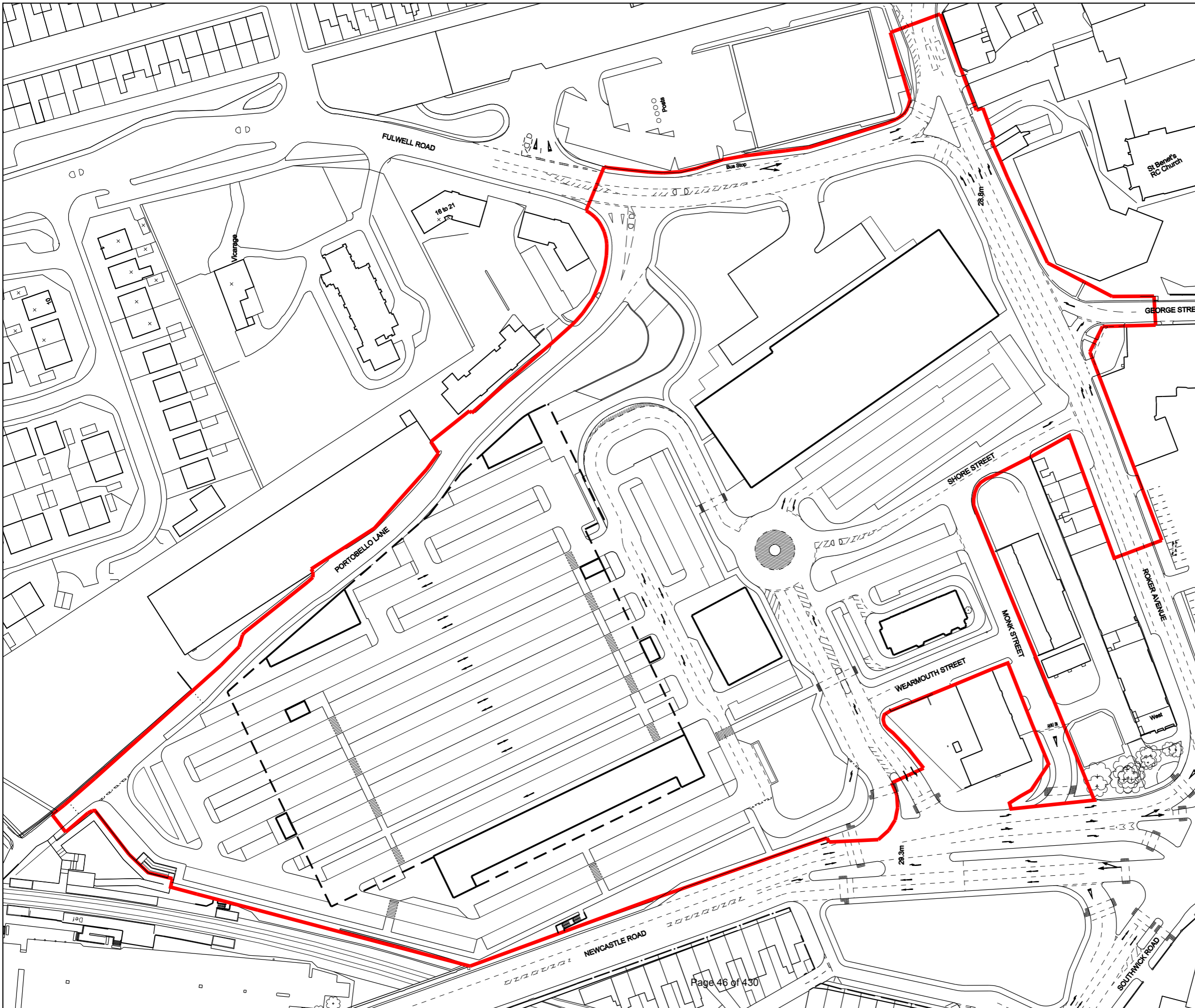
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PROJECT

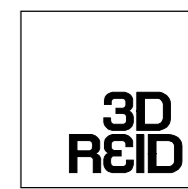
Sunderland Retail Park
Newcastle Road
Sunderland

TITLE

Parameter Plan 10
Ground Floor Block Plan

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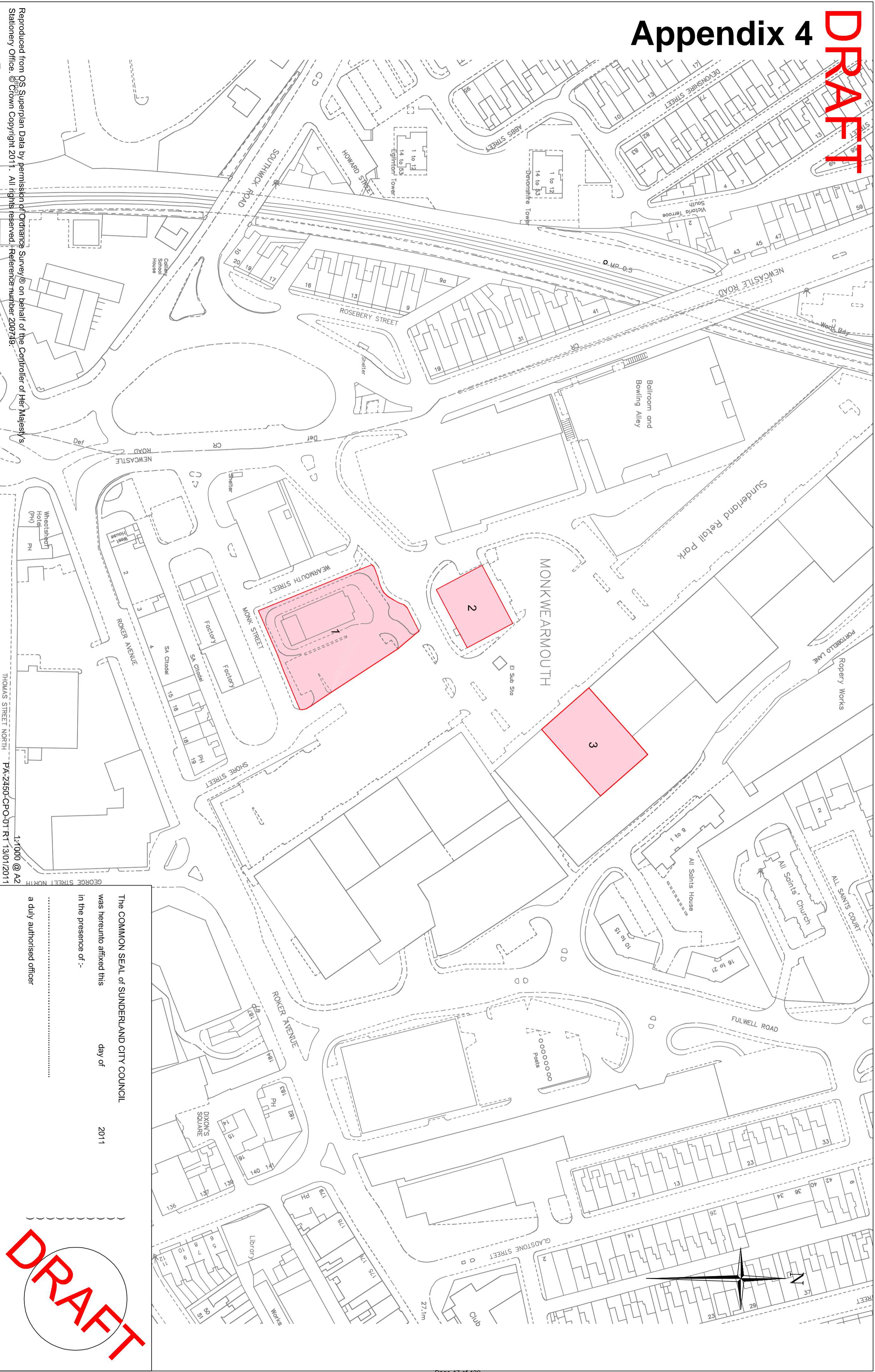
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Appendix 4



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The COMMON SEAL of SUNDERLAND CITY COUNCIL
 was hereunto affixed this day of 2011
 in the presence of :-

 a duly authorised officer

DRAFT

SCHEDULE

Appendix 4

Table 1

Number on Map (1)	Extent, description and situation of the land (2)	Qualifying persons under section12(2)(a) of the Acquisition of Land Act 1981 - name and address (3)				Remarks
		Owners or reputed owners	Lessees or reputed lessees	Tenants or reputed tenants (other than lessees)	Occupiers	
1	All interests, other than (a) mines and minerals (b) those of Tesco Stores Limited and (c) rentcharges, in 2213 square metres of retail premises, landscaped areas and parking known as McDonalds, Sunderland Retail Park, Roker Avenue	Tesco Stores Limited Tesco House Delamare Road Cheshunt EN8 9SL	McDonald's Restaurants Limited 11/59 High Road East Finchley London N2 8AW J M Partners Limited Nucleus House 3 Brookside Terrace Sunderland SR2 7RN <i>(trading as McDonalds)</i>	-	J M Partners Limited Nucleus House 3 Brookside Terrace Sunderland SR2 7RN <i>(trading as McDonalds)</i>	Freehold Title No: TY290333 Leasehold Title No: TY357438 McDonald's Restaurants Co No: 1002769
2	All interests, other than (a) mines and minerals and (b) those of Tesco Stores Limited, in 595 square metres of retail premises known as Units 10 and 10A Sunderland Retail Park, Roker Avenue	Tesco Stores Limited Tesco House Delamare Road Cheshunt EN8 9SL	Blockbuster Entertainment Limited Harefield Place The Drive Uxbridge UB10 8AQ	-	Blockbuster Entertainment Limited Harefield Place The Drive Uxbridge UB10 8AQ <i>(in respect of Unit 10)</i>	Freehold Title No: TY290333 Leasehold Title No: TY301037 Blockbuster Co No: 2111417

Number on Map (1)	Extent, description and situation of the land (2)	Qualifying persons under section 12(2)(a) of the Acquisition of Land Act 1981 - name and address (3)				Remarks
		Owners or reputed owners	Lessees or reputed lessees	Tenants or reputed tenants (other than lessees)	Occupiers	
2 cont			Farmfoods Limited 7 Greens Road Blairlinn Cumbernauld G67 2TU <i>(in respect of Unit 10A)</i>		Farmfoods Limited 7 Greens Road Blairlinn Cumbernauld G67 2TU <i>(in respect of Unit 10A)</i>	Farmfoods Co No: SX030186
3	All interests, other than (a) mines and minerals and (b) those of Tesco Stores Limited, in 979 square metres of retail premises known as Unit 11 Sunderland Retail Park, Roker Avenue	Tesco Stores Limited Tesco House Delamare Road Cheshunt EN8 9SL	Netto Foodstores Limited Elmsall Way South Elmsall Near Pontefract WF9 2XX	-	Netto Foodstores Limited Elmsall Way South Elmsall Near Pontefract WF9 2XX Station Taxis (Sunderland) Limited Taxi Kiosk Central Station Sunderland SR1 3HR	Freehold Title No: TY290333 Netto Foodstores Co No: 02519748 Station Taxis Co No: 01958500

DRAFT

**THE COUNCIL OF THE CITY OF SUNDERLAND
(SUNDERLAND RETAIL PARK)
COMPULSORY PURCHASE ORDER 2011**

The Town and Country Planning Act 1990 and the Acquisition of Land Act 1981

The Council of the City of Sunderland (in this Order called the “Acquiring Authority”) makes the following order:-

1. Subject to the provisions of this Order, the Acquiring Authority is, under section 226(1)(a) of the Town and Country Planning Act 1990, hereby authorised to purchase compulsorily the land described in paragraph 2 for the purpose of facilitating the carrying out of development, re-development or improvement of land for the purposes of providing a new retail food store and additional retail units, improvement of existing retail units, associated public realm improvements and infrastructure thereby achieving the promotion and/or improvement of the economic, social and environmental well-being of the area.
2. The land authorised to be purchased compulsorily under this Order is the land described in the Schedule and delineated and shown coloured pink and edged red on a map prepared in duplicate, sealed with the seal of the Acquiring Authority and marked “Map referred to in The Council of the City of Sunderland (Sunderland Retail Park) Compulsory Purchase Order 2011.”
3. A duplicate of the Order and the map is deposited in the offices of the Acquiring Authority at [].

The Seal of the Council
of the City of Sunderland was hereunto affixed
in the presence of:

Authorised Signatory

On this day of 2011

THE TOWN AND COUNTRY PLANNING ACT 1990

AND

THE ACQUISITION OF LAND ACT 1981

THE COUNCIL OF THE CITY OF SUNDERLAND

(SUNDERLAND RETAIL PARK)

COMPULSORY PURCHASE ORDER 2011

DRAFT
STATEMENT OF REASONS

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1. INTRODUCTION

- 1.1 This document is the Statement of Reasons for a compulsory purchase order entitled The Council of the City of Sunderland (Sunderland Retail Park) Compulsory Purchase Order 2011 ("the Order"). The land and interests in land included in the Order are referred to as ("the Order Land"). The Order has been made under section 226(1)(a) of the Town and Country Planning Act 1990, as amended by the Planning and Compulsory Purchase Act 2004.
- 1.2 The Order has been made by the Council of the City of Sunderland ("the Acquiring Authority"), the local planning authority for the area within which the Order Land is situated. The Order Land is situated at Sunderland Retail Park, Sunderland ("the Retail Park").
- 1.3 The Acquiring Authority resolved to make the Order on 16 February 2011 for the purposes of facilitating the carrying out of development, re-development or improvement of land by constructing a new retail superstore, four additional retail units, carrying out improvements to existing retail units and improving the Retail Park access ("the Scheme"). The Acquiring Authority think that the development and/or redevelopment is likely to contribute to the achievement of the promotion and/or improvement of the economic, social and environmental well-being of its area. It is satisfied that there is a compelling case in the public interest to exercise compulsory powers and to acquire the private property interests contained in the Order.
- 1.4 The Scheme will deliver the comprehensive re-development of this currently run-down and unattractive Retail park which is situated in a prominent location on the main approach to the City Centre area from the north. Despite offering excellent accessibility to public transport links, the Retail Park offers limited retail choice and suffers from long standing vacancies, dilapidated units and a degraded environment. In its existing condition the Retail Park fails to provide a good shopping and leisure environment and presents a poor quality gateway to the City of Sunderland.
- 1.5 The proposed Scheme will secure the physical regeneration of the Retail Park through private sector investment and generate some 400 jobs in an area known to suffer from economic and social disadvantage. It is also considered that the development of this brownfield site will contribute to the wider regeneration of Monkwearmouth and central Sunderland, and to act as a catalyst for further transformational change.
- 1.6 Accordingly, the Acquiring Authority thinks that the Scheme is likely to achieve the promotion and/or improvements of the economic, social and environmental well-being of the area, as is explained later in this Statement of Reasons.

- 1.7 The Acquiring Authority's partner in the Scheme is Tesco Stores Limited ("the Developer"), who will be responsible for the Scheme's delivery. The Scheme was originally being promoted by Mountview Securities Limited ("Mountview") on the Developer's behalf, but Mountview recently disposed of its interest in the Site to the Developer who has essentially stepped into Mountview's shoes in progressing the Scheme, including land acquisitions, planning matters and agreements with the Acquiring Authority.
- 1.8 This Statement of Reasons has been prepared in accordance with the advice given in paragraphs 35 and 36 and Appendix R of ODPM Circular 06/04: Compulsory Purchase and the Crichel Down Rules ("the Circular").

2. DESCRIPTION OF THE ORDER LAND

Sunderland Retail Park

- 2.1 The Retail Park is situated to the north of the River Wear and the City Centre of Sunderland, Tyne and Wear.
- 2.2 The site of the Retail Park, which extends to 6.23 ha, is located approximately 1km to the north of Sunderland city centre. The site is bounded to the west by Newcastle Road, to the south by Monk Street, Shore Street, Roker Avenue and to the west and north by Portobello Lane.
- 2.3 The Retail Park comprises of 12 retail units, a bowling alley and former night club, a McDonalds "drive thru" restaurant and a former Reg Vardy car showroom. The site contains a mixture of buildings with varying scales, design and construction materials. Only three of the retail units are currently occupied (one of which is sub-divided) , the remaining units are vacant with closed security grills and removed advertisement signs. Of the other units, only the Macdonalds and Sunderland Bowl remain in occupation. The general visual appearance is therefore poor. There is also a lot a graffiti which exacerbates this poor appearance.
- 2.4 Ten of the retail units are situated in a linear arrangement which runs north/south along the eastern boundary of the application site. Service yards for the units are accessed from Portobello Lane. The entrance to the retail units faces onto the main central car parking area of the site.
- 2.5 These ten retail units are split into two blocks as shown on the existing site layout plan. Only one of the northern blocks of six units is currently occupied by Netto, the remaining units are vacant.
- 2.6 The southern block comprises four units and only one of these units is currently occupied by Topps Tiles.

- 2.7 The retail units along the eastern boundary of the Retail Park are all constructed in the same materials but vary in size. To the north of the Retail Park are visible signs of vandalism to the walkway canopy, fly tipping and also graffiti to the walls of the retail units.
- 2.8 The remaining retail block is situated within the centre of the Retail Park and has a similar design to the other retail units. The unit has been divided into two being occupied by Farmfoods and Blockbuster. The entrance to both stores is taken from the northern elevation facing towards the car park.
- 2.9 The existing buildings within the Order Land are also of generally poor quality and lack any significant attractiveness that would contribute towards the improvement and regeneration of Sunderland. There are large areas of hard standing and car parking across the Retail Park with very few landscaped features. The public realm around the Order Land is also of a very poor quality.
- 2.10 To the south west of the Retail Park is a McDonalds "Drive Thru" restaurant. Entrance into the restaurant is taken from the northern elevation and the restaurant has its own area of parking surrounding the building.
- 2.11 To the western boundary of the Retail Park adjacent to the entrance off Newcastle Road is the former Reg Vardy car show room. This building is three stories and constructed of metal cladding with a matt silver finish and glazing panels. This unit has a separate access point off Newcastle Road to the north of the entrance to the retail park and can also be accessed from the Retail Park internal road network.
- 2.12 To the north west of the Retail Park is the bowling alley and former nightclub which is a large, dated building constructed of facing brickwork, metal cladding with some wooden panelling. The bowling alley is built on stilts with the car parking area underneath.
- 2.13 To the west of the Retail Park beyond Newcastle Road is a mix of single storey and two storey terraced residential properties and some multi storey residential blocks. Further to the south west of the site is the Stadium of Light, home to Sunderland AFC.
- 2.14 Immediately to the south of the Retail Park is an area of industrial units. Some of the units are single storey flat roof red brick/ metal clad buildings whilst older multi storey red brick buildings with pitched roofs have also been utilised for industrial space. The area beyond Roker Avenue has some larger comparison retail stores such as Floors to Go and Franks Furniture Store. To the east, the Allied Carpet store is now operated by Aldi.
- 2.15 There are also two listed buildings to the east of the Retail Park; the church of All Saints and the vicarage of All Saints. In between the site and the listed

buildings is an area of residential properties comprising of two and three storey dwellings and a large two storey brick storage warehouse which is currently occupied by Low Fell Removals.

- 2.16 To the north of the church of All Saints is an area of housing comprising of a mixture of one, two and three storey dwellings with a variety of styles including detached, semi detached and terraced.
- 2.17 To the north of the site is the Metro Line with the Stadium of Light Metro station and a further area of parking which provides a park and ride scheme into Sunderland city centre. Beyond the parking area is Portobello Lane.
- 2.18 No part of the Retail Park is within any conservation area, nor does it contain any nationally listed buildings, although as described above, there are two listed buildings to the east of the Retail Park; the church of All Saints and the vicarage of All Saints.
- 2.19 A plan showing the location and extent of the Retail Park is attached to this Statement at **Appendix 1**.

The Order Land

- 2.20 The Order Land, which is shown shaded pink and edged red on the map that accompanies the Order, comprises;
 - 2.20.1 the retail block in the centre of the Retail Park site that is divided and occupied by Farmfoods Limited and Blockbuster Entertainment Limited;
 - 2.20.2 the unit to the south west of the site which is occupied by Macdonald's restaurants limited as a "drive thru" restaurant; and
 - 2.20.3 the unit occupied by Netto Foodstores Limited on the eastern side of the site.
- 2.21 The Macdonald's unit has its own car parking area whilst the Farmfoods/Blockbuster and Netto units share car parking with the other units within the Retail Park.
- 2.22 The Farmfoods/Blockbuster and Netto units are of brick construction with metal cladding. They are around three storeys in height, with a flat roof. The Macdonald's unit is also of brick construction containing large windows. It has a flat roof which is concealed by a low tiled hipped roof around the edge of the building and is single storey.

Transport

- 2.23 The Retail Park lies adjacent to major bus routes and has good public transport accessibility to the surrounding areas. The nearest bus stops for travel to the south (into Sunderland city centre) are located adjacent to the western boundary of the Retail Park on Newcastle Road and there are also bus stops located on North Bridge Street.
- 2.24 For travel to the north of the Retail Park the nearest bus stop is located on North Bridge Street. There are also bus stops to the south and east of the Retail Park which provide bus links to the residential areas to the north and east.
- 2.25 To the north of the Retail Park is the Stadium of Light Metro station which links the Retail Park to the wider Tyne and Wear region. At present there is no direct link from the Metro station into the Retail Park. Access to the Metro Station is taken via Portobello Lane to the east of the Retail Park.
- 2.26 The main vehicular access into the Retail Park is from Newcastle Road and this access is controlled by traffic signals. There is a smaller junction that provides access into the Retail Park from Shore Street/Roker Avenue to the south. Service access for the retail units within the Retail Park is taken from Portobello Lane.
- 2.27 Car parking on the Retail Park is available for the customers of the retail park. At present there are 463 car parking spaces including the provision of disabled customer parking bays. There is no car park management scheme currently used on the Retail Park.

Accessibility

- 2.28 The Retail Park lies within an urban area of Southwick approximately 1km from Sunderland City Centre. It is surrounded by large areas of residential development making it an accessible destination for a large number of people as detailed in the following sections.

Pedestrian links

- 2.29 Pedestrian access into the Retail Park can be taken adjacent to the vehicular access points from Newcastle Road and Shore Street/Roker Avenue. A pedestrian walkway is also provided from the east of the Retail Park linking the retail units and Portobello Lane. This walkway runs between the northern retail block and southern retail block and is partially covered by a canopy.

Environmental Quality

- 2.30 The majority of the Retail Park is dominated by medium to large commercial units of which only three (one of which is subdivided) of the twelve retail units on the site are occupied. The site currently shows signs of vandalism. This

combined with the high level of vacant units decreases the perception of safety within the Retail Park.

- 2.31 The remainder of the Retail Park is car parking with very limited landscaping of limited amenity value.

3. THE CPO POWERS

- 3.1 Section 226(1)(a) of the 1990 Act provides a local planning authority with the power to compulsorily acquire land where an acquiring authority thinks the acquisition will facilitate the carrying out of development, redevelopment, or improvement on or in relation to the Order Land. The power in section 226(1)(a) must only be used where the acquiring authority thinks the development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of its area.
- 3.2 ODPM (now DCLG) Circular 06/2004 provides guidance to acquiring authorities on the use of compulsory purchase powers and the Council have taken full account of this guidance in making this Order. For the reasons set out in this Statement of Reasons, the Acquiring Authority thinks that the acquisition of the Order Land will facilitate the development, redevelopment and improvement of the Order Land. It is also considered that the redevelopment will lead to an improvement in the environmental, social and economic well being of the area as will be explained.
- 3.3 Paragraph 17 of the Circular sets out the key test that must be applied by the Council in considering whether to make a compulsory purchase order; that is to say that a *"compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected. Regard should be had, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights..."*. This guidance also encapsulates the test required to be applied to strike a fair balance under Article 1 of the First Protocol to the Convention to justify the deprivation of possessions in the public interest.
- 3.4 On 1 December 2010, the Acquiring Authority resolved in principle to use their CPO powers under section 226(1)(a) of the Town and County Planning Act 1990 to facilitate the development of a new supermarket at Sunderland Retail Park, and provide the associated infrastructure and public realm improvements and carry out all necessary preparatory work, including entering into appropriate agreements to deliver the Scheme. However, the Acquiring Authority resolved to only use their CPO powers if it became necessary after the Developer had

attempted to acquire the outstanding interests by negotiation and those interests could not be acquired.

4. **NEED, PURPOSE AND JUSTIFICATION**

Need for regeneration of Sunderland Retail Park

- 4.1 The physical appearance of the Retail Park is described in **Section 2** above. Notably, it contains a mixture of primarily dilapidated buildings with varying scales, design and construction materials. Although the Retail Park occupies a site which is a gateway to the City Centre, it is failing and only seven of the retail units are currently occupied, the remaining units are vacant with closed security grills and removed advertisement signs. The general visual appearance is therefore poor.
- 4.2 The lack of occupiers and the run down appearance of the Retail Park serves to exacerbate the perception of crime and has led to vandalism such as graffiti which worsens the appearance.
- 4.3 Whilst the Retail Park is in an accessible location, there are a few safe crossings over the surrounding highways network into the site and it suffers from poor permeability for pedestrians.
- 4.4 The Retail park currently has a high level of vacant units and therefore is not providing the maximum levels of employment opportunities that could be achieved.
- 4.5 A number of the wards surrounding SRP have some of the highest unemployment figures within Sunderland. Issues with the labour market in Sunderland are identified in Sunderland Economic Masterplan (adopted September 2010) ("the Economic Masterplan") which notes that Sunderland still suffers from high unemployment and a low skills base. The Economic Masterplan further notes that the situation is inextricably linked with deprivation, low educational attainment and low skills. Combined, these produce a major drag on Sunderland's ability to fulfil its economic potential. The area also experiences higher levels of poor health and crime than the national average.
- 4.6 The Indices of Multiple Deprivation 2007 published by DCLG measures overall multiple deprivation at a small area level (referred to as Lower Super Output Areas (LSOAs)). There are 188 LSOAs in Sunderland and 4 of the most 20 deprived LSOAs in the City are situated within close proximity to the Retail Park.
- 4.7 Within the North East Regional Economic Strategy (RES) Section D sets out the region's key challenges in relation to increasing employment and skills for people within the North East.

- 4.8 The second key challenge discussed within this section of the RES is to tackle worklessness through a variety of coordinated techniques in an aim to bring back many of the people in the North East on incapacity benefit back into the labour market. The RES goes on to state that by *'Linking areas of economic opportunity to deprived communities [could] address the concentrations of deprivation around the region.'*

Need for retail investment

- 4.9 In terms of access to facilities for local residents, The Sunderland Retail Needs Assessment produced by Roger Tym & Partners (published in September 2009) found that there is a localised deficiency in convenience goods provision in the north of the administrative area of Sunderland along with a qualitative need for additional food and grocery provision.
- 4.10 There is also currently significant trade leakage from the area of convenience expenditure to the Asda store at Boldon Colliery, which lies outside the Sunderland administrative area.
- 4.11 The Sunderland Economic Masterplan highlights the need in Sunderland for new and better shops. Whilst addressed in the context of the City Centre, the masterplan highlights the issues connected with the loss of trade to rival retail centres which has had a detrimental effect on the City economy. In the case of the Retail Park, there are no sites within the City Centre upon which the Scheme could be accommodated and impacts on the City Centre are acceptable. Accordingly, the only way to address trade leakage is to address the quality of retail provision at the Retail Park.

Need for compulsory acquisition

- 4.12 The Order Land is an urban area in multiple ownership. In order to assemble the land required for the Scheme, Mountview and the Developer, in advance of (and alongside) the CPO process, has made efforts to acquire all interests in the Retail Park by private treaty. This has been relatively successful and has resulted in the position that a significant proportion of the land is now in the ownership or control of the Developer.
- 4.13 Following the grant of planning permission for the Scheme, Mountview transferred its land interests at the Retail Park to the Developer.
- 4.14 Although the Developer owns the majority of the freehold interests in the Retail Park, there are three units within the retail park (one of which is sub-divided), subject to leases, that will need to be acquired in order to allow the Scheme to proceed. The drawing contained in **Appendix 2** overlays the proposed scheme on top of the existing units to be acquired to illustrate graphically why these units must be acquired.

- 4.15 The units are also described in the schedule of interests contained in **Appendix 3** and next to each plot there is a narrative explaining the reasons why the interest must be acquired to progress the Scheme.
- 4.16 In summary however, the car parking and access arrangements for the Macdonald's and Blockbuster/Farmfoods units must be rearranged as part of the redevelopment. The Blockbuster/Farmfoods unit will also require re-cladding because it would otherwise have a visually detrimental effect on the wider scheme. The other unit, occupied by Netto, is physically located in an area that is crucial car parking access arrangements and landscaping for the Scheme and accordingly will need to be demolished.
- 4.17 The Developer, through its agent GL Hearn, have led negotiations with the leasehold owners/occupiers of the properties required to implement the Scheme. The current proposal for Blockbuster, Farmfoods and Macdonalds is that the occupiers are retained within the units during and following the construction of the Scheme. The Netto unit would be demolished, but there is an offer to relocate the store to another unit within the development. Notwithstanding these offers, to date it has not been possible to acquire these interests through private treaty, although efforts are continuing.
- 4.18 It is hoped that agreements can be reached with each of the owners through negotiation. However, the use of compulsory purchase powers was required in the event that the attempts to acquire by agreement fail. The approach of making a CPO in parallel with conducting negotiations to acquire the relevant interests by agreement is in accordance with the guidance at paragraph 24 of the Circular.
- 4.19 It is important that all elements of the Scheme must be delivered as a whole and, all of the Order Land is needed to advance this. The range of public benefits and outputs described cannot be achieved through a piecemeal approach, nor through pursuing a lesser scheme, as has been established by the various options considered by the Developer, which are described in **Section 7** below. The Scheme provides a unique opportunity to capture a variety of public benefits which will contribute towards the achievement of the planning and regeneration objectives for the area. There are no other proposals which could realistically lead to a comparable regeneration. The Acquiring Authority therefore considers that there is a need for the Order to be confirmed in its entirety.
- 4.20 It should be noted that the Acquiring Authority and/or the Developer will continue negotiations with affected parties in an attempt to reach agreement throughout the CPO process, and contact details are provided in **Section 14** below.

Purpose

- 4.21 Planning permission has been granted for the Scheme (ref: 08/03336/OUT) described in **Section 9** below, which the Acquiring Authority believes will address the need for regeneration and retail investment described above.
- 4.22 The proposed compulsory acquisition of the Order Land will facilitate the carrying out of the comprehensive redevelopment of the wider Retail Park for the Scheme.
- 4.23 The Scheme will regenerate the Retail Park physically and economically, bringing with it new jobs, investment and positive environmental benefits. The proposed superstore will be designed to the highest quality to ensure that it complements its surroundings and that it is easily accessible for all users.
- 4.24 The Scheme will give rise to the following benefits:
- 4.24.1 The superstore element of the Scheme will meet the quantitative need for additional food and grocery provision in the Sunderland North area, and will reduce the leakage of convenience expenditure to the Asda store at Boldon Colliery. This will improve access to facilities for local people and will assist with the economic revitalisation of the area by ensuring that local trade is retained.
 - 4.24.2 It will improve the retail offer of Sunderland Retail Park by offering five retail units alongside the new foodstore and retaining the two retail units occupied by Farmfoods and Blockbuster as well as the Macdonald's restaurant. This will attract other businesses into the area and increasing footfall into the SRP thereby having a catalytic effect, which will further assist local economic conditions.
 - 4.24.3 It is estimated that the foodstore element of the Scheme alone will generate 400 full time and part jobs on the Site compared to the existing 50 jobs estimated to be on site at the moment. This excludes additional jobs created within the construction period. It is predicted that the majority of the jobs created on the site will go to residents within the surrounding local areas, which this report has noted are in much need of employment opportunities. Increasing the level of employment within the local area should in turn increase the income for local residents allowing them to have an increased disposable income.
 - 4.24.4 The retention of expenditure within the local area is likely to have a knock-on effect as a large superstore can act as an anchor for other businesses within the area, as a result of the increased likelihood of linked trips. The overall affect of the development can be a catalyst for

further regeneration of the surrounding area, North Bridge Street in particular.

- 4.24.5 The design of the new food retail store will incorporate sustainable design features to promote energy efficiency, minimise any impact on the environment and ensure the store is operated in as sustainable a manner as is currently possible.
 - 4.24.6 At present the Retail Park has a high level of vacant units, some of which have been vandalised and these factors detract from the visual appearance of the Retail Park and affect visitors' perspective of the safety of the Retail Park. The proposal will provide an enhanced landscape buffer around the perimeter of the Retail Park and throughout the car park. This landscaping buffer will also provide an improved habitat area for wildlife within the Retail Park and could also attract further wildlife found within the urban area to the Retail Park.
 - 4.24.7 The Scheme will improve visitors' perception of safety within the site through increased security measures, natural surveillance from the occupied retail units and increased visitor numbers. The proposed external lighting scheme will also improve the appearance of, and perception of safety within the Retail Park.
 - 4.24.8 The Scheme includes various improvements to the surrounding highway network and seeks to provide a number of safe crossings into the site from the surrounding area, thereby improving accessibility.
 - 4.24.9 The provision of a pedestrian walkway will significantly improve access to the Stadium of Light Metro station to the north of the Retail Park. The incorporation of a bus stop in a central location within the Retail Park will further enhance access to public transport in a site which is in close proximity to a Metro station and a range of bus services.
 - 4.24.10 Measures taken to improve pedestrian access to and within the Retail Park, the provision of cycle parking facilities, and improved access to public transport services aim to encourage the use of more sustainable modes of transport, and reduce the impact of the development on traffic congestion and pollution.
- 4.25 The development of the Scheme would substantially improve the visual appearance of the Retail Park which currently has several vacant units and suffers from vandalism. Increased occupancy, the provision of a new external lighting scheme and landscaping on the redeveloped Retail Park would reduce perceptions of crime. This would constitute a marked improvement to the environmental wellbeing of the area. The Scheme would provide an attractive retail environment of a contemporary design with much needed quantitative and

qualitative improvement to convenience and comparison goods provision. This will improve the public perception of the area with the effect of clawing back trade thereby stimulating economic growth and new jobs which would benefit local people. The Scheme will therefore stimulate improvements to the social and economic wellbeing of the area.

4.26 As a consequence, when applying the statutory tests in Section 226(1)(a) and s.226(1A) of the 1990 Act the Acquiring Authority considers that the proposed use of CPO powers in this instance is likely to contribute to the promotion or improvement of the economic, social and environmental well-being of the Acquiring Authority's area.

4.27 In addition, in the light of the substantial physical, social and economic benefits that would arise from the Scheme, the Acquiring Authority considers that there is a compelling case in the public interest to justify the use of CPO powers in order to facilitate the development of the Scheme.

5. **CONSULTATION**

5.1 As the Scheme has been revised, the amended proposals were displayed on 14 June 2010 at a public consultation event held at Monkwearmouth Library in Sunderland. The event was well attended and the applicants received a number of verbal comments in support of the application. Full details of the public consultation carried out for this proposal are contained within the revised 'Statement of Community Involvement' submitted as part of the planning application together with comments made via the feedback forms.

5.2 Mountview and the Developer also undertook extensive pre-application discussion with the local community and other stakeholders, including the Acquiring Authority. These discussions helped guide the proposals through a number of iterations to allow for comments and suggestions to be taken into consideration

6. **STATEMENT OF PLANNING POSITION RELEVANT TO THE SCHEME**

Planning Policy

6.1 The local development plan for the Sunderland area comprises the saved policies contained in the Council's Unitary Development Plan 1998, as revised by Alteration Number 2 to the Development Plan adopted in September 2007 ("the UDP").

6.2 The Retail Park is located on the inset plan for Monkwearmouth in the UDP proposals map. The UDP explains that an inset plan was required for Monkwearmouth because major change was anticipated in the locality including

significant new commercial and residential developments, environmental enhancements and improvements to transport infrastructure.

- 6.3 Parts of the Retail Park site are covered by saved Policy NA44 which allocates the land for a mixture of uses including retailing and other main town centre uses subject to the application of the sequential test and a retail impact assessment. This policy also identifies the need for development to contribute to a balanced distribution of facilities accessible to all sectors of the community, on foot and by a range of transportation.
- 6.4 The explanation to NA44 states that the locality is highly accessible from a wide area by bus and car and in future by a proposed Metro Station (which now exists at the northern end of the Retail Park). In addition, there is a large population within the densely populated residential areas to the north, west and east of the location. The UDP recognises that the area is highly suitable as a focus for retail and commercial activity and that there is a clear opportunity to regenerate this high profile, but presently unattractive, locality and to effect environmental improvements to this gateway site.
- 6.5 The south western corner of the Retail Park falls within saved Policy NA48 which seeks to promote environmental improvements to the commercial buildings in the area north of Roker Avenue and to upgrade the visual environment in this locality.
- 6.6 The key saved retail policy is S1 which seeks to enhance the City's shopping provision by encouraging a wide range of attractive, well distributed facilities to meet future shopping and related needs. The policy provides that new retail development will be based in existing centres whilst development elsewhere will be subject to the sequential test, be in accordance with other policies in the UDP, should complement existing facilities and be accessible to all groups by a variety of modes of transport.
- 6.7 Economic development policy EC1(iv) of the UDP provides that the Council will encourage development proposals and initiatives which target areas of economic and social deprivation.
- 6.8 Further, Policy EC3(iv) states that the Council will support new economic development which involves the re-use and enhancement of previously developed sites.
- 6.9 As part of the emerging Local Development Framework, the Council agreed a revised version of its Core Strategy Preferred Options in March 2010. Although relatively little weight can be given to the Strategy at this stage, it provides up to date and continued confirmation of the underlying principles behind the saved policies in the UDP.

6.10 The following preferred options policies are relevant to the proposed development at SRP: -

6.10.1 **CS1 Spatial Development, Growth and Regeneration in Sunderland**

6.10.2 This policy seeks to achieve a sustainable spatial distribution of economic development in the City including new retail development. It states that the priority for new convenience retailing will be focused towards the City Centre, Houghton-le-Spring Town Centre and North Sunderland.

6.10.3 The supporting text refers to the findings of the City wide Retail Needs Assessment for Sunderland produced in September 2009 as part of the evidence base for the LDF. This Assessment highlighted the localised qualitative deficiencies in convenience goods provision in North Sunderland and Houghton Town Centre.

6.10.4 In relation to North Sunderland, the Zone encompassing the Castletown, Monkwearmouth and Southwick areas (Zone 2) has the lowest convenience goods retention rate in the City with most residents in this Zone travelling to the Asda store in Boldon Colliery in neighbouring South Tyneside for their convenience shopping (Zone 9). As a consequence, there is a quantitative and qualitative need to clawback this substantial leakage of convenience expenditure out of the City to Boldon.

6.10.5 **CS8 Sunderland North**

6.10.6 This policy promotes the transformation of the Sunderland North area in the period up to 2026. The centre of Monkwearmouth will be revitalised and strong linkages will allow it to provide a complimentary retail and leisure role to the city centre.

6.10.7 The supporting text recognises the existing localised deficiency in convenience provision and that the current retail provision in North Sunderland is not well distributed. It provides that new retail development will be encouraged which provides high quality retail facilities to serve the sub-area.

6.11 In terms of national planning policy, the following are of particular relevance to the Scheme:

6.12 Planning Policy Statement 1: Delivering Sustainable Development (2005) sets out the Government's vision for planning and the key policies and principles which should underpin the planning system. PPS1 notes that one of the key objectives

of planning should be to make suitable land available for development in line with economic, social and environmental objectives to improve people's quality of life. It should contribute to sustainable economic development, ensure high quality development and ensure that development supports existing communities providing good access to jobs and key services for all members of the community.

- 6.13 PPS1 also states that planning authorities should promote urban regeneration to improve the wellbeing of communities and their facilities, including improved access to shops.
- 6.14 Planning Policy Statement 4 - Planning for Sustainable Economic Growth (2009) sets out the Government's overarching objective of achieving sustainable economic growth. It states that planning applications that secure such growth should be treated favourably.
- 6.15 For retail developments that are not in an existing centre and are not in accordance with an up to date development plan, PPS4 requires that the applicant undertakes a sequential assessment to determine whether an alternative, town centre or edge of centre site could accommodate the proposal and is available, suitable and viable. A retail impact assessment is also required to determine the level of impact that the proposal will have on existing centres and out of centre allocated sites.
- 6.16 In relation to regional planning policy, the Regional Spatial Strategy for the North East (2008) sets out a long term strategy for the scale, location and phasing of development in the region. The Strategy promotes an urban and rural renaissance, the sustainable development of the region and a sequential approach to development proposals. The Strategy includes the following specific references to Sunderland:
 - 6.16.1 The concentration of the majority of new development to be in Sunderland and Washington with development to meet local needs in Houghton and Hetton;
 - 6.16.2 Regeneration of central Sunderland is supported with economic, retail and leisure development to be focused on the city centre.
- 6.17 The Regional Economic Strategy 2006-2016 (Leading The Way) has at its primary objective an increase from 80% to 90% GVA (Gross Added Value) per head by 2016. This is to be achieved by:
 - 6.17.1 tackling worklessness and unemployment to increase economic activity;

- 6.17.2 creating 61,000 to 73,000 new jobs by 2016;
- 6.17.3 improving productivity;
- 6.17.4 raising GVA;
- 6.17.5 creating 18,500 to 22,000 new businesses by 2016.

Planning permission

- 6.18 Following public consultation, revisions to outline planning application (ref: 08/03336/OUT) were received by the Council on 5 August 2010 on behalf of Mountview.
- 6.19 The comprehensive redevelopment of the Retail Park in accordance with the revised planning application is supported by site specific policies NA44 and NA48 and economic policies EC1(iv) and EC3(iv) of the Council's UDP. In addition, the development accords with key retail policy S1 as it will meet the established need for additional convenience provision in Sunderland North and will seek to clawback the current substantial leakage of convenience expenditure from outside the City.
- 6.20 Further, the comprehensive redevelopment of SRP is also consistent with policies CS1 and CS8 of the emerging Core Strategy.
- 6.21 The Scheme is also supported by PPS1 and PPS4 since it will help to promote sustainable economic growth and provide local communities with better access to facilities such as shops. The retail assessment submitted with the planning application also satisfied the requirements of PPS4. In particular it has been demonstrated that there are no sequentially preferable sites in the town centre or on edge of centre sites to accommodate the need which the particular development at SRP is intended to meet, namely the established need for additional convenience provision in North Sunderland and to successfully clawback the retail expenditure currently lost from the Sunderland area. In addition, the retail impact assessment has concluded there is no clear evidence that the development proposals at SRP would have a significant adverse impact on existing centres
- 6.22 In addition the Scheme is also compatible with the RSS and the key objectives of the Regional Economic Strategy.
- 6.23 The Scheme is therefore in accordance with the development plan and the emerging planning framework for the area as well as relevant regional and national planning policy. Outline planning permission was therefore granted for the Scheme by the Council on 27 October 2010.

6.24 The Developer intends to submit an application for the approval of reserved matters imminently and the Acquiring Authority has already held pre-application discussions with the Developer in connection with the reserved matters submission.

6.25 It follows that there are no planning obstacles which are likely to prevent the implementation of the Order within a reasonable time of its confirmation.

7. THE SCHEME PROPOSALS

7.1 The proposed redevelopment of SRP has been through a number of design iterations prior to an outline planning application being made by the then owner of the site, Mountview, in August 2008. Various options were considered for the siting of the foodstore and its massing, and the scale and siting of the additional retail units, and account was taken of views expressed during public consultation.

7.2 A key consideration was the need for the foodstore to be of a sufficient scale to claw back trade from other stores outside of the City, and to be accompanied by a selection of thriving comparison retail units and/or leisure uses. Having established the scale of development required, the principal considerations for the location and composition of the development were:

7.2.1 The existing layout and the desire to retain existing retail units or to relocate existing occupiers within SRP.

7.2.2 The minimum size requirements of the proposed food retail store.

7.2.3 The highways network and access solution.

7.2.4 The need to provide a more efficient car parking layout and servicing solutions.

7.2.5 The need to ensure an attractive frontage onto key approaches to SRP in order to attract maximum footfall, particularly from the Metro station.

7.3 Following the submission of the initial planning application the Council released the Sunderland Retail Needs Assessment prepared by Roger Tym & Partners (September 2009) and Planning Policy Statement 4 was issued (December 2009). The Council's retail advisors RTP reviewed Mountview's retail assessment and recommended a reduction in the size of the superstore. At the same time, issues of site assembly and scheme content led the Mountview to revisit the scheme and reduce the scale of the foodstore.

- 7.4 Ultimately, despite various design solutions being considered, it was not possible to avoid impinging upon land in which third parties have an interest. The scheme selected was the least intrusive whilst maintaining the key components of the Scheme, notably the store size required to provide the necessary quantum and quality of convenience goods offer to claw back trade and avoid trade leakage, appropriate car parking and access arrangements and ensuring that comprehensive redevelopment was achieved through the creation or replacement of new retail units and the improvement of existing units.
- 7.5 The Scheme for which planning permission was ultimately obtained seeks to regenerate the Retail Park by replacing a number of outdated retail units (Use Class A1) with the construction of a new superstore which has been designed to provide a modern and environmentally friendly environment. An atrium to the western elevation of the store will provide active frontage onto Newcastle Road. The atrium will also house the traveller which will provide access to the foodstore sales area located at the first floor level.
- 7.6 A row of retail units adjacent the store will be retained and refurbished to attract further investment into the area. The scheme will also include provision of car parking, landscaping as well as a mean of access for a range of transport modes. The majority of the store's parking is provided under the store sales area, at ground floor level. In addition an existing Farmfoods, Blockbuster and McDonalds will be retained.
- 7.7 More particularly, the Scheme comprises:
- 7.7.1 The demolition of the majority of the existing buildings on the Retail Park site, including the Bowling Alley and former Reg Vardy car showroom;
 - 7.7.2 The construction of a new food superstore of 16,140m² gross external area (GEA) and net retail sales area of 8,378m²;
 - 7.7.3 The retention and recladding of an existing retail unit of 1,168 m² GEA and 934m² net retail sales area;
 - 7.7.4 The erection of four additional retail units totalling 2,661m² GEA and 2,129 m² net retail sales area;
 - 7.7.5 The retention and recladding of the existing Farmfoods/Blockbuster unit;
 - 7.7.6 The provision of 900 parking spaces to service the entire development;

- 7.7.7 The creation of new vehicular accesses to the site, the reopening of a section of highway to emergency vehicles, and the resurfacing/landscaping and the stopping up of the highway.
- 7.8 The Scheme will also involve a major highway improvement scheme in respect of the adjoining Wheatsheaf gyratory. These works will be carried out pursuant to an agreement between the Developer and the Highway Authority under s278 of the Highways Act 1980.
- 7.9 The Developer has prepared a submission to satisfy the matters reserved by the outline planning permission for the Scheme and has entered into pre-application discussions with the Acquiring Authority (as local planning authority) to discuss the detail of these proposals. It is expected that the Developer will submit its application for approval of reserved matters imminently.

8. DELIVERY AND FUNDING

- 8.1 The Developer will be responsible for the development of the Retail Park pursuant to the planning permission for the Scheme. Tesco has advanced countless retail schemes across the UK and has a huge amount of experience in regenerating brownfield sites. Tesco has already shown significant commitment to the scheme in acquiring the majority of the land comprising SRP as well as obtaining planning permission for the Scheme.
- 8.2 On [DATE] the Council entered into an agreement with the Developer to ensure that the Council is fully indemnified for all costs arising from the compulsory acquisition process, including the costs of acquiring the land and the expenses incurred by the Council in promoting the Order.
- 8.3 Finally, an agreement between the Council and Tesco will be reached pursuant to s. 278 of the 1980 Act, to ensure the delivery of the highway improvements associated with the Scheme.

9. IMPEDIMENTS TO IMPLEMENTATION

- 9.1 Paragraph 22 of the Circular provides:
- 9.2 *"22. In demonstrating that there is a reasonable prospect of the scheme going ahead, the acquiring authority will also need to be able to show that it is unlikely to be blocked by any impediments to implementation. In addition to potential financial impediments, physical and legal factors need to be taken into account. These include the programming of any infrastructure accommodation works or remedial work which may be required, and any need for planning permission or other consent or licence."*
- 9.3 The Developer has confirmed that it controls all land interests in SRP, except those included in the proposed CPO, that are necessary to enable the Scheme to proceed.

- 9.4 The Developer has obtained outline planning permission for the Scheme, described above, and intends to submit its application for approval of reserved matters imminently. The Acquiring Authority considers that there is no reason obvious reason why approval to such details would be withheld.
- 9.5 Other potential impediments are in the process of being resolved. Notably, the Developer required a stopping up order to be made in respect of certain highways affecting the Retail Park. An application was made by the Developer under s.247 of the 1990 Act and the Secretary of State made the stopping up order on 21 January 2001 (copy contained in **Appendix 4**). This was advertised on 7 February 2011.
- 9.6 An agreement under section 278 of the Highways Act 1980 is currently being negotiated in order to secure the improvement of the highways infrastructure around SRP and this is expected to be completed shortly.
- 9.7 Accordingly, the Scheme is not likely to be blocked by any impediment to implementation.

10. **NEGOTIATIONS**

- 10.1 Paragraphs 28 and 29 of the Circular provide:

"28. As compulsory purchase proposals will inevitably lead to a period of uncertainty and anxiety for the owners and occupiers of the affected land, it is essential that the acquiring authority keeps any delay to a minimum by completing the statutory process as quickly as possible. This means that the authority should be in a position to make, advertise and submit a fully documented order at the earliest possible date after having resolved to make it. The authority should also take every care to ensure that the order is made correctly and under the terms of the most appropriate enabling power.

29. An acquiring authority may offer to alleviate concerns about future compensation entitlement by entering into agreements with those whose interests are directly affected. These can be used as a means of guaranteeing the minimum level of compensation which would be payable if the acquisition were to go ahead (but without prejudicing any future right of the claimant to refer the matter to the Lands Tribunal), including the basis on which disturbance costs would be assessed."

- 10.2 The Developer, through its agent GL Hearn, has led negotiations with the leasehold owners/occupiers of the properties required to implement the Scheme. The current proposal for Blockbuster, Farmfoods and Macdonalds is that the occupiers are retained within the units during and following the construction of the Scheme. The Netto unit would be demolished, but there is an offer to relocate the store to another unit within the development. Notwithstanding these offers, to date it has not been possible to acquire these interests through private treaty, although efforts are continuing.

- 10.3 It is hoped that agreements can be reached with each of the owners through negotiation. However, the use of compulsory purchase powers is required in the event that the attempts to acquire by agreement fail. The approach of making a CPO in parallel with conducting negotiations to acquire the relevant interests by agreement is in accordance with the guidance set out in the above paragraphs of the Circular.
- 10.4 It is the Acquiring Authority's intention that negotiations be continued up to and following the inquiry in order to seek to reach agreement if reasonably possible.

11. HUMAN RIGHTS CONSIDERATIONS

- 11.1 Section 6 of the Human Rights Act 1998 prohibits public authorities from acting in a way which is incompatible with rights protected by the European Convention on Human Rights ("the Convention").
- 11.2 The position is conveniently summarised in paragraph 17 of Part 1 of the Memorandum to ODPM Circular 06/2004, which states that a compulsory purchase order should only be made where there is *"a compelling case in the public interest"*. The Circular makes it clear that an acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected. In making this assessment, an acquiring authority should have regard, in particular, to the provisions of Article 1 of the First Protocol and Article 6 of the Convention and, in the case of a dwelling, Article 8 of the Convention. These are summarised and considered below.
- 11.3 ***Article 1 of the First Protocol states that:***
- "...Every natural or legal person is entitled to peaceful enjoyment of his possessions" and "no one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by the law and by the general principles of international law..."*
- 11.4 Whilst occupiers in the Order Land will be deprived of an interest in their property if the Order is confirmed, this will be done in accordance with the law given the provisions of s. 226 and the Acquisition of Land Act 1981. The Order is being pursued in the public interest as required by Article 1 of the First Protocol. The public benefits associated with the Scheme are set out earlier in this Statement.
- 11.5 The European Court of Human Rights has recognised in the context of Article 1 of the First Protocol that *"regard must be had to the fair balance that has to be struck between the competing interests of the individual and the community as a whole"*. Both public and private interests are to be taken into account in the exercise of the Acquiring Authority's powers and duties.

- 11.6 In pursuing the Order, the Acquiring Authority has carefully considered the balance to be struck between the effect of acquisition on individual rights and the wider public interest in the redevelopment of Sunderland Retail Park. Interference with Convention rights is considered by the Acquiring Authority to be justified here, and proportionate, in order to secure the economic, social, environmental and public benefits which the Scheme will bring.
- 11.7 The Acquiring Authority considers that the Order will strike a fair balance between the public interest in the implementation of the Scheme and those private rights which will be affected by the Order. It should also be noted that it is the intention of the Developer to retain the affected occupiers within the Retail Park and to assist where possible in mitigating any disruption caused throughout the development of the Scheme.
12. **Paragraphs 7.1-7.4** above describe the various options that were considered by Mountview and Tesco prior to submitting the revisions to their outline planning application. It is clear for the reasons there set out that the option selected involves the least possible intervention whilst maintaining the integrity of the Scheme and delivery of the public benefits identified in this report.
- 12.1 As part of its planning application, Mountview and Tesco were required as part of a Retail Impact Assessment to consider alternative sites. This found that *"there are no suitable, viable or available in centre or edge-of centre sites for an appropriately scaled superstore to serve primarily the residents of North Sunderland"*. In any event the Retail Park is in need of regeneration and other than the Scheme, there are no competing proposals for its redevelopment or refurbishment. The Developer also owns the majority of the site and so it seems unlikely that another preferable proposal would come forward for the regeneration of the Retail Park. Indeed, if it were not for the Scheme, it is likely that the Retail Park would continue to fail and that the social, economic and environmental conditions of the surrounding area would worsen.
- 12.2 Consideration has also been given to whether the legitimate aim of securing the regeneration of the area can be achieved by means which are less interfering of individuals' Convention rights. Alternative approaches to securing the regeneration of Sunderland Retail Park have been considered. For example, for the developer to seek to progress the development without the support of the Council's CPO powers. However, there is no certainty that the Developer would be able to secure the necessary interests in the site to carry out the comprehensive redevelopment proposed and to acquire any third party interests that could potentially impede the development proposals, thereby putting at significant risk the delivery of this significant economic and physical regeneration project.

- 12.3 Those directly affected by the Order will also be entitled to compensation proportionate to any losses that they may incur as a result of the acquisition. Compensation will be payable in accordance with the Compulsory Purchase Code, assessed on the basis of the market value of the property interest acquired, disturbance, statutory loss payment and where appropriate home loss payments. The reasonable surveying and legal fees incurred by those affected will also be paid by the Acquiring Authority. The Compulsory Purchase Code has been held to be compliant with Articles 8 and Article 1 of the First Protocol.
- 12.4 Accordingly, the Acquiring Authority considers that such interferences as may occur with the pursuance of the Order are in accordance with the law, pursue a legitimate aim, namely the promotion and improvement to the environmental, social and economic wellbeing of the area, and are proportionate having regard to the public interest that the Scheme will bring.
- 12.5 **Article 6 of the Convention** provides that:
- "In determining his civil rights and obligations...everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law"*
- 12.6 The Scheme has been extensively publicised and consultation has taken place with communities and parties that will be affected by the Order. All those affected by the Order will be notified, will have the right to make representations and/or objections to the Secretary of State for Communities and Local Government, and to be heard at a public inquiry. There is also a right to seek a statutory review by the High Court of the Secretary of State's decision. It has been held that the procedures are compliant with Article 6.

SPECIAL CONSIDERATIONS

- 12.7 There are no ancient monuments or listed buildings within the Order Land. There are also two listed buildings to the east of the site; the church of All Saints and the vicarage of All Saints. However, these will not be detrimentally impacted by the proposed CPO or planning permission as implemented.
- 12.8 The Order Land is neither special category nor consecrated land and it does not fall within the boundaries of a conservation area.

13. VIEWS OF THE GOVERNMENT DEPARTMENTS

- 13.1 No specific views have been expressed.

14. RELOCATIONS

- 14.1 As explained elsewhere in this statement of reasons, the Developer has indicated its willingness to retain the current occupiers within the redeveloped Retail Park.

Each occupier has been invited to enter into discussion with the Developer on this basis. As such, it is not necessary to consider an alternative relocation strategy.

- 14.2 The Developer's agent David Napier of GL Hearn should be contacted in the first instance with regard to any queries relating to acquisitions and proposed agreements that would allow retention of the current occupiers within the Retail Park. G L Hearn's contact details are as follows:

David Napier

GL Hearn

20 Soho Square

London W1D 3QW

Tel: 0207851 4918

15. **RIGHTS, EASEMENTS, ETC**

- 15.1 It is intended that a General Vesting Declaration ("GVD") or Declarations will be made by the Acquiring Authority in respect of the Order Land in the event that the compulsory purchase powers are confirmed by the Secretary of State. It is also the intention of the Acquiring Authority that all easements, covenants, rights and other interests in the land included in such a GVD shall be acquired/overridden. Mortgages and rentcharges, save those that have been excluded from the Order expressly, are to be dealt with in accordance with Sections 14, 17 and 18 of the Compulsory Purchase Act 1965.

16. **RELATED ORDERS**

- 16.1 A stopping up order under section s247 of the Town and Country Planning Act 1990 is required to stop up highways within the Retail Park. This was advertised by Government Office North East on 20th December 2010, and the objection period has expired without any objections. The Secretary of State therefore made the stopping up order on 21 January 2011, a copy of which is contained in **Appendix 4**, and this was advertised on 7 February 2011. This will not therefore present an impediment to the Scheme proceeding.
- 16.2 The highways to be stopped up are shown on the plan that accompanies the stopping up order.

17. **REFERENCE TO THE INQUIRY RULES**

- 17.1 This Statement of Reasons is not a statement under Rule 7 of the Compulsory Purchase (Inquiries Procedure) Rules 2007 and the Council reserves the right to alter or expand it as necessary.

18. **LIST OF DOCUMENTS**

18.1 **Acquiring Authority reports**

18.1.1 Report to the Planning and Highways Committee dated 5 October 2010

18.1.2 Report to the Cabinet dated 1 December 2010

18.1.3 Report to the Cabinet dated 16 February 2011.

18.2 **Planning documents**

18.2.1 Design and Access Statement for Sunderland Retail Park dated June 2010 prepared by DPP LLP.

18.2.2 Retail Assessment dated 24 June 2010 prepared by DPP LLP.

18.2.3 Planning Statement dated June 2010 prepared by DPP LLP.

18.2.4 Review of Applicant's Retail Assessment dated September 2010 prepared by RTP.

18.2.5 Planning permission for the Scheme ref: 08/03336/OUT relating to Sunderland Retail Park

18.3 **Planning and economic policy documents**

18.3.1 City of Sunderland UDP adopted plan 1998

18.3.2 City of Sunderland UDP alteration No.2 (Central Sunderland) adopted September 2007.

18.3.3 Sunderland UDP Sunderland Economic Masterplan adopted [].

18.3.4 City of Sunderland Core Strategy draft revised preferred options (March 2010).

18.4 **Related orders**

18.4.1 Stopping up order made by the Secretary of State on 21 January 2011.

18.5 **Plans**

- 18.5.1 Plan showing Sunderland Retail Park
- 18.5.2 Illustrative Scheme layout drawing.
- 18.5.3 Plan showing the Scheme overlaid on the plots comprised within the Order Land.

APPENDIX

[TBC]

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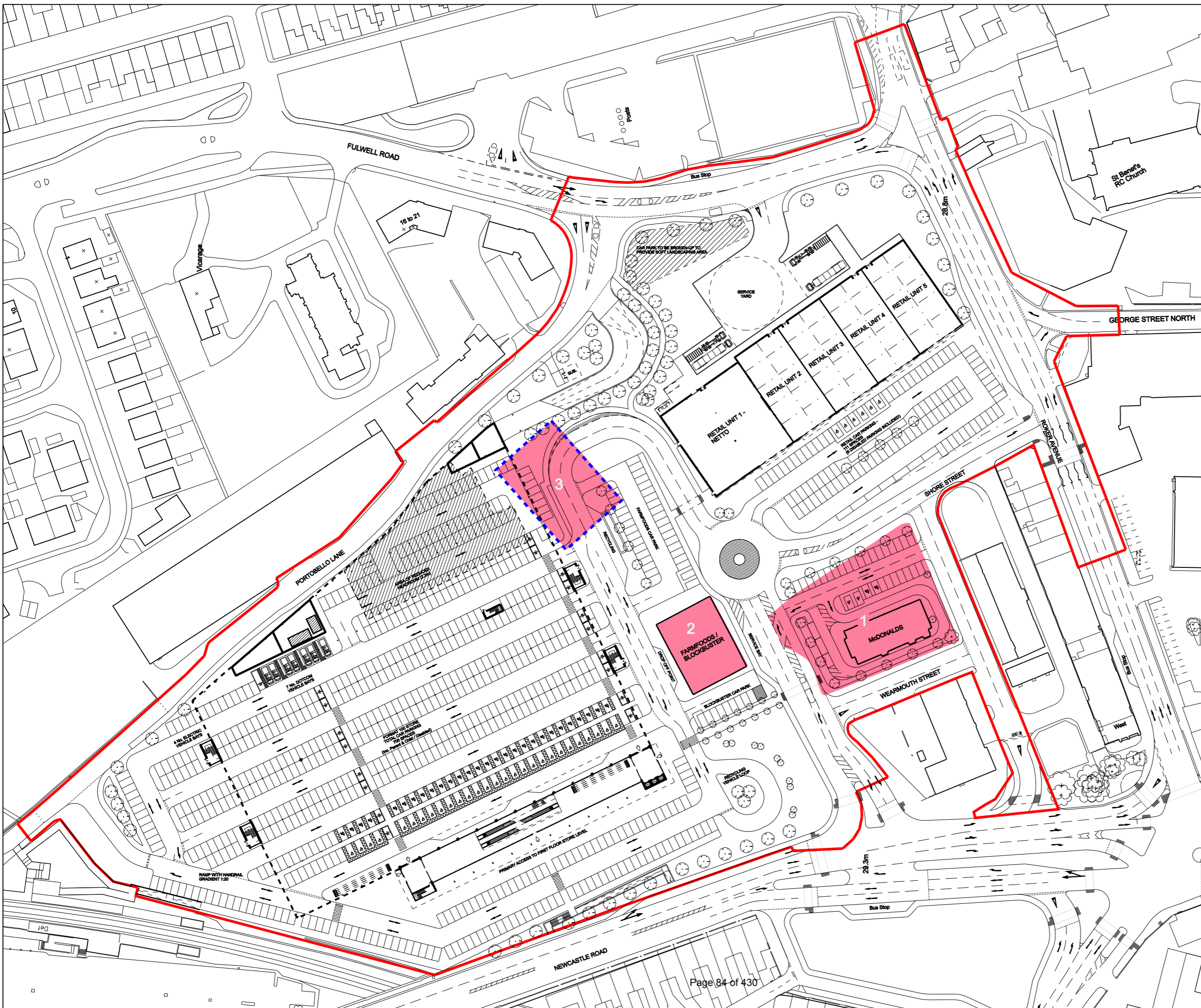
THIS DRAWING INCORPORATES
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PA-2450-CPO-01 (FEB '10)

THIS DRAWING RELATES TO OS MAP
 DATA HENCE MINOR DISCREPANCIES
 TO SURVEY DATA CAN BE EXPECTED.

KEY

- PLANNING APPLICATION SITE BOUNDARY
- CPO NUMBERED PLOTS
- - - EXISTING NETTO STORE



REV A 03.02.11 ISSUED FOR COMMENT AD

REVISIONS

CLIENT

Mountview Securities

PROJECT

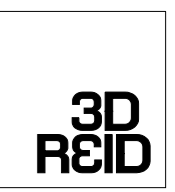
**Sunderland Retail Park
 Newcastle Road
 Sunderland**

TITLE

**Proposed Site Layout with
 CPO Plots Overlay**

SCALE	DATE	DRAWN	CHECKED
1:1250 @A3	FEB 11	AD	DB

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DRAWING No.
073023 - L - 04 A

<p>CABINET MEETING – 1st DECEMBER 2010</p> <p>EXECUTIVE SUMMARY SHEET – PART I</p>
<p>Title of Report: Potential Use of Compulsory Purchase Powers: Land at Sunderland Retail Park, Newcastle Road.</p>
<p>Author(s): Report of the Deputy Chief Executive and the Head of Law & Governance.</p>
<p>Purpose of Report: This report seeks approval in principle to the use by the Council of its compulsory purchase powers for the acquisition of private land interests at Sunderland Retail Park to facilitate the carrying out of the comprehensive re-development of the site. The report also seeks approval to enter into appropriate indemnification arrangements with the developer in respect of the costs of the compulsory purchase process and to the appointment of appropriate professional advisers.</p>
<p>Description of Decision: Cabinet is recommended to:</p> <ol style="list-style-type: none"> i) Agree in principle to the potential use of Compulsory Purchase Order (CPO) powers under Section 226(1)(a) of the Town and Country Planning Act 1990 to acquire land and under Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 to acquire new rights at Sunderland Retail Park to facilitate the carrying out of the comprehensive re-development of the site; ii) Agree that the Deputy Chief Executive and the Head of Law and Governance undertake a land referencing exercise to identify all owners, tenants, occupiers and others with a legal interest in the site and serve requisitions for information under Section 16 of the Local Government (Miscellaneous Provisions) Act 1976 on all potential owners of legal interests in the site; iii) Authorise the Deputy Chief Executive and the Head of Law Governance, in consultation with the portfolio holder, to agree and enter into appropriate indemnification arrangements with the developer in respect of the costs to the Council of the CPO process; iv) Authorise the Deputy Chief Executive to appoint suitable property and legal advisors in respect of the CPO process. v) Agree to receive a further report in due course in respect of the proposed making of the Compulsory Purchase Order once the land referencing exercise is complete and the draft Order with an accompanying statement of reasons have been prepared. vi)

Is the decision consistent with the Budget/Policy Framework?		Yes
If not, Council approval is required to change the Budget/Policy Framework		
Suggested reason(s) for Decision:		
<p>At this stage, it is considered that the proposed compulsory acquisition of land and interests at Sunderland Retail Park will facilitate the carrying out of the comprehensive re-development of the site. The proposed development represents substantial private investment in a currently run-down and unattractive site which is situated at an important gateway to the City. The re-development will secure the physical regeneration of the site and is likely to act as a catalyst for further private investment in the Monkwearmouth area. In addition, it is estimated that the development will generate some 400 new jobs on the site. As a consequence, it is considered that the proposed use of CPO powers in this instance is likely to contribute to the promotion or improvement of the economic, social and environmental well-being of the local area. In addition, in light of the substantial physical, social and economic benefits that would arise from the proposed re-development of Sunderland Retail Park, at this stage it is considered that there is a compelling case in the public interest to justify the use of CPO powers in order to facilitate this development. Planning Permission has been granted for major retail development on the site under Ref: 08/03336/OUT and the proposals are in accordance with national planning policy, the Unitary Development Plan and the emerging Core Strategy.</p>		
Alternative options to be considered and recommended to be rejected:		
<p>The alternative option would be for the developer to seek to progress the development without the support of the Council's CPO powers. However there is no certainty that the developer would be able to secure vacant possession of the site to carry out the comprehensive re-development and to acquire any third party interests that could potentially impede the development proposals, thereby putting at risk the delivery of this significant economic and physical regeneration project.</p>		
Is this a "Key Decision" as defined in the Constitution?	Relevant Scrutiny Committee:	
Yes	Prosperity and Economic Development	
Is it included in the Forward Plan?		
Yes		

POTENTIAL USE OF COMPULSORY PURCHASE POWERS: LAND AT SUNDERLAND RETAIL PARK, NEWCASTLE ROAD.

REPORT OF THE DEPUTY CHIEF EXECUTIVE AND THE HEAD OF LAW & GOVERNANCE

1.0 Purpose of the Report

- 1.1 This report seeks approval in principle to the use by the Council of its compulsory purchase powers for the acquisition of private land interests at Sunderland Retail Park to facilitate the carrying out of the comprehensive re-development of the site.
- The report also seeks approval to enter into appropriate indemnification arrangements with the developer in respect of the costs of the compulsory purchase process and to the appointment of appropriate professional advisers.

2.0 Description of Decision

- 2.1 Cabinet is recommended to:
- i) Agree in principle to the potential use of Compulsory Purchase Order (CPO) powers under Section 226(1)(a) of the Town and Country Planning Act 1990 to acquire land and under Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 to acquire new rights at Sunderland Retail Park to facilitate the comprehensive re-development of the site;
 - ii) Agree that the Deputy Chief Executive and the Head of Law and Governance undertake a land referencing exercise to identify all owners, tenants, occupiers and others with a legal interest in the site and serve requisitions for information under Section 16 of the Local Government (Miscellaneous Provisions) Act 1976 on all potential owners of legal interests in the site.
 - iii) Authorise the Deputy Chief Executive and the Head of Law Governance to agree and enter into appropriate indemnification arrangements with the developer in respect of the costs to the Council of the CPO process.
 - iv) Authorise the Deputy Chief Executive to appoint suitable property and legal advisors in respect of the CPO process.
 - v) Agree to receive a further report in due course in respect of the proposed making of the Compulsory Purchase Order once the land referencing exercise is complete and the draft Order with an accompanying statement of reasons have been prepared.

3.0 Background

3.1 At its meeting on 5th October 2010, the Council's Planning and Highways Committee resolved that it was minded to approve an outline planning application for major retail development at Sunderland Retail Park on behalf of Mountview Securities Investments Ltd, and to refer the planning application to Secretary of State under the terms of the Town and Country Planning (Shopping Development) (England and Wales) (No.2) Direction 1993.

3.2 The Secretary of State subsequently confirmed that he did not wish to call in the application for his own decision, and outline planning permission was subsequently granted by the Council as local planning authority on the 27th October 2010.

3.3 The applicant for planning permission, Mountview Securities Investments Ltd, indicated that the preferred operator for the superstore component of the development was Tesco Stores Ltd, and since the grant of the planning permission it has now been confirmed that Mountview's land interests in the site are to be transferred to Tesco who are to be the developer of the Sunderland Retail Park site and operator of the superstore.

4.0 Details of Proposed Development

4.1 Outline planning permission has been granted for the following comprehensive development at Sunderland Retail Park:

- the demolition of the majority of the existing buildings on the Retail Park site, including the Bowling Alley and the former Reg Vardy car showroom;
- the construction of a new food superstore of 16, 140 sq.m gross external area (GEA) and net retail sales area of 8,378 sq.m;
- the retention and recladding of an existing retail unit of 1,168 sq.m GEA and 934 sq.m net retail sales area;
- the erection of four additional retail units totalling 2,661 sq.m GEA and 2,129 sq.m net retail sales area;
- the retention and recladding of the existing Farmfoods/Blockbuster unit;
- 900 parking spaces to service the entire development;
- the creation of new vehicular accesses to the site, the reopening of a section of highway to emergency vehicles and the resurfacing/landscaping and the stopping up of highway.

The development will also involve a major highway improvement scheme

in respect of the adjoining Wheatsheaf gyratory. These works will be carried out pursuant to an agreement between the Developer and the Council under Section 278 of the Highways Act 1980.

4.2 The developer is to apply to the Secretary of State for an order under Section 247 of the Town and Country Planning Act 1990 to stop-up a section of Wearmouth Street.

The development proposals referred to above will lead to the comprehensive re-development of this currently run-down and unattractive site which is situated at an important gateway to the City. The development will secure the physical regeneration of the site through private sector investment and generate some 400 new jobs on the site.

5.0 Use of Compulsory Purchase Powers

5.1 Section 226(1)(a) of the Town and Country Planning Act 1990 provides the Council with the power to acquire land compulsorily if it is considered that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. This CPO power can be used to assemble a site to facilitate either a public or private sector development. Before exercising this CPO power, the Council must be satisfied that the development proposal is likely to contribute to the achievement of one or more of the following objects, namely the promotion or improvement of the economic well-being of the Sunderland area; the promotion or improvement of the social well-being of the Sunderland area; or the promotion or improvement of the environmental well-being of the Sunderland area. In addition, Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 also provides the Council with a power to acquire new rights over land which may be required in order to enable the implementation of the development, re-development or improvement.

5.2 The extent of the Sunderland Retail Park development site to be the subject of the potential CPO is shown edged red on the plan attached in the Schedule to this report. Although Mountview Securities Investments Ltd/Tesco Stores Ltd own the majority of the freehold interests in the site, there are a small but potentially significant number of parcels of land that are in unknown ownership together with a number of leasehold interests and third party rights that need to be acquired before the re-development scheme described in Section 4 can proceed. Whilst it is to be hoped that with regard to the leasehold interests, agreement to acquire can be reached through negotiation, the use of compulsory purchase powers may be required in the event that the attempts to acquire by agreement fail. The approach of making a CPO in parallel with conducting negotiations to acquire the relevant interests by agreement is in accordance with Government advice contained in the ODPM Circular 06/2004.

5.3 It should be noted that One North East, the Regional Development Agency, previously resolved in principle to use its CPO powers under the Regional Development Agencies Act 1998 to acquire the outstanding interests at the Sunderland Retail Park site in view of the economic and regeneration benefits that would arise from the development proposals. However, the Coalition Government has recently announced that all Regional Development Agencies are to be abolished by no later than March 2012 so it is no longer appropriate for One North East to exercise its own CPO powers to support the scheme. In the circumstances, in view of the substantial physical, social and economic benefits to the City that would arise from the proposed re-development of Sunderland Retail Park, it is now appropriate for the Council to consider the use of its CPO powers to facilitate the development proposals.

6 Next Steps

- 6.1 Should Members be minded to agree in principle to the potential use of the Council's CPO powers to facilitate the Sunderland Retail Park development, it will be necessary to undertake certain preliminary work to prepare for the potential CPO. Firstly, the Council must enter into an appropriate indemnity agreement with the developer Tesco Stores Ltd to ensure that the Council is fully indemnified for all costs arising from the potential compulsory acquisition process, including the costs of acquiring land and paying compensation, meeting any blight notices, any public inquiry and the expenses incurred by the Council in appointing appropriate property and legal advisors, in taking a potential CPO forward.
- 6.2 It will also be necessary for the Council to undertake a land referencing exercise so as to obtain accurate information regarding the current land interests. Formal requests for information will be served on the occupants and all other persons with an interest in the site so as to ensure that an accurate schedule of the relevant interests to be acquired through the proposed CPO is produced. Once the land referencing is complete, the exact CPO boundary can then be settled and agreed with the developer.
- 6.3 Further, it is proposed that the Council will appoint an external surveyor to advise on the negotiations for the acquisition of the relevant land interests and an external legal adviser to assist in the potential CPO process. As explained above, the costs incurred in appointing these consultants will be met by the developer under the terms of the indemnity agreement.
- 6.4 It is proposed to submit a further report to Cabinet in due course to seek authorisation for the proposed making of the CPO providing there remains a compelling case in the public interest to justify the use of CPO

powers and once the initial land referencing is complete, the exact CPO boundary has been confirmed and the schedule of interests to be acquired has been produced, the indemnity agreement is complete and a draft Order and the accompanying detailed statement of reasons have been prepared.

7.0 Reasons for decision

7.1 At this stage, it is considered that the proposed compulsory acquisition of land and interests at Sunderland Retail Park will facilitate the carrying out of the comprehensive re-development of the site. The development proposals are outlined in Section 4 above. This proposed development represents substantial private investment in a currently run-down and unattractive site situated at an important gateway to the City. The re-development will secure the physical regeneration of the site and is likely to act as a catalyst for further private investment in the Monkwearmouth area. In addition, it is estimated that the development will generate some 400 new jobs on the site. As a consequence, it is considered that the proposed use of CPO powers in this instance is likely to contribute to the promotion or improvement of the economic, social and environmental well-being of the local area. In addition, in light of the substantial physical, social and economic benefits that would arise from the proposed development at Sunderland Retail Park, at this stage it is considered that there is a compelling case in the public interest to justify the use of CPO powers in order to facilitate this development. Planning permission has been granted for major retail development on the site under Ref: 08/03336/OUT and the proposals are in accordance with national planning policy, the Unitary Development Plan and the emerging Core Strategy.

8.0 Alternative Options

8.1 The alternative option would be for the developer to seek to progress the development without the support of the Council's CPO powers. However there is no certainty that the developer would be able to secure vacant possession of the site to carry out the comprehensive re-development and to acquire any third party interests that could potentially impede the development proposals, thereby putting at risk the delivery of this significant economic and physical regeneration project.

9.0 Human Rights Act 1998

9.1 Section 6 of the Human Rights Act 1998 prohibits public authorities (including the Council) from acting in a way which is incompatible with the European Convention of Human Rights (ECHR). The potential use of compulsory purchase powers in this case will involve two ECHR rights - Article 1 First Protocol of the ECHR (the right to peaceful enjoyment of one's possessions and the right not to be deprived of one's possessions except in the public interest and subject to the conditions provided for by

law) and Article 6 of the Convention (the right to a fair and public hearing by an impartial tribunal).

(i) Article 1 - The law requires that before a CPO is made, the Council must be satisfied that there is a compelling case in the public interest, and that the public interest in the development scheme proceeding sufficiently outweighs the interference with the affected parties' human rights. As a consequence, before a CPO is made, the Council will need to be satisfied that the benefits the development scheme will bring justify the compulsory acquisition of the relevant interests. It is also incumbent on the Council to be satisfied that the use of CPO powers is proportionate i.e. that the redevelopment of the site and the envisaged benefits will not be achieved through a lesser intervention or through alternative means. In weighing these issues, the Council will need to consider that parties whose interests are acquired are entitled to receive compensation for the losses they incur, calculated under the CPO compensation code, which is a code which has been held to be compliant with the Human Rights Act and the ECHR.

(ii) Article 6 - Should the Council make a CPO and an affected party objects to it, then the Secretary of State will hold a public inquiry to consider whether the CPO should be confirmed.

Those directly affected by the CPO will be entitled to compensation proportionate to any losses that those persons may incur as a result of the acquisition. Compensation will be payable in accordance with the Compulsory Purchase Code, assessed on the basis of market value of the property interest acquired, disturbance and statutory loss payment. The reasonable surveying and legal fees incurred by those affected will also be paid by the Council. The Compulsory Purchase Code has been held to be compliant with Article 1 of the First Protocol.

9.2 In summary, the European Convention requires a fair balance to be struck between the public interest in securing a development proposal and an individual or legal person's human rights under Article 1 of the First Protocol. Any interference with these rights must be necessary and proportionate. As explained above, at this stage it is considered that there is a compelling case in the public interest to justify the use of CPO powers to facilitate the comprehensive re-development of Sunderland Retail Park in light of the substantial physical, social and economic benefits that would arise from this re-development. The potential use of CPO powers in this instance is considered at this stage to be proportionate and necessary. However, these matters will be considered in further detail before any future resolution is made authorising the making of a CPO.

10 Consultations

10.1 The Director of Financial Resources has been consulted and the comments are contained in the body of the report.

11 Background papers

11.1 Report to Planning and Highways committee, 5th October 2010.
Planning consent and Section 106 agreement, 27th October 2010.

ADDENDUM REPORT

Planning and
Highways
Committee
5th October
2010

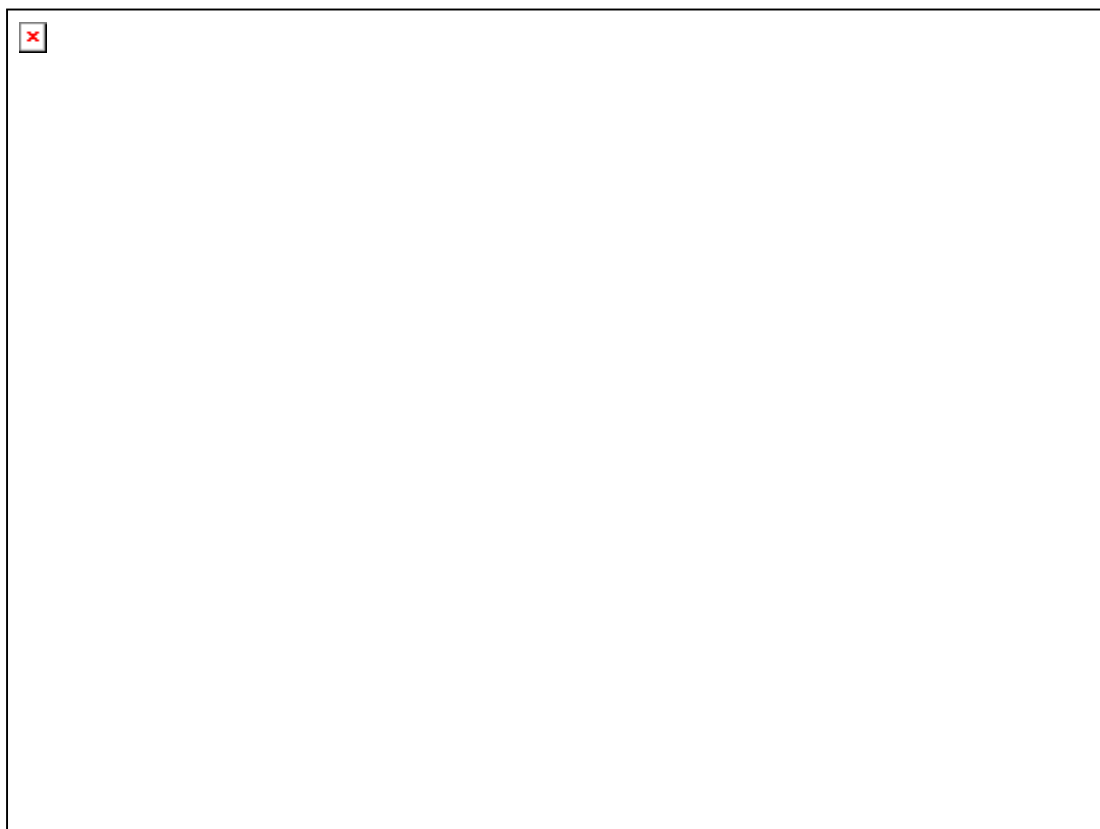
Reference No.: 08/03336/OUT Outline Application

Proposal: Revised outline planning application, received 5th August 2010, for erection of superstore (A1); retention and recladding of an existing unit; erection of four additional retail units; retention and recladding of the existing Farmfoods/Blockbuster unit ; new vehicular accesses; reopening of section of highway to emergency vehicles; resurfacing/landscaping and stopping up of a highway.

Location: Sunderland Retail Park Sunderland

Ward: St Peters
Applicant: Mountview Securities
Date Valid: 5 September 2008
Target Date: 31 October 2008

Location Plan



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- Background
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- Publicity
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- Appendices – Appendix A1 Summary of Consultation Responses on Original Scheme.
Appendix A2 A1 Summary of Consultation Responses on Amended Scheme.
Appendix B1 Report of Council's Retail Consultants on Original Scheme.
Appendix B2 Report of Council's Retail Consultants on Amended Scheme.

Purpose of Report

The purpose of this report is to make a recommendation to Committee on an outline planning application submitted on behalf of Mountview Securities in respect of Sunderland Retail Park for the erection of a superstore (A1); retention and recladding of an existing unit; the erection of four additional retail units; retention and recladding of the one other existing Farmfoods/Blockbuster unit; new vehicular accesses; reopening of a section of highway to emergency vehicles; resurfacing/landscaping and the closure of a highway.

Description of Decision

The Committee is recommended to resolve:-

- 1) that it is minded to approve the outline application for a retail development, subject to the conditions listed in the Recommendation section and to the completion of an agreement under Section 106 of the Town and Country Planning Act 1990, heads of terms for which are outlined in the Section headed Proposed Section 106 Agreement below and,
- 2) to refer the application to the Secretary of State under the terms of the Town and Country Planning (Shopping Development) (England and Wales) (No. 2) Direction 1993.

Background.

The application was originally submitted on 22nd August 2008, although not validated until 5th September 2008, when the ownership of the site had been clarified. It was for the erection of a superstore (A1) (gross external floorspace 22,355 sq m. 12,260 sq m. net), four retail units (A1)(2,036 gross external floorspace 1,637 sq m. net) and petrol filling station (sui generis), alterations to existing vehicular accesses and creation of new vehicular accesses; associated

landscaping, car parking and ancillary development. Although a detailed Retail Assessment accompanied the original application, it was largely founded on the results of a household survey carried out in 2002. It was considered that this was both out of date and, in view of the relatively small sample size, a less than satisfactory basis on which to determine the site specific proposal. The applicant was therefore asked to review and update the Assessment either by carrying out his own household survey or by using the results of a survey to be carried out on behalf of the City Council as part of the Council's Local Development Framework information gathering exercise. The applicant chose the latter course and, following the completion of the household survey in the first week of December 2008, a revised Retail Assessment was submitted on 16th February 2009 which superseded the earlier Assessment produced on 11th November 2008. Subsequently, updated forecasts of growth in retail expenditure have been published which are significantly lower than those used in the February 2009 Assessment. The applicant was therefore requested to revisit the proposals and, as a result, has amended the application with the submission of revised proposals which are the subject of this report.

Proposal

The application is in outline only with all matters reserved for subsequent approval apart from the means of access and the layout of the buildings. The application is for:-

- 1) The demolition of the majority of the buildings on the Sunderland Retail Park, including the Bowling Alley and the former Reg Vardy car showroom, save for the the McDonalds restaurant, the Farmfoods/Blockbuster unit and the most northerly of the five units in the south-east corner of the site, which are to be retained.
- 2) The retention and recladding of the existing Farmfoods/Blockbuster unit (593 sq m gross external floorspace; 474 sq m net retail area) and the most northerly of the five units (1,168 sq m gross external floorspace; 934 sq m net retail area).
- 3) Construction of a superstore of 16,140 sq m gross external floorspace, 8,378 sq m net retail area. This would be a large two storey building 13.5 metres high, located on the northern part of the site. The retail area would be at first floor level, accessed by travelators, with undercroft car parking and a surface level car park adjoining to the north. It would front Newcastle Road with servicing to the rear accessed from Portobello Lane near its junction with Fulwell Road. Additional pedestrian and emergency vehicle access is also proposed from the northern end of Portobello Road (which is the subject of an Extinguishment of Vehicular Rights order, but that does not apply to emergency vehicles).
- 4). 4 smaller retail units of 2,661 sq m gross external floorspace, 2,129 sq m net retail area. These would be single storey units located in the south-east corner of the retail park, on the site of units to be demolished, and serviced from Roker Avenue and Fulwell Road.
- 5). McDonalds restaurant to be retained on its existing site (375 sq m gross external floorspace).

6). 900 parking spaces, including 45 disabled and 28 parent and child bays are proposed to serve the entire development. These would be located at ground floor level throughout the site, including beneath the superstore.

The landowner, Mountview Securities, have indicated that their preferred operator for the superstore is Tesco Stores Ltd and that the smaller units are likely initially to be occupied by some of the existing occupants of the retail park.

The site extends to 6.23 ha including some adjoining roadways but not the large Wheatsheaf gyratory immediately to the west. The scheme no longer includes a petrol filling station. Excluding the retained McDonalds unit (375sq m gross external floorspace), which is not a shop, the total retail floorspaces produced by the development proposed is as follows:

	Gross external floorspace	Net retail area
Total Retail Floorspace	20,562 sq m	11,916 sq m
Total New Retail Floorspace	18,801 sq m	10,507 sq m

The site is approximately 1km to the north of Sunderland city centre, bounded to the west by Newcastle Road, to the south by Monk Street, Shore Street, and Roker Avenue and to the east and north by Fulwell Road and Portobello Lane.

The main access to the site is to be taken from Newcastle Road with other pedestrian and vehicular accesses from Portobello Lane (near its junction with Fulwell Road), Roker Avenue and Shore Street. As well as access from surrounding roads, a direct pedestrian link is proposed to the south bound platform of the adjoining Stadium of Light metro station.

The applicant intends to fund and implement a slightly enhanced version of the City Council designed major highway improvement scheme for the adjoining Wheatsheaf gyratory as part of the development. In the event Members are minded to approve the application a planning condition preventing the opening of the new superstore before the implementation of this scheme could be imposed.

The site is currently occupied by 12 retail units, 10 in two blocks along the eastern boundary and 2 in the centre. 5 units are currently vacant. The existing units have a total gross external floor space of 12,714sq m, 11,628sq m net internal area and 9,478sq m net retail area. In addition there is a bowling alley and night club, a vacant car showroom and a McDonalds drive through restaurant. The latter building is intended to remain. The total gross external floorspace of the existing units including the McDonalds and the demolished bowling alley and car showroom is 20,642 sq m.

If developed, the proposal will result in an increase in net retail floorspace on the site of 2,438 sq m, made up of a reduction of 648 sq m comparison floorspace and an increase of 3,086 sq m convenience floorspace, compared with the existing net retail provision at the Retail Park.

The revised application is accompanied by a number of other documents which provide supporting information. These are:-

- a Design and Access Statement
- a Transport Assessment including a framework for a Travel Plan

- a Sustainability Statement
- a Flood Risk Assessment
- a Retail Assessment
- an Archaeological Desk Based Assessment
- a Geo-Environmental Desk Study
- an Acoustics Assessment Technical Report and
- a Statement of Community Involvement.

TYPE OF PUBLICITY:

Press Notice Advertised
 Site Notice Posted
 Neighbour Notifications

CONSULTEES:

County Archaeologist
 Council for The Disabled
 The Council for British Archaeology
 Chief Executive
 Commission for Architecture In The Built Environment
 The Coal Authority
 Business Investment
 Northern Electric
 English Heritage
 Environment Agency
 UK Gas Business
 One North East
 Director of Community And Cultural Services
 Force Planning And Police Architectural Liaison Officer
 Sunderland arc
 Northumbrian Water
 Nexus
 Gone Office North East - Transportation Issues
 North East Regional Assembly
 South Tyneside MBC

REPRESENTATIONS:

Publicity

Prior to the submission of the original application Mountview Securities undertook significant consultations which are detailed in the Statement of Community Involvement. These involved the following; a range of stakeholder meetings with, amongst others, officers of the City Council, Nexus and occupiers of units within the Retail Park; a public exhibition held in one of the vacant units from 4pm to 7pm on 23rd July 2008. This was advertised by a press release to local papers and a flyer delivered to over 1,500 local households. It was staffed by members of the project consultant team and attended by approximately 150 people who returned 54 feedback forms; a website with details of the proposal and which asks for feedback and an advertisement in the Sunderland Echo.

Further public consultation was undertaken by the applicant in June 2010 in advance of the submission of the amended proposal and detailed in the further Statement of Community Involvement. This involved a public exhibition held in Monkwearmouth Library on the afternoon and evening of Monday 14th June 2010. It was advertised by a press release, by the project specific website and by a flyer delivered to over 1,000 households. Approximately 60 people attended this exhibition and 11 feedback forms were returned.

The Council has also advertised both the original and the amended application via a press notice, a notice posted on the site and extensive neighbour consultations.

Representations

The overall response from the first public exhibition was positive with 39 of the 54 feedback forms indicating the scheme was “about right” and only 8 suggesting it needed generally minor change. Members of the project team who attended the second exhibition felt there was a high level of public support whilst, on the feedback forms, 5 said the scheme was about right, 5 said it needed some change and 2 gave it qualified support.

The comments from neighbours and statutory and non-statutory consultees are set out in Appendices A1 (comments on the original scheme) and A2 (comments on the amended scheme).

One local resident has expressed concerns over potential traffic hazards and the potential effect on local shops and solicitors acting on behalf of a local company have requested that no access be taken from Portobello Lane. However, since the submission of the amended scheme, further discussions have taken place with this company and they are now satisfied providing access is maintained to their building via Portobello Lane during the construction works and at all times thereafter.

One objection, made in two letters dated 3rd November 2008 and 22nd April 2009 have been received in relation to the original scheme on behalf of Wm Morrison Supermarkets plc recommending the application be refused as it does not meet the tests set out in PPS6. However, at the time this report was written no updated objections had been received on behalf of Wm Morrison in relation to the amended scheme. It should also be noted that since the original submission PPS6 has now been superseded and replaced with a new PPS4 against which the amended scheme has been assessed and the new PPS4 does not require the applicant to demonstrate the “need” for the proposal.

None of the statutory and non-statutory consultees object in principle although ONE North East and the North East Assembly point out in relation to the original scheme that the City Council needs to be satisfied that the development would not affect the vitality and viability of the City Centre and other centres in the vicinity, in accordance with the requirements of PPS4. ONE North East have commented further in relation to the amended scheme by generally welcoming the regeneration potential of the scheme and asking that, through the discharge of reserved matters, a high quality of design, reduction in carbon emissions through energy efficiency and the potential for electric vehicle infrastructure be sought.

Sunderland Arc supports the outline proposals for the redevelopment of Sunderland Retail Park for the following reasons. The proposal is in broad accordance with the saved policies of the adopted UDP. The Sunderland Retail Needs Assessment 2009 identifies a need to improve the quantitative and qualitative convenience goods retail provision in this area and as an established retail site Sunderland Retail Park is appropriate to meet much of this need. They agree with the overall conclusions of the sequential assessment and they acknowledge the employment benefits, the clawback of retail expenditure leakage from the north of the city and the promotion of economic and physical regeneration of the area.

None of the statutory or non-statutory consultees have asked for the application to be called in for a decision by the Secretary of State.

POLICIES:

a) National

The application has to be assessed against the following national planning policy guidance:-

- Planning Policy Statement (PPS) 1 Creating Sustainable Communities
- Planning Policy Statement (PPS) 4 Planning for Sustainable Economic Growth
- Planning Policy Statement (PPS) 5 Planning for the Historic Environment
- Planning Policy Guidance Note (PPG) 13 Transport
- Planning Policy Guidance Note (PPG) 16 Archaeology
- Planning Policy Statement (PPS) 22 Renewable Energy
- Planning Policy Statement (PPS) 23 Planning Pollution Control
- Planning Policy Guidance Note (PPG) 24 Planning and Noise
- Planning Policy Statement (PPS) 25 Development and Flood Risk

b) Regional

At the time the original scheme was submitted the North East Regional Spatial Strategy (RSS) issued by the Secretary of State in July 2008 formed the regional tier to the Council's Development Plan. However, on 6th July 2010 the new Coalition Government announced the revocation of the RSS with immediate effect so the RSS is no longer a material consideration in the determination of planning applications.

Nevertheless the Regional Economic Strategy 2006-2016, Leading the Way does remain a material consideration, although it has never formed part of the Development Plan. This has as its primary aim to move from 80% to 90% of national average GVA (Gross Value Added) per head by 2016. This is to be achieved by:-

Increasing participation

- Tackling worklessness and unemployment to increase economic activity.
- Creating 61,000 to 73,000 new jobs by 2016.

Improving productivity

- Raising GVA
- Creating 18,500 to 22,000 new businesses by 2016.

In its section concentrating on people, the second key challenge involves utilising the talents of those who are economically inactive by, amongst other things, tackling worklessness, taking areas of economic opportunity to deprived communities and promoting equality and diversity.

c) Local

The City of Sunderland Unitary Development Plan (UDP) was adopted in 1998. The policies in the UDP that are most relevant to the site are set out below. They include policies added to the UDP by Alteration Number 2 (Central Sunderland) adopted on 26th September 2007.

- R1 which seeks environmentally sustainable development by making the most efficient use of land, energy and other resources and reducing reliance on the private car.
- R2 which seeks to make use of existing resources of infrastructure, land etc.
- R4 which encourages energy saving measures.
- EC1 (iv) which encourages proposals targeted at areas of economic and social deprivation.
- EC3 (iv) which encourages the re-use of land and premises
- S1 which seeks to enhance the City's shopping service by encouraging a wide range of well distributed facilities to meet future shopping and related needs generally based on existing centres. Development elsewhere should result from the appliance of the sequential test.
- S2 which encourages proposals which sustain and enhance the vitality, viability and appropriate diversification of centres including the City Centre (this policy does not apply to retail parks as they are not classed as shopping centres).
- S7 which requires a high standard of design for new retail development.
- SA54 which directs major new commercial and retail developments to specific sites within the City Centre.
- SA69 which refers to the Principal Shopping Area as defined on the proposals map supports shopping development within that area and encourages major retail developments to locate on the sites mentioned in SA54.
- EN5 which requires applicants to carry out noise and vibration assessments where a development is likely to generate significant increases of noise or vibration in sensitive areas.
- EN10 which states that, where the UDP does not indicate any proposals for change, development will need to be compatible with the principal use of the neighbourhood.
- EN12 which seeks to ensure that proposals will not increase the likelihood of flooding

- B2 which requires the scale, massing, layout or setting of new developments to respect and enhance the best qualities of nearby properties and the locality.
- B11 protecting the City's archaeological heritage
- B14 which requires the submission of an archaeological assessment where development proposals affect sites of known archaeological importance.
- B16 which provides for the recording or preservation of historic sites
- B19 which seeks to achieve a 'user-friendly' environment in all developments to which the public, including those with impaired mobility, have access.
- B20 which encourages the provision of works of art in association with major developments.
- CN14 which requires developments prominent from main transport routes to be designed to enhance the image of the City.
- T1 which gives priority to measures that promote walking, cycling and public transport, stimulate economic development and regeneration, improve road safety and protect and improve the environment.
- T2 which seeks to promote the role of public transport.
- T8 giving a high priority to the needs of pedestrians in planning new development.
- T9 (iv) which encourages the provision of secure cycle parking facilities.
- T14 which states that new development should, amongst other things, be readily accessible by pedestrians and cyclists and not cause congestion or safety problems on existing roads.
- T21 which requires parking provision to take into account the need to maintain safe road conditions; to reduce travel demand; to ensure the economic viability of existing centres and to promote more environmentally sensitive modes of transport.
- NA44 which allocates a number of small areas around the retail units at Sunderland Retail Park for a variety of purposes, including retail, providing there are no alternative locations in or on the edge of the City centre and this does not detract from the vitality and viability of other centres.
- NA48 which seeks environmental improvements in the commercial and industrial buildings in the area north of Roker Avenue.
- EC10A (Alteration No. 2) Which seeks to support of the regeneration of Central Sunderland and to resist developments which detract from efforts to encourage regeneration within the area or have a negative impact upon vitality and viability of the city centre.
- S2A (Alteration No. 2) Which seeks to direct new retail development to the city centre retail core. Retail developments outside the retail core will need to demonstrate proven need, that proposal is of a scale appropriate to the site, there are no suitable sites within the retail core, there would be no unacceptable impacts on the vitality and viability of the retail core or the Grove local centre and will need to show accessibility by a choice of means of transport and no adverse impact on the development plan strategy or LDF strategy.
- T23A (Alteration No. 2) Which covers maximum parking standards for residential and business (B1) uses.

Work has begun on the preparation of a Local Development Framework (LDF) for the City which will replace the UDP. In particular, a document setting out the preferred options for the City's Core Strategy was published for comment in

December 2007. However, there was a need to revisit the approach taken to outlining possible spatial alternatives for the development of the City and as a result a document setting out four possible spatial Alternative Approaches for the Core Strategy was published for public consultation in September 2009. As a result of this consultation a revised version of the Core Strategy Preferred Options was published in March 2010. This document featured five overarching City-wide policies and five sub-area policies. The following Preferred Options policies are relevant to this application:-

- CS1 which seeks to provide for an improved spatial distribution of employment, housing and other uses by, amongst other things, concentrating new development along the River Wear corridor within Central Sunderland; maximising growth along the Metro corridor; giving priority to reusing suitable and sustainable previously developed land and supporting the role of the city, town and district centres.
- CS3 which seeks to secure the highest possible quality of built environment by, amongst other things, ensuring new development is of the highest quality of sustainable design, makes efficient use of land and is well integrated within its local environment.
- CS6 which seeks to develop the main district and local centres into vibrant and economically buoyant facilities and directs large-scale main town centre uses towards the main centres of Sunderland, Washington and Houghton.
- CS8 which seeks to foster accessibility and social inclusiveness by focussing development in built up areas with good access to public transport, walking and cycling; by reducing the need to travel and by improving public transport, walking and cycling access to existing built up areas.
- CS15 which seeks to reduce the city's carbon emissions and to help deliver and exceed RSS renewable energy targets by ensuring, amongst other things, that all major developments supply 10% of the site's energy consumption from renewable sources located on site, meet BREEAM Very Good construction standards and provide evidence of feasibility work into the potential for on-site renewable energy and combined generation of heat, power and cooling.
- CS16 which encourages development in Flood Zones 1 and 2 (those at least risk of flooding) and those that demonstrate a positive contribution to managing or reducing flood risk.
- CS19 relating to pollution and the condition of land which requires the City Council to refuse proposals which could cause inappropriate levels of air, noise and light pollution.
- CS20 which seeks, via planning obligations, contributions from developers to assist in achieving the wider aims and objectives of the LDF.
- Whilst relatively little weight can yet be given to the Strategy, it does provide up to date confirmation of the principles behind many existing UDP policies.

An LDF Topic Paper on Retailing and Town Centres was prepared in December 2007 as one of a series making up the evidence base for the Core Strategy and the LDF in general. It was subsequently updated in September 2009 to reflect the outcomes of the Retail Needs Assessment commissioned by the Council specifically to inform the emerging Local Development Framework.

The Topic Paper notes that the shopping patterns identified in the earlier 2006 study remain largely unchanged; the urban part of Sunderland and Washington retain their own catchment and markets whilst shoppers in the Coalfield travel out of their area for their shopping requirements.

In terms of Sunderland North, the 2002 Retail Study highlighted a significant outflow of expenditure from the residential estates in the north-west and more generally to the ASDA store at Boldon in neighbouring South Tyneside. The Topic Paper notes that this leakage is again highlighted in the 2009 Study and concludes that this would suggest the need for further convenience provision in this locality, however, the site identified in the UDP (NA12) is now no longer available for development. The Topic Paper states that it remains the case that need has been established for convenience retail in this area but an appropriate site has yet to be found. The Topic Paper refers to emerging proposals at the Roker Retail Park.

The Topic Paper makes reference to the Department of Communities and Local Government (CLG) document 'Under-served Markets: Retail and Regeneration', which highlights the importance of retailing as a regeneration tool in deprived areas by providing direct employment, additional investment and changing peoples' perception of an area.

Finally the Sunderland Retail Needs Assessment, September 2009, produced by consultants for the Council, contained a number of key findings relevant to the determination of this application. In particular it found that the zone encompassing the Castletown, Monkwearmouth and Southwick area (Zone 2) has the lowest convenience goods retention rate in the City with most residents travelling to the ASDA store in Boldon Colliery in neighbouring South Tyneside for their convenience shopping. This highlights a localised deficiency in convenience goods provision and suggests a need to clawback the current substantial leakage of convenience expenditure out of the City to Boldon (Zone 9).

The Assessment therefore concluded that in relation to retail need, there was a quantitative need for new convenience floorspace in two broad parts of the catchment area (namely the area surrounding Houghton-le-Spring and the area to the north of Sunderland city centre) and a qualitative need for more convenience floorspace in the city centre.

The Community Strategy, Sunderland 2008-2025 sets out a vision for the City with five strategic priorities of creating a prosperous, learning, healthy, safe and attractive and inclusive City. It provides an overarching context within which local policies/strategies, including those mentioned above, sit.

COMMENTS:

Commentary

The key issues to consider in the determination of the application are:-

- a) Compliance with policies and national guidance
- b) Regeneration impact
- c) Environmental impact
- d) Traffic/transport/road safety

- e) Design
- f) Deliverability

a) Compliance with Policies and National Planning Guidance

In considering the merits of this application, regard must first be had to the Development Plan, although it should be noted that this assessment is to be a balancing exercise with compliance with the Development Plan considered as a whole as opposed to compliance with each and every policy and that a lack of compliance with one, or more, individual policies alone does not, of itself lead to a conclusion that the application is a departure from the Plan. The Development Plan comprises the adopted City of Sunderland UDP (including Alteration No.2) following which account should be taken of the various national, regional and local policies outlined in this report.

Location.

The proposed development is located within the built up area of Sunderland, close to the City Centre, at the intersection of major radial routes north of the City centre. It is well served by numerous bus routes and by the Tyne and Wear Metro system, access to which would be improved as part of the proposed development. It is currently developed, although with a number of vacant buildings, and the proposal would slightly intensify that development by increasing the amount of floorspace on the site by some 295 sq m (gross external floorspace). It is within Flood Zone 1, which is the lowest flood risk rating provided by the Environment Agency. It is therefore considered to be consistent with UDP policies R1, R2, and EC3, Core Strategy policies CS1 (locational strategy) and CS16 (flooding) and consistent with the principles of sustainable development set out in PPS1.

Uses

The proposal is for a main town centre use (retail) in an out of centre location and therefore all the requirements of PPS4 apply in addition to policies in the UDP. The key retail policies in the UDP in respect of this application, namely Policies S1 and NA44 reflect and incorporate the sequential and impact tests for out of centre retail development contained in PPS4.

The latest revised Retail Assessment for the application, submitted in June 2010, replaces the earlier document which accompanied the original submission. The revised Retail Assessment has taken on board the findings of a recent (November 2008) household survey, undertaken on behalf of the City Council, to determine shopping patterns throughout the City as part of the Local Development Framework. The Retail Assessment also reflects updated population and retail expenditure figures.

The Council has appointed an independent firm of planning consultants, Roger Tym & Partners (RTP), to assess and review the Applicants Retail Assessment. RTP also undertook the Council's City-wide Retail Needs Assessment in September 2009 for the purposes of the emerging LDF. Appendix B1 to this report gives the conclusions of RTP on the earlier Retail Assessment and Appendix B2 provides their review of the latest Retail Assessment submitted with the revised application.

All the data inputs, e.g. shopping patterns, expenditure growth rates, population projections etc have been agreed by the Applicant and RTP.

The study area identified for the Applicant's Retail Assessment is based on the household survey zones (1,2,5,6 and 9) which cover the administrative area of the City east of the A19 together with Boldon in adjoining South Tyneside MBC. This catchment area is considered satisfactory and has been agreed by RTP. This area is realistic and well related to the size and function of the proposed development and takes account of competing centres.

The Applicant's Retail Assessment identifies existing shopping patterns and lists the most popular stores, by percentage of household expenditure, divided into convenience and comparison goods in each of the selected zones. It points out that 4 of the 7 most popular stores for convenience goods are located outside defined centres. It then proceeds to describe the methodology used in the Assessment and address policy issues and the tests set out in PPS4.

Applicants for retail developments outside established town centres no longer have to demonstrate a need for that development under the new PPS4. However, in order to satisfy local and national policies aimed at protecting the vitality and viability of existing centres and to demonstrate no harm to such centres, it is necessary to assess the likely amount of future retail expenditure available in the catchment area to support new development and the likely turnover of the proposed development. Forecasts have been made for the development up to the year 2016 in accordance with advice given in Policy EC 14.7 of PPS 4

The forecasts of population (a decline from 2008) and growth in expenditure adopted by the Applicant have been agreed with RTP and are considered reasonable as is the turnover estimate of the development. The Retail Assessment also suggests there is a qualitative need for the development. There is a significant outflow of expenditure from the residential estates north of the river and especially those in the north-west of the City, particularly to Boldon Colliery, beyond the City boundary. The development would therefore provide a main food shopping destination for many residents of north Sunderland which is closer and better served by public transport than Boldon Colliery. It would also provide greater choice in a particularly deprived area of the City as well as potentially contributing to reducing the outflow of comparison expenditure from the City.

Based on the forecasts there is an estimated surplus of convenience expenditure in 2016 of £58.84M and a surplus of £72.29M in comparison expenditure. Whereas in 2016 the convenience turnover of the development is estimated at £57M whilst its comparison turnover is estimated at £48.66M leaving a theoretical surplus of £1.84m and £23.63M in convenience and comparison expenditure after the opening of the development i.e. there is sufficient projected growth in expenditure within the catchment area to support the proposal. That remains the view of RTP despite the fact that the most recent estimates of expenditure growth for 2009 to 2015, published by Pitney Bowes in September 2010, show a slight reduction in annual growth of convenience goods expenditure from 0.6% to 0.4% per capita, per annum. These figures also show an increase in comparison goods expenditure from 2.9% to 3.8% per capita, per annum.

This, together with the consideration of the proposal in relation to policies in PPS4 will enable a judgement to be made on whether the proposal complies with the UDP.

PPS4 Policy EC10.2 Criteria d and e

These require an assessment of the impact of an application on the physical and economic regeneration in an area and on local employment. Regeneration is dealt with more fully in the next section of this report but, in summary, the proposal represents a significant private sector investment in a run-down site at an important gateway to the City. It is also highly likely to act as a catalyst to further investment in the area. It is estimated that it will generate up to 400 new jobs (full and part-time) compared to the existing 50 estimated to be on site at present. However, there is a need to take into account leakage and displacement in assessing the net job gain from the proposed development. As a consequence, RTP have advised that a net gain of up to 200 jobs (full time and part time) as a result of the development is a reasonable estimate.

PPS4 Policy EC15

In the case of a planning application for a main town centre use which is not in an existing centre but on an out of centre the applicant must demonstrate that there are no town centre sites or edge of centre sites to accommodate the proposed development. In addition, potential sites must be assessed for their availability, suitability and viability for the proposed development.

In this case, RTP agree that there is only one site in a sequentially preferable location suitable for a large retail use and that is Holmeside in the City centre. However, whilst this site is available, it is not of a sufficient size to accommodate a superstore of the same scale as this proposal, without the provision of a third access from Burdon Road, which is likely to render it unviable given the time and likely costs involved in securing the third access.

The applicant was asked to consider the size of foodstore that could be accommodated on Holmeside without a third access. The response suggests that the maximum store size, including a mezzanine, would be about 4,700 sq. m net trading area (in comparison to the application proposal of 8,400 sq m).

Further, the applicant has argued that a store of this size on Holmeside would not satisfy the established need for additional convenience provision for the north of the City as identified by the Sunderland Retail Needs Assessment 2009. It would not compete with the large stores elsewhere in the catchment area and would not successfully clawback the leaked expenditure currently lost from the Sunderland Area.

As a consequence, Holmeside does not represent a suitable or viable site for this particular development proposal, even if the superstore were to be disaggregated from the remainder of the development.

Sunderland Leisure Centre (in the town centre) and the former Vaux Brewery (potentially an edge of centre site), also identified by the applicant as part of the sequential test, are not available or suitable for a large floor plate retail use.

PPS4 Policy EC16

This sets out six impact tests which planning applications for town centre uses that are not in a centre must be assessed against.

- i) impact on existing, committed and planned public and private investment in centres.

No at risk committed expenditure has been identified. The only relevant planned expenditure relates to Sunderland arc and ONE North East's proposals for the Holmeside site. However, following the insolvency of the developer, Thornfield, the current development agreement is due to be terminated. The current development proposals are to be revisited before a new developer procurement process is undertaken. As a consequence there is no clear evidence that development proposals at SRP would have a significant adverse impact on prospective investment at Holmeside.

- ii) and iii) impact on town centre vitality and viability and on in-centre trade/ turnover and on trade in the wider area.

These two impact tests are closely related. The submitted Retail Assessment sets out the likely trade diversion from existing superstores, the city centre and other district (in particular Boldon and Doxford Park) and local centres (in particular Fulwell and Southwick). The Assessment concludes that there is no clear evidence that the proposal is likely to lead to significant adverse impacts on town centre vitality and viability and on in centre trade/turnover and on trade in the wider area. This conclusion is agreed by RTP.

- iv) impact on allocated sites outside town centres.

The only allocated site is a very small site of 1 ha at Hylton Lane/Washington Road and it is therefore considered that the proposal would not have a significant impact on this site.

- v) (if located on the edge of a centre) the scale of the proposal in relation to the centre.

As this is an out of centre proposal this criterion does not apply.

- v) Any other locally important impacts on centres.

Thus far, no locally important impacts have been identified through the Local Development Framework process so this criterion cannot be applied.

It is therefore considered that the applicant has followed the sequential approach and demonstrated that there are no sequentially preferable sites for the development under Policy EC15 of PPS4. Further there is also no clear evidence that the proposal will have any significant adverse impacts in terms of any of the impacts referred to in Policies EC10.2 and 16 of PPS4

In terms of the proposed uses it is considered that the proposal satisfies the requirements of PPS4; complies with UDP Policies S1 and NA44, having satisfied the sequential test and there being no clear evidence of a significant adverse impact on the vitality and viability of other centres; complies with UDP policies EC1 and EC3 being in an area of economic and social deprivation and re-using already developed land; complies with Policies R1 and R2 being environmentally sustainable and using existing infrastructure and accords with the supporting text to emerging Core Strategy CS6 which provides for out of centre retail provision where there is a lack of such facilities and there are no sequentially preferable sites available. Further the application does not conflict to any material extent with other land use policies. (NB, The Applicant also refers to compliance with UDP Policy S5 but this no longer exists, not having been saved by a direction from the Secretary of State under the Planning and Compulsory Purchase Act).

Other relevant policies of the UDP will be referred to in the following sections of the report.

b) Regeneration Impact.

Regeneration is a recurring theme of national and local policy. PPS1 encourages planning authorities to promote urban regeneration as part of their drive to ensure sustainable development and the development would go some way towards satisfying the Statement's aims relating to social progress and the maintenance of high and stable levels of economic growth and employment. PPS4 acknowledges that physical regeneration, growth in employment, economic growth and social inclusion are considerations that should be taken into account when assessing retail proposals. The report "Under-Served Markets: Retail and Regeneration" produced by the charity, Business in the Community, sponsored by the DCLG, highlights the importance of retailing as a regeneration tool in deprived areas by providing direct employment, additional investment, and changing peoples' perception of an area.

The Regional Economic Strategy aims to tackle worklessness and unemployment in a bid to improve economic activity.

The Community Strategy seeks to create a prosperous City and policies EC1 and EC3 of the UDP encourage developments targeted at areas of economic and social deprivation and which involve the re-use of previously developed land. The site of the application is largely occupied by buildings with little architectural merit, many of which are vacant and therefore do not provide employment and are also beginning to suffer from vandalism. In addition the development proposals will result in the physical regeneration of the SRP, which is beside a gateway approach to the city centre.

The Indices of Multiple Deprivation 2007 have been produced at Lower Super Output Area (LSOA) level which is generally smaller than wards. Of the 188 LSOAs in Sunderland, 4 of the 20 most deprived are within close proximity to the application site. They have some of the lowest levels of employment in Sunderland, high levels of poor health and high crime rates.

As explained above it is estimated that the development would generate a net gain of 200 full time and part time jobs. In addition further jobs will be created during the construction of the units. Increasing employment levels should increase local disposable income levels so providing greater opportunities for other local businesses. Completion of the development could also act as a catalyst for further regeneration in the area, notably north of Roker Avenue in accordance with UDP policies NA44 and NA48.

In addition, the applicant has agreed in principle to provide, via a planning obligation, a suite of employment and training measures to help local people, particularly those who have been unemployed for more than twelve months and individuals in receipt of income support and sickness related benefits to gain employment and training opportunities at the superstore when it has opened. This helps towards social regeneration. The applicant has also agreed to provide a permanent work of public art on site. to the value of £50,000 as part of the proposed development.

The development will also include significant road improvements to the existing Wheatsheaf gyratory system which will improve traffic movements over a wider

area and thereby contribute to regeneration. Thus, construction and completion of the development should have a significant positive impact on the regeneration of the local area.

c) Environmental Impact

Townscape

There are no national or locally designated landscapes/townscapes in the immediate vicinity of the site. The existing retail units are single storey, approximately 7.5m in height with red and cream breeze blocks beneath grey metal cladding. The bowling alley/night club is on stilts with car parking beneath. It is constructed of facing brickwork and metal cladding and has a somewhat dated appearance. The car showroom is a three storey building with external cladding and large glazing panels. The McDonalds restaurant is a modern, low, single storey building of facing brickwork with extensive glazing to the front, northern, elevation. None of the buildings are considered to have any particular architectural merit.

To the west of the site are residential areas with a mixture of single and two storey terraced housing and with two multi-storey blocks. To the north are the modern Stadium of Light metro station and an area of car parking. To the east, beyond Portobello Lane, are a removal warehouse, one, two and three-storey dwellings and retail and trade units. To the south-east is the listed St Peters Church, whilst to the south is the small retail centre of Monkwearmouth. The Stadium of Light is some distance away to the south-west.

The Sunderland Central Urban Design Strategy SPD identifies the site as a key entrance and approach to the City Centre, although the site itself is outside the central area. Redevelopment of the site provides an opportunity to significantly enhance the townscape of this important gateway in accordance with UDP policy B2, providing design, detailing and materials are of the highest quality. Whilst the application is in outline with appearance as a reserved matter indicative designs are the subject of discussion below.

Renewable energy/sustainable construction

The application has been accompanied by a Sustainability Statement which notes the Government's policy on renewable energy, expressed in PPS22, requiring 10% of the development's energy supply to come from decentralised and renewable or low-carbon sources. This requirement is echoed in Core Strategy policy CS15.

The Statement sets out various means by which energy could be saved in the development and suggests that, from the information presently available, the buildings will achieve a BREEAM "Good" rating, as opposed to the "Very Good" rating required by policy CS15. It also proposes a feasibility study into the viability of on-site renewable energy once detailed building design has commenced. It is considered that these issues could be satisfactorily covered by a condition were Members minded to approve the application.

Archaeology.

There are no Scheduled Ancient Monuments within the site but part of the site is designated as an Area of Potential Archaeological Importance in the UDP as the medieval village of Monkwearmouth may extend into the southernmost part of the site. An archaeological desk-based assessment has been provided with the application in accordance with PPG16 and UDP policy B14. The assessment concludes that repeated and extensive construction activity as well as previous excavation and remediation works to remove contaminants will have severely impacted and truncated any archaeology. The proposed development will therefore not have any adverse affect on any archaeological remains and no further work is necessary.

Whilst accepting the majority of the report, the County Archaeologist is concerned that there may still be important remains in parts of the site, notably beneath the bowling alley and the car showroom which may warrant investigation, preservation or recording in accordance with policies B11 and 13 of the UDP. These concerns can be dealt with by way of conditions should Members be minded to approve the application.

Geology and Hydrology

The Geo-Environmental desk study, submitted with the application, indicates made ground 1m to 2m thick covers the entire site with glacial deposits beneath.

The site is not within a groundwater protection area. It has no existing water courses and there is no history of flooding of any significance at the location. The site as existing is almost fully covered by impermeable surfaces and, as such, the permeability will not lessen as a result of the development. Northumbria Water Ltd has confirmed that, if the existing connections to the adopted sewers within the site are used and there is no increase in the discharge rate, NWL's consent is not required.

Nature Conservation.

The majority of the site is extensively developed with buildings and hard standings with a small amount of landscaping at the edges and a number of immature trees scattered within the site. Given this situation, the presence of any protected species is highly unlikely and the site does not contain any of the vulnerable habitats described in "The validation of Planning Applications in Tyne and Wear 2008".

Details of the landscaping of the site as a reserved matter would be submitted at a later date but, from the information currently provided, there is the opportunity to improve the existing landscaping of the site.

Noise/vibration.

Operational Noise

A consultant's noise assessment has been submitted with the application which considers the impacts of the proposed retail development. Potential noise associated with car parking, servicing yards and mechanical plant has also been assessed.

The assessment quantifies the existing ambient and baseline noise levels at identified noise receptor locations around the site both during the day and at

night. Four locations were selected as representative sites and a 3D acoustic model constructed to enable the prediction of noise incidence on nearby sensitive receptors as a function of noise generated by on site activities. The principal noise sources identified as requiring prediction were operational noise related to traffic movements and noise generated by fixed mechanical plant.

Plant Noise

As this is an outline application details of fixed noise generating plant, such as air conditioning and refrigeration, are not yet been known. Therefore appropriate noise emission limits could be conditioned to control noise generated by this aspect of the development.

Service Yard Noise and HGV access/Car Parks

The dominant noise source in the service yard areas will be HGV's and, associated purely with the store service yard area, additional daytime only van movements associated with the home delivery area.

During the night time period, due to the short assessment period noise levels are likely to be dominated by single HGV movement. Noise levels have been calculated using the acoustic model for both daytime and night time scenarios, using the 'Haul Road' methodology of BS5228. Operational on site noise has been assessed in line with the methodology of BS4142 which indicated that complaints as a result of such operations are unlikely both during the day and at night at all but 1 location. Good/reasonable internal conditions as detailed in the British Standard are demonstrated as being achievable in this context and indicates that the development would not result in a perceptible change in the existing L_{Aeq} noise levels inside the assessed residential receptors.

Traffic noise levels on surrounding routes

Traffic flow data for a number of road links surrounding the development site has been provided within the report in terms of 2 way 18-hour annual average weekly traffic both with and without the development.

The percentage increase in traffic on a number of most affected routes around the site have been calculated and presented within the report and used to predict the change in noise level as a result of traffic associated with the development. The typical change in noise level is less than +1dB. This is typically imperceptible to the human ear. An increase of 2.3 dB is predicted at Roker Avenue (east of junction with George Street North) but changes of up to + 3 dB are considered to be minor. Consequently, the majority of routes have been identified as having a negligible or minor impact due to changes in traffic noise levels on public highways.

Construction Noise

In view of the close proximity of the proposed development to nearby residential properties, on-site operations should not commence before 07:00 hrs and cease at or before 19:00 hrs Monday to Friday inclusive, and 07:30 and 14:00 hrs Saturdays. No works shall be permitted to take place on Sundays and Bank Holidays at any time without the prior approval of the Council.

Air Quality

An air quality assessment has been produced for the development by consultants for the redesigned superstore and associated development. The results indicated

that it was unlikely that the Air Quality Objectives for both PM₁₀ and NO₂ at relevant receptors would be exceeded.

Dust from the construction phase could be controlled by way of a planning condition.

Contamination

The Applicant has submitted an assessment in respect of ground contamination. This is currently under review. Notwithstanding that, if planning permission is granted the situation could be controlled through standard planning conditions, one of which would require that no works other than site investigation works should be carried out on the site prior to the receipt of written approval of the desktop study and any necessary remediation strategy in respect of this matter.

Waste and Pollution.

The applicant has stated that a Waste Management Plan would be produced at reserved matters stage and this could be covered by a planning condition. The proposal does not include any manufacturing or industrial processes and therefore will produce no chemical pollution. Potential light pollution would be dealt with via an external lighting scheme as part of a reserved matters submission and, again, this could be dealt with by a planning condition. The applicant has also indicated an intention to provide recycling facilities on site.

d) Traffic, Transport and Road Safety.

Although the application is in outline only, Mountview Securities are seeking approval to the means of access to the development and have submitted a detailed Transport Assessment with the application.

The main vehicular access is proposed to be taken from Newcastle Road via a junction that will be significantly altered from the current position i.e. the Wheatsheaf gyratory system. It is intended that the current Newcastle Road/Southwick Road/Roker Avenue roundabout be converted into a signal controlled junction under a scheme prepared by the City Council to reduce traffic congestion and improve bus journey times. Implementation of the scheme would be funded by the developer but would be carried out by the Council.

If planning permission were to be granted the new buildings (as opposed to the retained buildings) would not be permitted to open prior to the completion of the highway works through the imposition of a Grampian planning condition.

Service vehicle access to the foodstore and the majority of the other retail units is proposed from Fulwell Road and the southern end of Portobello Lane with a pedestrian access at the northern end of Portobello Lane but which would also be capable of providing access for emergency vehicles.

Frequent bus services pass the site (some 47 in a typical weekday hour) with stops to the south, east and west. Provision would be made for a bus stop within the site should bus operators wish to make use of it. However, direct access for pedestrians from the relocated bus stops on Newcastle Road would need to be provided.

The Stadium of Light Metro Station adjoins the site approximately 130m from the proposed superstore entrance. It is proposed to provide a covered walkway to the southbound platform of the station. No additional covered link is suggested to the north bound platform, access to which from the east involves crossing the pedestrianised Portobello Lane overbridge. However, an additional pedestrian link, via stairs, would be provided to the Newcastle Road overbridge. It is also proposed to install a Real Time Passenger Information display within the store which would replicate the information displayed at the metro station.

Nexus have welcomed these improvements but would wish further consideration be given to improving access to the northbound platform and discussion with operators on the diversion of commercial bus services through the site.

A taxi drop-off/collection point adjacent to the travelator atrium, accessed from Newcastle Road and Roker Avenue, is proposed.

Directional signs in the vicinity of the site to guide cyclists to National Cycle Route 7 located 500m to the west of the site are proposed and secure cycle storage would be provided. This is to promote cycle accessibility.

In general the proposed access arrangements are considered satisfactory although there are some issues with the indicative internal layout, the pedestrian links into and across the site and the need for/ location of a pedestrian crossing on Roker Avenue which need to be resolved. However, these can be dealt with by a planning condition.

In terms of traffic, the Transport Assessment has demonstrated that the scheme would operate satisfactorily.

900 car parking spaces, including 45 disabled and 28 parent and child bays are proposed to serve the entire development. These would be located at ground floor level throughout the site, including beneath the superstore. This number is less than that permitted by PPG13 and is in accordance with UDP policy T21.

The applicant has accepted the need to produce a Travel Plan in accordance with guidance in PPG13 once the occupants of the development are known. This can be secured by a planning condition.

There are no highway safety issues with the proposal that cannot be addressed through the imposition of planning conditions. A section of Wearmouth Street will require stopping up through an order under Section 247 of the Town and Country Planning Act 1990.

Implementation of the proposals will require various traffic regulation orders which would be dealt with at detailed design stage.

e) Design.

The application is in outline with details of the design as a reserved matter. However, the applicant has submitted a Design and Access Statement which is intended to demonstrate the approach to the overall design of the development. This includes a description of the site's context, photographs of the existing buildings, design objectives and basic illustrative plans, elevations and sections to demonstrate the potential appearance of the development.

The main design objectives are said to be to provide a high quality store and layout that meets customer needs and accords with sustainable design principles; a contemporary attractive design with gateway features and to provide a range of uses that provide surveillance through the day and into the evening. A further key objective is to encourage the use of transport modes other than the private car.

A stated fundamental element of the design philosophy is to ensure that visitors to the site feel comfortable to walk in a safe and clean environment. By placing the majority of the car parking underneath the superstore, the aesthetics of the scheme are optimized and the visual dominance of the parking areas is reduced.

The major element of the scheme, the superstore, is proposed to be located towards the northern end of the site. It would be approximately 15.5m high 134m wide and 137m deep fronting onto Newcastle Road. It would be approximately the same height as the existing Bowling Alley, because of a reduction in ground levels, and set back farther from the road but with a significantly greater mass. It is intended to have a contemporary appearance including large areas of floor to ceiling glazing.

The block of 5 smaller units (including the retained unit) are to be located in the southern portion of the site. They would be single-storey buildings no more than 9m high and measuring approximately 103m by 36m. The retained Farmfoods/Blockbuster unit is 9m high and 28m by 21m in area.

It is intended to line stretches of the two major vehicle access routes through the site with semi mature specimen trees and to provide soft landscaping and further tree planting around the periphery of the site.

A visually attractive hard surfaced area is proposed adjacent to the superstore entrance within which it may be possible to incorporate feature paving, artwork and seating areas.

Given the prominent location of the scheme at a 'gateway' to the City and the scale of the development, it is essential that it presents attractive high quality architecture to the adjoining highways as required by UDP policy CN14 and promoted by PPS1. As well as the external frontages of all the proposed buildings, particular care will need to be taken with the southern elevation of the superstore which would overlook the main access to the site.

It is equally essential that a high quality palette of external materials is used throughout the scheme and that the opportunity is taken to incorporate significant elements of public art.

All elements of the design are reserved for further discussion and could be controlled through planning conditions.

g) Deliverability.

The likelihood of the scheme being delivered is relevant, particularly in the context of securing the potential regeneration benefits. The applicant, Mountview Securities owns the freehold interest in the site and is understood to be in advanced negotiations with its preferred operator for the superstore. In addition,

a number of existing businesses are understood to wish to remain on site and to occupy some of the smaller units. The Applicant is in discussions with those tenants of the Retail Park who may be displaced as a consequence of the development. One North East has already resolved in principle to use its CPO powers if necessary in respect of any outstanding interests to support the scheme in light of its regeneration and economic benefits.

In this context there would appear to be good reasons to believe that, were planning permission to be granted, the development would proceed. The applicant has suggested it would be delivered in one phase and be substantially complete and operational within 4 to 5 years.

PROPOSED SECTION 106 AGREEMENT

It is proposed to address two policy issues relating to the development through a section 106 agreement.

The first relates to Policy EC10.2 (criteria e).of PPS4 which refers to the impact of the proposed development on local employment. It is considered that the development has the potential to positively impact on local employment and to secure this it is proposed to impose a planning obligation on the foodstore operator to provide employment and training opportunities to the most socially and economically disadvantaged in the local area, in particular those who have been unemployed for more than twelve months and individuals in receipt of income support and sickness related benefits.

The second is to require the developer to provide public art provision on site to the value of £50,000 as part of the proposed development in accordance with policy B20 of the UDP, which states that the City Council will encourage the provision of works of art, craft or decoration in major new developments.

Conclusions.

The application involves the redevelopment of an existing out of centre retail park approximately 1km north of the City Centre with a large superstore, the retention and recladding of two existing retail units, the erection of 4 smaller retail units, and the retention of an existing drive through restaurant. The superstore component has a gross external floor area of 16,140 sq m and a net retail floor area of 8,378 sq m. The location is an existing retail park, with no restrictions on the balance of convenience or comparison goods which may be sold there and the net increase in retail floorspace on the site as a result of the proposal is only some 2,438 sq m. This comprises an increase in net convenience floorspace of 3,086 sq m and a decrease in net comparison floorspace of 648 sq m.

A detailed retail assessment of the proposal has been carried out, based on up to date household survey information and the most recently available estimates of population levels and expenditure patterns. This has been reviewed by specialist retail planning consultants RTP on behalf of the Council. The application has been assessed against the impacts set out in Policies EC10.2 and 16.1 as follows:-

1. The buildings should achieve BREEAM “Very Good” rating and this can be secured by condition.
2. The accessibility of the site is excellent and highway improvement measures to deal with any increased traffic are acknowledged and can be covered by condition.

3. The applicants intention is for high quality inclusive design as indicated in the Design and Access Statement and this can be secured through conditions.
4. There would be considerable economic and physical regeneration benefits.
5. The development would generate a net increase in employment of 200 full and part-time jobs.
6. There would be no substantial adverse impact on existing, committed and planned public and private investment in centres.
7. It has no substantial adverse impacts on town centre vitality and viability and on in-centre turnover and on trade in the wider area.
8. It has no substantial adverse impact on allocated sites outside town centres.
9. The scale of the proposal in relation to the centre (this criterion does not apply).
10. There are no other locally important impacts.

The application site is in a highly accessible location capable of being served by a wide range of transport modes. Major road improvements, to the Council's specification, are proposed as part of the development which will ensure no detrimental impacts on traffic or road safety.

Public transport will benefit from enhanced facilities for buses and taxis as well as from a direct pedestrian link to the southbound platform of the Stadium of Light metro station.

There are no environmental concerns in relation to the scheme which will result in improvements to the appearance of the area as well as bringing regeneration benefits in terms of increased employment and investment in a deprived area of the City.

Economic and public art benefits are to be secured by way of an agreement under Section 106 of the Town and Country planning Act 1990.

There are no planning policy objections to the application which has general public support with only one objection on behalf of a competing retailer alleging an overall failure to demonstrate compliance with previous PPS6. The PPS has been replaced with PPS4 since then and the size of the development has been reduced. At the date this report was published no further objections had been received from this source.

The proposals pass the sequential test contained in policy EC15 of PPS4 and there are no suitable, available and viable sites for this development proposal in the centre or on the edge of centre.

The proposals have been assessed in terms of the balancing of positive and negative impacts as required by Policy EC17.2 and the positive benefits in terms of employment and physical and social regeneration more than offset the any potential negative trade diversions.

In addition the proposals comply with policies in the UDP, particularly policies S1 and NA44.

Accordingly it is therefore recommended that the Committee indicates that it is minded to grant planning permission for the development subject to:- a) the conditions listed below and b) the completion of an agreement under Section 106 of the Town and Country Planning Act 1990, for the following reasons.

- The proposal accords with UDP policy and in particular policies S1 and NA44
- It meets the requirements of PPS4 and
- It has no adverse environment impacts but
- would have significant regeneration benefits.

Given the scale of the development, it will be necessary to refer the application to the Secretary of State under the terms of the Town and Country Planning (Shopping Development) (England and Wales) (No. 2) Direction 1993. The Secretary of State will then have 21 days in which to decide whether or not to call in the application.

RECOMMENDATION: Minded to approve subject to the conditions outlined below and to the completion of an Agreement under Section 106 Town and Country Planning Act 1990 and that the application be referred to the Secretary of State

Conditions:

A) Implementation and Phasing

1. Application for approval of the following reserved matters shall be made in writing to the Local Planning Authority before the expiration of three years from the date of this permission: Appearance, Scale, Landscaping. The development hereby permitted shall be begun before the expiration of two years from the date of final approval of the last of the reserved matters to be approved.

Imposed pursuant to the provisions of Section 91 of the Town and Country Planning Act 1990 as amended by Section 51 of the Planning and Compulsory Purchase Act 2004.

B) Design

2. The total net retail sales area of the entire Development hereby permitted shall not exceed 11,916 sqm including any mezzanines. This is to safeguard the vitality and viability of the City Centre and other local centres in accordance with Government policy.
3. The total net retail sales area of the Superstore hereby permitted shall not exceed 8,378 sqm including any mezzanines. This is to safeguard the vitality and viability of the City Centre and other local centres in accordance with Government policy.
4. The total net retail sales area of the Superstore hereby permitted shall not exceed 4,189 sqm net retail convenience floorspace and 4,189 sqm net retail comparison floorspace including all mezzanines. This is to safeguard the vitality and viability of the City Centre and other local centres in accordance with Government policy.

For the purposes of conditions 2, 3 and 4:

“the Superstore” means that part of the development comprising a food superstore of 16,140 sqm gross external area and 8,378 sqm net retail sales area.

“net retail sales area” means the sales area within a building (i.e. all internal areas accessible to the customer) but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.

“comparison floorspace” means those parts of the net retail sales area used for the sale and display for sale of comparison goods.

“convenience floorspace” means those parts of the net retail sales area used for the sale and display for sale of convenience goods.

“comparison goods” means those categories of comparison goods as identified in the Appendix A to the PPS4 Practice Guidance (December 2009)

“convenience goods” means those categories of convenience goods as identified in Appendix A to the PPS4 Practice Guidance (December 2009).

5. Before the development hereby permitted is commenced, details of the following matters shall be submitted to and approved in writing by the Local Planning Authority:- the siting, design and external appearance of the buildings and the landscaping of the site; and the development shall be carried out as approved. This is to ensure a satisfactory form of development as the details submitted as part of the application are incomplete and for illustrative purposes only.
6. The development hereby approved shall be carried out in accordance with the following approved plans unless otherwise agreed by the Local Planning Authority.
073023D 09 P2; 073023D 10 P3; 073023D 05 P3; 073023D 06 P3; 073023D 07 P3; 073023D 24 P4.
7. Before the development hereby permitted is commenced, a schedule and sample of all materials and finishes, including walls, roofs, doors, windows, rainwater goods, shall be submitted to and approved in writing by the Local Planning Authority. Thereafter, the development shall not be carried out other than in accordance with the approved details, to secure a satisfactory form of external appearance to comply with policy B2 of the UDP.
8. Before the development hereby permitted is commenced, details of any floodlighting/ exterior lighting for the buildings shall be submitted to and approved in writing by the Local Planning Authority. The lighting shall be installed in accordance with the approved plans before the buildings within the relevant phase of the development to which the lighting relates are occupied, in order to ensure a satisfactory form of development and to comply with policies B2 and T8 of the UDP.
9. Before the development hereby permitted is commenced, details of all walls, fences or other means of boundary enclosure shall be submitted to

and approved in writing by the Local Planning Authority. The boundary treatment shall be completed in accordance with approved details before the buildings within the relevant phase of the development to which the boundary treatment relates are occupied or otherwise in accordance with an agreed timetable, in the interest of visual amenity and to comply with policy B2 of the UDP.

10. All planting, seeding or turfing included in the approved details of landscaping for the development shall be carried out in the first planting season following the first occupation of any of the buildings within the relevant phase of the development to which the landscaping relates or the completion of the development, whichever is the sooner, and any trees or plants, which within a period of 5 years from the completion of the development die, are removed or become seriously damaged or diseased shall be replaced in the next planting season with others of a similar size and species, in the interests of visual amenity and to comply with policies B2 and CN18 of the UDP.

C) **Sustainability**

11. Before the development of the superstore hereby permitted is commenced, a schedule demonstrating the means incorporated within the design of the proposals by which the development addresses the aims of Sustainable Development in accordance with the City Council's Charter 2000, shall be submitted to the Local Planning Authority for written approval and the approved measures shall thereafter be incorporated in the superstore, in order to ensure a satisfactory form of development and to comply with policy R1 of the UDP.
12. Before the development of the superstore hereby permitted is commenced, measures shall be submitted to and approved in writing by the Local Planning Authority to ensure that the superstore is designed to achieve high energy efficiency and minimise water and energy consumption and achieves BREEAM "very good" rating. The details approved shall thereafter be incorporated in the development in order to ensure an environmentally sustainable development in accordance with policy R1 of the UDP.
13. Before the development of the superstore hereby permitted is commenced, measures to ensure 10% (*or such other proportion as approved in writing by the Local Planning Authority*) of the store's energy requirements are produced from embedded renewable energy sources shall be submitted to and approved in writing by the Local Planning Authority. The details approved shall be implemented prior to the occupation of the superstore and retained as operational thereafter unless otherwise agreed in writing by the Local Planning Authority in order to ensure an environmentally sustainable development in accordance with policy R1 of the UDP.

D) **Storage of Refuse**

14. Before the development hereby permitted is commenced, a plan showing the provision of adequate facilities for the storage and collection of refuse

including provision for onsite separation of items for recycling collection within the site shall be submitted to and approved in writing by the Local Planning Authority, and shall be so installed and maintained thereafter in order to ensure a satisfactory form of development and to comply with policy EN1 of the UDP.

E) Highways and Transport

15. Notwithstanding the plans hereby approved, details of the design of all roads, footways, footpaths and cycleways and a scheme for external lighting and street furniture (litter bins, seating, planters etc) shall be submitted to and agreed in writing by the Local Planning Authority prior to works commencing on site, in the interests of highway safety and to comply with policy T14 of the UDP. Thereafter, no part of the development hereby permitted shall be carried out or implemented other than in accordance with such agreed details.

16. The following highway improvements, in accordance with detailed designs to be submitted to and approved in writing by the Local Planning Authority shall be completed as part of the development. The superstore shall not be occupied until the said highway improvements have been completed in accordance with these approved details:-

(i) major improvements to the junction of Newcastle Road/Roker Avenue/Southwick Road

(ii) improvements to Roker Avenue east of its junction with George Street to its junction with Fulwell Road.

(vi) details of a signal controlled pedestrian crossing at Roker Avenue or full traffic lights incorporating pedestrian phases in the vicinity of Shore Street/George Street North.

(vii) ramped access from the site to the Stadium of Light Metro Station

(viii) notwithstanding the presently submitted details, bus stops, bus shelters and bus laybys adjacent to the site at Newcastle Rd and Roker Avenue

(ix) notwithstanding the presently submitted details, pedestrian routes from Newcastle Rd, Roker Avenue and Portobello Rd, including from any bus stops and pedestrian crossings located on these roads.

(x) notwithstanding the presently submitted details, provision of on-site vehicular circulation.

(xi) A scheme for the management of on site car parking.

Reason: In the interests of highway safety and in accordance with policy T14 of the UDP.

17. The superstore shall not be occupied until the pedestrian way linking the site with the Stadium of Light Metro Station as shown on the approved plans has been completed and made available to members of the public and shall remain available thereafter for public use, in accordance with policy T14 of the UDP.

18. Before the superstore hereby permitted is occupied, a detailed Travel Plan shall be submitted to and approved in writing by the Local Planning Authority and subsequently implemented, in the interests of highway

safety and in accordance with policies T2 and T14 of the UDP.

F) Parking and Servicing

19. No building shall be occupied until the off street parking provision has been constructed, surfaced, sealed and made available in accordance with the approved plans. This parking area shall then be retained and permanently reserved for the parking of vehicles, to ensure that adequate and satisfactory provision is made for the off street parking of vehicles and to comply with policies T14 and T22 of the UDP.
20. Before the foodstore development hereby permitted is commenced, details of the space and facilities for bicycle and motor cycle parking shall be submitted to and approved in writing by the Local Planning Authority. The facilities shall be laid out in accordance with the approved details before any of the buildings are occupied and subsequently retained, in order to ensure that adequate provision is made for cycle and motor cycle parking and to comply with policies T14 and T22 of the UDP.
21. Before the foodstore development hereby permitted is commenced, details of the facilities to enable servicing of the buildings shall be submitted to and approved in writing by the Local Planning Authority. Such facilities shall be provided in accordance with the approved details before any of the buildings are occupied and such facilities shall be retained and kept unobstructed at all times, in the interests of highway safety and to comply with policy T14 of the UDP.

G) Scheme of Working

22. Before the development hereby permitted is commenced a scheme of working shall be submitted to and agreed in writing by the Local Planning Authority; such scheme shall include days and hours of working, siting and organisation of the construction compound and site cabins, routes to and from the site for construction traffic, and measures to ameliorate noise, dust, vibration and other effects, and be so implemented, in the interests of the proper planning of the development and to protect the amenity of adjacent occupiers and in order to comply with policies EN1 and T14 of the UDP.
23. Before the development hereby permitted is commenced, details of the method of containing the construction dirt and debris within the site and ensuring that no dirt or debris spreads on to the surrounding road network shall be submitted to and approved in writing by the Local Planning Authority. These details shall include the installation and maintenance of a wheel cleaning facility on the site. All works and practices shall be implemented in accordance with the agreed details and shall be maintained throughout the construction period, in the interests of the amenities of the area and highway safety and to comply with policies EN1 and T14 of the UDP.
24. Before the development hereby permitted is commenced, arrangements for setting up appropriate systems for monitoring and controlling dust emission arising from construction work shall be submitted to and agreed

in writing by the Local Planning Authority and implemented thereafter, in the interest of amenity in accordance with policy EN1 of the UDP.

25. Before the development hereby permitted is commenced, a scheme shall be submitted to and agreed in writing by the Local Planning Authority to ensure that smoke, dust or litter shall not be allowed to drift across the adjoining railway; that no crane jib shall swing suspended loads over the adjoining railway, without the prior approval in writing of the Local Planning Authority, and no illumination shall cast a glare over the adjoining railway and such a scheme shall be implemented thereafter during construction, in the interests of railway safety in compliance with policies EN1 and T14 of the UDP.

H) **Archaeology**

26. Before the construction of the development hereby permitted is commenced, a second phase of archaeological investigation shall take place in accordance with a programme of work to be agreed with the County Archaeologist, to permit the recording of any archaeological features exposed in accordance with policy B11 and B14 of the UDP.
27. Before any works are commenced on site, the County Archaeologist must be informed, in order that arrangements can be made for an archaeologist with a watching brief, to be present on site while foundation trenches are dug and overburden removed, in order that potential archaeological information can be recovered and to comply with policy B11 and B14 of the UDP.
28. The foodstore shall not be occupied until the final report of the results of the archaeological fieldwork undertaken in pursuance of condition 24 has been submitted to and approved in writing by the Local Planning Authority to ensure that archaeological remains on site can be preserved wherever possible and recorded in accordance with PPS5 and UDP policy B14.

I) **Drainage**

29. Before the foodstore development hereby permitted is commenced, details of the foul and surface water drainage shall be submitted to and approved in writing by the Local Planning Authority and no building shall be occupied until these facilities have been provided and installed in accordance with the approved details, to ensure satisfactory drainage to the site and to comply with policy B24 of the UDP.
30. Prior to being discharged into any watercourse, surface water sewer or soakway systems, all surface water drainage from parking areas and hardstandings shall be passed through trapped gullies installed in accordance with a scheme submitted to and approved in writing by the Local Planning Authority before the relevant phase of the development is commenced, in order to prevent pollution of the water environment and to comply with policy EN12 of the UDP.
31. None of the foodstore buildings shall be occupied until any existing sewers

which are to be abandoned have been grouted up or removed, in order to prevent drainage problems in the future in accordance with policy EN12 of the UDP.

J Land Contamination

32. Prior to the commencement of development approved by this planning permission (or such other date or stage in development as may be agreed in writing with the Local Planning Authority), the following components of a scheme to deal with the risks associated with contamination of the site shall each be submitted to and approved, in writing, by the local planning authority:

1) A site investigation scheme, based on (1) to provide information for a detailed assessment of the risk to all receptors that may be affected, including those off site.

2) The site investigation results and the detailed risk assessment (2) and, based on these, an options appraisal and remediation strategy giving full details of the remediation measures required and how they are to be undertaken.

3) A verification plan providing details of the data that will be collected in order to demonstrate that the works set out in (3) are complete and identifying any requirements for longer-term monitoring of pollutant linkages, maintenance and arrangements for contingency action. Any changes to these components require the express consent of the local planning authority. The scheme shall be implemented as approved. Reason: The information provided with the planning application indicates that the site has been subject to multiple potentially contaminative land-uses. The environmental setting of the site is sensitive as it lies on the magnesian limestone, a principal aquifer. This condition will ensure that the risks posed by the site to controlled waters are assessed and addressed as part of the redevelopment.

33. Prior to commencement of development, a verification report demonstrating completion of the works set out in the approved remediation strategy and the effectiveness of the remediation shall be submitted to and approved, in writing, by the local planning authority. The report shall include results of sampling and monitoring carried out in accordance with the approved verification plan to demonstrate that the site remediation criteria have been met. It shall also include any plan (a long-term monitoring and maintenance plan) for longer-term monitoring of pollutant linkages, maintenance and arrangements for contingency action, as identified in the verification plan, and for the reporting of this to the local planning authority.

Reason: The information provided with the planning application indicates that the site has been subject to multiple potentially contaminative landuses. The environmental setting of the site is sensitive as it lies on the Magnesian Limestone, a principal aquifer. This condition will ensure that the risks posed by the site to controlled waters are assessed and addressed as part of the redevelopment.

34. If, during development, contamination not previously identified is found to be present at the site then no further development (unless otherwise agreed in writing with the Local Planning Authority) shall be carried out

until the developer has submitted, and obtained written approval from the Local Planning Authority for, an amendment to the remediation strategy detailing how this unsuspected contamination shall be dealt with.

Reason: Unsuspected contamination may exist at the site which may pose a risk to controlled waters.

35. Prior to being discharged into any watercourse, surface water sewer or soak away system, all surface water drainage from parking areas and hard standings shall be passed through an oil interceptor installed in accordance with a scheme previously submitted to and approved in writing by the LPA. Roof water shall not pass through the interceptor.
Reason: To prevent pollution of the water environment.

E) Noise from Mechanical Plant

36. Prior to the installation of any fixed mechanical plant at the site a detailed acoustic assessment of such plant must be submitted to and approved by the Local Planning Authority. The assessment shall examine noise levels generated by the plant, how these would affect adjacent residential amenity and specify, if shown to be necessary, details of noise reduction measures to ensure appropriate noise levels are achieved at adjacent dwellings. Any necessary noise reduction measures shall be installed, only in accordance with the approved details and prior to the occupation of any of the new buildings.

Reason: For the protection of residential amenity of dwellings adjacent to the site in accordance with Policy EN5 of the UDP.

APPENDICES

Appendix A1 Summary of Consultation Responses on the Original Application

a) Technical

1, Government Office for the North East.

Whilst the Office is ready to advise on any specific questions of national [policy or process it would be inappropriate for us to comment on the application itself. This is because the Secretary of State has a quasi-judicial role in the planning process and we must not prejudice that position.

2 Regional Development Agency One North East.

Site would benefit from a comprehensive redevelopment scheme and the Agency welcomes the initiative which has the potential to contribute to the regeneration of this area of Monkwearmouth to the benefit of the proposals currently being rolled out by Sunderland arc in the adjoining Central Sunderland area. However, the City Council must be satisfied that the proposal will not have a detrimental impact upon the vitality and viability of the city centre or other existing centres within the vicinity.

The agency requests the Council to encourage the developer to pursue the highest standards of quality; to require the developer provide details regarding the provision of renewable energy measures in the scheme and also to provide skills training.

3. North East Assembly.

The site is already developed in an urban area with transport links located within the Tyne and Wear conurbation and is therefore consistent with RSS policies 4 and 6. However, RSS policy 25 directs the majority of new retail and leisure development to the defined urban centres of Newcastle and Sunderland and, since the site is outside these areas, the council need to be confident that the development would not compromise the vitality and viability of Sunderland city centre and other surrounding town centres.

The provision of only 927 parking spaces is within the guidelines set out in PPG 13 and reflects RSS objectives to reduce reliance on car travel.. It is also consistent with RSS policies 2,7,and 54 which seek to reduce the impact of travel demand although the design and layout of the scheme will need to provide safe and convenient pedestrian and cycle routes to existing public transport facilities. Inclusion of renewable energy generation methods are required by RSS policy 39 as is the promotion of energy efficiency measures which would assist meeting the objectives of RSS policies 3 (climate change) and 38 (reducing energy consumption).

The applicant does not mention the provision of Sustainable Drainage Systems which are encouraged by RSS policy 34 and therefore needs to justify why such measures are inappropriate for this development.

The local authority should be satisfied that the design and layout of the scheme contributes to sustainable communities in line with RSS policies 8 and 24 and should ensure that a travel plan as required by RSS policy 54 is provided.

The principle of the development in this location is in general conformity with the RSS. However, this is subject to the council being satisfied that its scale and nature is acceptable and that it will not adversely affect the vitality and viability of surrounding centres in line with RSS policies 9 and 25.

4. . English Heritage

Do not wish to offer any comments.

5. Tyne & Wear County Archaeologist

If the application is approved, requests a condition be imposed to require a programme of archaeological work to be carried out in accordance with a specification to be provided by the County Archaeologist prior to any works commencing.

6. CABE

Are unable to review the scheme due to lack of resources.

7 . Environment Agency

No objection to the development provided conditions are attached to any consent protecting controlled, ground and surface waters from any contamination. The Agency also notes that sustainable urban drainage systems should be adopted and that the development should incorporate sustainable construction and renewable energy generation principles.

8. Northumbrian Water.

Request a condition requiring details of the methods to be used to dispose of surface water to be agreed prior to development commencing. Also request a copy of the decision notice.

9. National Grid.

Have concluded that the development would pose a negligible risk to operational electricity and gas transmission networks.

10. Nexus

No objection in principle. However, would like to see a more direct access from platform 2 (northbound) of the adjoining Metro station being examined.

Methods of work need to be agreed to ensure that no danger is presented to the safe operation of the adjoining railway.

Nexus is not convinced that commercial bus operators will be willing to divert services through the site, other than those heading east onto Roker Avenue/Fulwell Road/Gladstone Street, and suggest further discussions with operators.

11. Coal Authority

No observations other than to provide the authority's standard advice that it is within a coal mining area with its associated hazards.

12 Sunderland arc.

The arc supports the outline proposals for the redevelopment of Sunderland Retail Park for the following reasons. The proposal is in broad accordance with the saved policies of the adopted UDP. The Sunderland Retail Needs Assessment 2009 identifies a need to improve the quantitative and qualitative convenience goods retail provision in this area and as an established retail site SRP is appropriate to meet much of this need. They agree with the overall conclusions of the sequential assessment and they acknowledge the employment benefits, the clawback of retail expenditure leakage from the north of the city and the promotion of economic and physical regeneration of the area. They consider that weight should be accorded to considerations contained in PPS4 relating to carbon footprint of the development, accessibility to and within the site, high quality inclusive design, the regeneration of an established retail park in a gateway location and the net employment benefits of the scheme.

13. Planning Implementation Manager.

Acknowledges the significant changes in scale, design and appearance of the amended scheme which now represents a scheme more in keeping with its context and therefore acceptable. Implementation Manager has commented on a number of design issues including amount of development and car parking, indicative layout and scale, but appreciates that this is an outline application and that many of these matters can be covered in the reserved matters or by specific conditions.

Further comments have been made on the access arrangements but these are covered in those from the Highways and Transportation Manager below.

14. Highways and Transportation Manager

The Transport Assessment has demonstrated that, subject to the resolution of a number of queries, the scheme would operate satisfactorily in conjunction with the proposed highway improvement scheme for the Wheatsheaf junction, however, the latter is outside the application redline and will need to be covered by a Grampian style condition, which would be finally discharged through an Agreement under section 278 of the Highways Act, requiring that the development not open until these and the proposed alterations to Roker Avenue have been completed. The queries referred to above have now partly been resolved to the extent that they could be covered by inclusion in the condition referred to above.

Traffic Regulation Orders will be required to stop up a length of Wearmouth Street within the site. Direct access from the proposed bus stops on Newcastle Road to the main entrance of the superstore also needs to be provided and these too could be covered by condition.

15 Director of Community and Cultural Services

The City has 4 continuous automatic air quality monitoring stations and 48 diffusion tubes located throughout the district, all of which measure nitrogen dioxide concentrations, whilst 2 of the automatic stations also measure PM10 levels. Data from these has been released to the applicant although, whilst 8 diffusion tubes are within 1km of the site, none are sufficiently close to provide specific local background monitoring data. The applicant has therefore used empirically derived national background estimates of air quality.

Sunderland has no air quality management areas and no areas likely to exceed air quality objective standards including the area around the site. All predicted 2011 background concentrations of NO_x, NO₂ and PM10 without the development are below the objective limit of 40ug/m³, although these levels do not include concentrations from local sources of pollution. With the development in place, receptors (houses) on Roker Avenue are likely to experience an increase in PM10 and NO₂ concentrations although levels of air quality will remain satisfactory and below the annual mean objective of 40ug/m³. This is not considered to be a significant impact although mitigation measures will be required during the construction phase to ensure that PM10 emissions are minimised.

The City has 4 continuous automatic air quality monitoring stations and 48 diffusion tubes located throughout the district, all of which measure nitrogen dioxide concentrations, whilst 2 of the automatic stations also measure PM10 levels. Data from these has been released to the applicant although, whilst 8 diffusion tubes are within 1km of the site, none are sufficiently close to provide specific local background monitoring data. The applicant has therefore used empirically derived national background estimates of air quality.

Sunderland has no air quality management areas and no areas likely to exceed air quality objective standards including the area around the site. All predicted 2011 background concentrations of NO_x, NO₂ and PM10 without the development are below the objective limit of 40ug/m³, although these levels do not include concentrations from local sources of pollution. With the development in place, receptors (houses) on Roker Avenue are likely to experience an increase in PM10 and NO₂ concentrations although levels of air quality will remain satisfactory and below the annual mean objective of 40ug/m³. This is not considered to be a significant impact although mitigation measures will be required during the construction phase to ensure that PM10 emissions are minimised.

The applicant carried out a baseline noise assessment at four locations within the study area and calculated future noise levels with the development in place at the 4 locations and at a further 8 representative receptor sites. At 9 of the locations, noise is predicted to decrease moderately but on Roker Avenue and the adjacent residential streets, minor increases in the region of 2.6dB are expected. That level is a minor change and will not be perceptible. It is also anticipated that noise levels are unlikely to rise above 68dB(A), the level specified under the Noise Insulation Regulations above which residents may be entitled to sound insulation. Potential noise levels predicted for the worst year in the first 15 years after opening as recommended in the Highways Agency's Design Manual for Roads and Bridges have not been provided.

There is potential for noise disturbance from the construction phase but this can be controlled via a condition as can potential vibration.

At this outline stage there are no details of air conditioning and refrigeration plant but this could be controlled by a suitable condition.

b) Neighbours and Others.

1. Mr B Price

Concerned that the relocation of bus stops either side of Newcastle Road outside the development may cause a traffic hazard. Buses will have to wait a long time to allow customers with large amounts of shopping to board and southbound sightlines are restricted because of the rail/Metro overbridge. Suggests bus stops should be within the development or in lay-byes.

Also concerned about the effect the development will have on local shops, particularly those in Sea Road, Fulwell and The Green, Southwick.

2. Mr G Lundle.

Requests more information on traffic generation and plans of access arrangements.

3. Peter Dunn & Co Solicitors on behalf of Messrs. Chapman and Ellen.

Clients are removal and storage contractors with premises in Portobello Lane and are concerned that, during the course of construction and, when opened, the development could obstruct their access. Not opposed in principle to the development but request a condition on any approval preventing access from the site onto Portobello Lane. Following the submission of the amended proposal a meeting was held with Messrs Chapman and Allen and providing HGV access to their property via Portobello Rd is maintained both during construction period and after the opening of the development to the public they have no objections to the proposal.

4. Peacock and Smith on behalf of Wm Morrison Supermarkets plc.

Peacock and Smith's objections to the original scheme were as follows.

Letter dated 3rd November 2008

Their clients operate an in centre store at Doxford Park and a further store at Ocean Park, Seaburn. Proposal is an out of centre application to which all the key tests of PPS 6 apply.

The Sunderland Retail Study 2006 identified a convenience capacity of 1177sqm net but that the commitment for additional floorspace at the Asda store in adjoining Boldon Colliery will result in an over-supply of floorspace through to 2016. Similarly, the Retail Study identifies an "overprovision" of out-of-centre retail floorspace of 4,750sqm. There is therefore no justification for the floorspace at the application site.

Concerned that the quantitative need assessment submitted by the applicant is flawed in that:-

a) the study area is unrealistic, extending far to the south of central Sunderland beyond a 15min drive time, but not to the north. It fails to include the area around Boldon Colliery from which, it is claimed, significant "claw-back" would occur.

b) it does not take account of draws upon expenditure generated within the study area by stores located outside that area e.g. Asda at Boldon Colliery, Asda and Sainsburys at Washington. Consider that an up-to-date household survey to better understand expenditure flows is essential.

c) it does not confirm the convenience and comparison elements of the superstore despite knowing the likely operator is Tesco whose company averages could have been used.

Consider that the qualitative need has been overstated. The Council's Retail Study only identifies the need for a small City Centre foodstore. The fact that there is a significant outflow of expenditure from the north-west of the City does not justify the provision of a major new foodstore on the application site. Morrisons at Ocean Park helps to meet main shopping needs of this part of the City. The provision of a wide range of goods typically found in a Tesco Extra store would be unlikely to assist the attraction of new retailers to the City Centre or to strengthen its relative position.

Consider that, at 12,260sqm net, the scale of the superstore will considerably exceed that of other foodstores in the region. Asda is the largest locally at 9,397 sqm. It is out of scale particularly in view of the limited need for additional foodstore development in the Sunderland catchment.

The sequential test is largely academic as there is no need for this store. Mountview could redevelop the Retail Park without the superstore which could be considered for the council's preferred location for retail development, Holmeside. The retail impact assessment provides very little analysis as to how the proposed development will affect the health of the City Centre and other defined centres. The 2001 household survey is out of date and should be repeated. The estimated trade diversion from the City Centre of £15.8 million will lead to a material loss of activity in the centre. The trade diversion from Doxford Park, Boldon Colliery and Washington will represent a significant loss of activity to these centres whilst the application scheme is unlikely to materially reduce non-food shopping trips to Newcastle or the Metro Centre.

Consider that the application should be refused.

Letter dated 27th April 2009

There is no need for a superstore of the scale proposed by Mountview and it would have a detrimental impact on the health of the City Centre and district centres in the area. Therefore the application should be refused.

The only quantitative and qualitative deficiency identified by the Council's retail study is for a small foodstore in the City Centre. It is well known that Tesco operates a number of smaller format stores that could remedy this need. Such a facility would be more likely to fit onto a site in or on the edge of the City Centre and generate activity and other investor interest in the centre. Indeed it could kick start developer interest in an extension to the existing shopping centre.

Appendix A2 Summary of Consultation Responses on the Amended Application

a) Technical

1. Government Office for the North East.
No further comments

2. Regional Development Agency One North East.

Site would benefit from a comprehensive redevelopment scheme and the Agency welcomes the initiative which has the potential to contribute to the regeneration of this area of Monkwearmouth to the benefit of the proposals currently being rolled out by Sunderland arc in the adjoining Central Sunderland area.

However, the City Council must be satisfied that the proposal will not have a detrimental impact upon the vitality and viability of the city centre or other existing centres within the vicinity.

The agency requests the Council to encourage the developer to pursue the highest standards of quality; to require the developer provide details regarding the provision of renewable energy measures in the scheme and also to provide skills training.

3. North East Assembly.

4. English Heritage

The application(s) should be determined in accordance with national and local policy guidance, and on the basis of your specialist conservation advice.

5. Tyne & Wear County Archaeologist

If the application is approved, requests a condition be imposed to require a programme of archaeological work to be carried out in accordance with a specification to be provided by the County Archaeologist prior to any works commencing.

6. CABE

No further comments

7. Environment Agency

No objection to the development provided conditions are attached to any consent protecting controlled, ground and surface waters from any contamination. The Agency also notes that sustainable urban drainage systems should be adopted and that the development should incorporate sustainable construction and renewable energy generation principles.

8. Northumbrian Water.

Request a condition requiring details of the methods to be used to dispose of surface water to be agreed prior to development commencing. Also request a copy of the decision notice.

9. National Grid.

Have concluded that the development would pose a negligible risk to operational electricity and gas transmission networks.

10. Nexus
No further comment

11. Coal Authority

No observations other than to provide the authority's standard advice that it is within a coal mining area with its associated hazards.

12. Sunderland Arc

The arc supports the outline proposals for the redevelopment of Sunderland Retail Park for the following reasons. The proposal is in broad accordance with the saved policies of the adopted UDP. The Sunderland Retail Needs Assessment 2009 identifies a need to improve the quantitative and qualitative convenience goods retail provision in this area and as an established retail site SRP is appropriate to meet much of this need. They agree with the overall conclusions of the sequential assessment and they acknowledge the employment benefits, the clawback of retail expenditure leakage from the north of the city and the promotion of economic and physical regeneration of the area. They consider that weight should be accorded to considerations contained in PPS4 relating to carbon footprint of the development, accessibility to and within the site, high quality inclusive design, the regeneration of an established retail park in a gateway location and the net employment benefits of the scheme.

13. Planning Implementation Manager.

Acknowledges the significant changes in scale, design and appearance of the amended scheme which now represents a scheme more in keeping with its context and therefore acceptable. Implementation Manager has commented on a number of design issues including amount of development and car parking, indicative layout and scale, but appreciates that this is an outline application and that many of these matters can be covered in the reserved matters or by specific conditions.

Further comments have been made on the access arrangements but these are covered in those from the Highways and Transportation Manager below.

14. Highways and Transportation Manager

The Transport Assessment has demonstrated that, subject to the resolution of a number of queries, the scheme would operate satisfactorily in conjunction with the proposed highway improvement scheme for the Wheatsheaf junction, however, the latter is outside the application redline and will need to be covered by a Grampian style condition, which would be finally discharged through an Agreement under section 278 of the Highways Act, requiring that the development not open until these and the proposed alterations to Roker Avenue have been completed. The queries referred to above have now partly been

resolved to the extent that they could be covered by inclusion in the condition referred to above.

Traffic Regulation Orders will be required to stop up a length of Wearmouth Street within the site. Direct access from the proposed bus stops on Newcastle Road to the main entrance of the superstore also needs to be provided and these too could be covered by condition.

15. Director of Community and Cultural Services Operational Noise

A consultant's noise assessment has been submitted with the application which considers the impacts of the proposed retail development. Potential noise associated with car parking, servicing yards and mechanical plant has also been assessed.

The assessment quantifies the existing ambient and baseline noise levels at identified noise receptor locations around the site both during the day and at night. Four locations were selected as representative sites and a 3D acoustic model constructed to enable the prediction of noise incidence on nearby sensitive receptors as a function of noise generated by on site activities. The principal noise sources identified as requiring prediction were operational noise related to traffic movements and noise generated by fixed mechanical plant.

Plant Noise

As this is an outline application details of fixed noise generating plant, such as air conditioning and refrigeration, are not yet been known. Therefore appropriate noise emission limits could be conditioned to control noise generated by this aspect of the development.

Service Yard Noise and HGV access/Car Parks

The dominant noise source in the service yard areas will be HGV's and, associated purely with the store service yard area, additional daytime only van movements associated with the home delivery area.

During the night time period, due to the short assessment period noise levels are likely to be dominated by single HGV movement. Noise levels have been calculated using the acoustic model for both daytime and night time scenarios, using the 'Haul Road' methodology of BS5228. Operational on site noise has been assessed in line with the methodology of BS4142 which indicated that complaints as a result of such operations are unlikely both during the day and at night at all but 1 location. Good/reasonable internal conditions as detailed in the British Standard are demonstrated as being achievable in this context and indicates that the development would not result in a perceptible change in the existing L_{Aeq} noise levels inside the assessed residential receptors.

Traffic noise levels on surrounding routes

Traffic flow data for a number of road links surrounding the development site has been provided within the report in terms of 2 way 18-hour annual average weekly traffic both with and without the development.

The percentage increase in traffic on a number of most affected routes around the site have been calculated and presented within the report and used to predict the change in noise level as a result of traffic associated with the development. The typical change in noise level is less than +1dB. This is typically

imperceptible to the human ear. An increase of 2.3 dB is predicted at Roker Avenue (east of junction with George Street North) but changes of up to + 3 dB are considered to be minor. Consequently, the majority of routes have been identified as having a negligible or minor impact due to changes in traffic noise levels on public highways.

Construction Noise

In view of the close proximity of the proposed development to nearby residential properties, on-site operations should not commence before 07:00 hrs and cease at or before 19:00 hrs Monday to Friday inclusive, and 07:30 and 14:00 hrs Saturdays. No works shall be permitted to take place on Sundays and Bank Holidays at any time without the prior approval of the Council.

Air Quality

An air quality assessment has been produced for the development by consultants for the redesigned superstore and associated development. The results indicated that it was unlikely that the Air Quality Objectives for both PM₁₀ and NO₂ at relevant receptors would be exceeded.

Dust from the construction phase could be controlled by way of a planning condition as could the operation of the proposed petrol filling station (If it is deemed necessary to use a condition for this purpose) which will be regulated under the provisions of the Pollution Prevention and Control Act 1999.

Contamination

The Applicant has submitted an assessment in respect of ground contamination. This is currently under review. Notwithstanding that, if planning permission is granted the situation could be controlled through standard planning conditions, one of which would require that no works other than site investigation works should be carried out on the site prior to the receipt of written approval of the desktop study and any necessary remediation strategy in respect of this matter.

- b) Neighbours and Others
- 1. Mr B Price

Concerned that the relocation of bus stops either side of Newcastle Road outside the development may cause a traffic hazard. Buses will have to wait a long time to allow customers with large amounts of shopping to board and southbound sightlines are restricted because of the rail/Metro overbridge. Suggests bus stops should be within the development or in lay-byes.

Also concerned about the effect the development will have on local shops, particularly those in Sea Road, Fulwell and The Green, Southwick.

- 2. Mr G Lundle.

Requests more information on traffic generation and plans of access arrangements.

- 3. Peter Dunn & Co Solicitors on behalf of Messrs. Chapman and Ellen.

Clients are removal and storage contractors with premises in Portobello Lane and are concerned that, during the course of construction and, when opened, the

development could obstruct their access. Not opposed in principle to the development but request a condition on any approval preventing access from the site onto Portobello Lane. Following the submission of the amended proposal a meeting was held with Messrs Chapman and Allen and providing HGV access to their property via Portobello Rd is maintained both during construction period and after the opening of the development to the public they have no objections to the proposal.

4. Peacock and Smith on Behalf of Morrisons.
No representation received on revised application.

Appendix B1 Report of Consultants Engaged by the Council on the Original Application

6 OVERALL CONCLUSIONS AND RECOMMENDATION

Retail Policy Aspects of the Development Plan

Conclusion in Relation to the RSS

6.1 Despite its 'out-of-centre' location, the application proposal is in broad accord with the locational strategy of the RSS (Policy 6) and with the sequential approach (Policy 4). There is a degree of conflict with Policy 25, given the availability of a sequentially preferable site at Holmeside in Sunderland city centre, but overall we consider that there is broad compliance with the RSS component of the development plan when it is considered as a whole.

Conclusion in Relation to the UDP's Retail Policies

6.2 The existence of Holmeside means that there is some degree of conflict, also, with Policy S1 of the UDP. Nevertheless, it is clear that the land use policies for the area covered by the Monkwearmouth inset plan envisage major change, including significant new commercial and residential developments; the location is highly accessible, it forms an important gateway and already enjoys a comparatively strong retail emphasis.

6.3 Thus, given the provisions of the Rochdale judgment referred to in the introduction to Section 3, a partial breach of Policy S1 does not prevent the City Council from reaching a conclusion that the application is in accord with the UDP when it is considered as a whole. Moreover, the UDP gives strong emphasis to urban regeneration and the re-use and enhancement of previously developed sites, particularly in areas such as Monkwearmouth

The PPS6 Tests

6.4 Paragraph 3.5 of PPS6 states that '...as a general rule the development should satisfy all these considerations [the five key tests]. In making their decision local planning authorities should also consider relevant local issues and other material considerations.' (our emphasis). Thus, the phrase 'as a general rule' means that there will be circumstances where material considerations are given such weight as to overcome the failure of one or more of the key tests in PPS6.

Sunderland City Council

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Need

6.5 We consider that a significant quantitative retail need will arise by 2013 and that the Sunderland Retail Park is an appropriate established retail location for meeting some of this need. There is, however, a case for the City Council to seek to negotiate with the applicant on a reduction in the size of the food superstore element of the application, given that the projected turnover in the convenience goods sector exceeds the surplus capacity, and given the opportunity to meet some of the need at Holmeside.

6.6 We accept, also, that there is a qualitative need to improve the provision of convenience goods shopping for the residents of North Sunderland (Zones 1 and 2). We recognise, also, the qualitative benefits that would arise from the improvement in convenience goods provision for the deprived residential areas that are in close proximity to the Retail Park. Similarly, we accept that there is a qualitative need to redevelop the existing retail park, to improve its environment and visual appearance and to improve pedestrian linkages to the Metro Station. Thus, we accept that there are qualitative factors which weigh in favour of the application proposal.

Scale

6.7 Given the 'out-of-centre' location of the application proposal and the quantum and

scale of development which already exists at the Sunderland Retail Park, we consider that the application raises no issue in relation to the PPS6 test of scale.

Sequential Approach

6.8 We conclude that the food superstore element of the application for Sunderland Retail Park could be accommodated as part of a mixed-use scheme at Holmeside, if the operator displays the flexibility required by PPS6. As a consequence, there is a technical failure of the sequential test. Nevertheless, we consider that such a failure should not be determinative in this case because of the qualitative need to redevelop the established Sunderland Retail Park, for which the foodstore element will provide much of the funding.

Impact

6.9 Our overall conclusion in relation to impact is that there is unlikely to be significant material harm to any centre within the terms of the factors set out in paragraph 3.22 of PSS6. Nevertheless, it is important for the City Council to protect the Holmeside investment opportunity in the city centre and to protect the nearby local and district centres. Such considerations represent good reasons for the Council to seek to

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negotiate some reduction in the food superstore component of the application. The impact on the J Sainsbury store in Fulwell, at 9.2 per cent, is potentially damaging to its anchor role in that centre. The Council should also be concerned to protect the independent traders in the City Centre, given the recent rise in vacancies associated with the recession.

Accessibility

6.10 We conclude that the application proposal is accessible by a choice of means of transport and on foot, so that this aspect of the PPS6 accessibility test is met. However, we are not instructed in relation to impact on travel demand.

Material Considerations

6.11 In our assessment, the material considerations identified in paragraph 2.51 of PPS6, to which significant weight should be given are:

- i) the regeneration of an established retail park in a key gateway location that is in need of functional, physical and environmental improvements;
- ii) the contribution of the application to the Government's social inclusion agenda by improving the provision and choice of convenience goods shopping in close proximity to high density, deprived, residential areas; and
- iii) the net employment impact of the application proposal, taking account of displacement, and the provision of jobs in a sector that offers relatively easy entry to those suffering from worklessness.

Recommendation

6.12 There is some degree of conflict with the retail aspects of the development plan and with the sequential test. There is also likely to be insufficient quantitative need to support the full quantum of floorspace proposed at the Sunderland Retail Park and we are concerned with the size of the food superstore component. We are also concerned about the need to protect the investment opportunity at Holmeside and to reduce the risk of harm to independent traders in the City Centre and in the nearby district and local centres.

6.13 Nevertheless, we consider that the regeneration policy aspects of the development plan weigh in favour of the redevelopment of the Sunderland Retail Park, and we recommend that the City Council indicates its support for the principle of the application scheme. However, for the reasons set out in Paragraph 6.12, we consider that the Council should seek to negotiate with the applicant to reduce the size of the food superstore component of the application.

Appendix B2 Report of Consultants Engaged by the Council on the Amended Application

5 CONCLUSIONS AND RECOMMENDATIONS

The Requirements of PPS4

Policy EC17 of PPS4 sets out the Government’s guidelines for considering planning applications for town centre uses. Paragraph EC17.1 explains that applications for main town centre uses that are not in an existing centre and not in accordance with an up-to-date development plan should be refused planning permission where:

- a) the applicant has not demonstrated compliance with the requirements of the sequential approach (Policy EC15); or
- b) there is clear evidence that the proposal is likely to lead to significant adverse impacts in terms of any one of the impacts set out in Policies EC10.2 and EC16.1 (the impact assessment), taking account of the likely cumulative effect of recent permissions, developments under construction and completed developments (our emphasis).

Where no significant adverse impacts have been identified under Policies EC10.2 and EC16.1, Policy EC17.2 of PPS4 advises that planning applications should be determined by taking account of:

- a) the positive and negative impacts of the proposal in terms of Policies EC10.2 and 16.1, and any other material considerations; and
- b) the likely cumulative effect of recent permissions, developments under construction and completed developments.

Finally, Policy EC17.3 states that, ‘*judgements about the extent and significance of any impacts should be informed by the development plan*’. Policy EC17.3 also notes that recent local assessments of the health of town centres and any other published local information are also relevant. I confirm that I have taken full account of the development plan (as explained in Section 3 of my Proof), and my assessment of the application scheme has also been informed by my recent health checks of the centres in the catchment area and also other relevant local documents.

RTP Assessment

We consider that the applicant has followed the sequential approach, and that there is no sequentially preferable opportunity which meets the ‘available’, ‘suitable’ and ‘viable’ tests, even allowing for the flexibility required by Policy EC15.1.d. As a consequence, we consider that the applicant has demonstrated compliance with the sequential approach.

Similarly, we consider that there is no clear evidence that the proposal is likely to lead to any significant adverse impacts in terms of the tests set out in Policies EC10.2 and EC16.1.

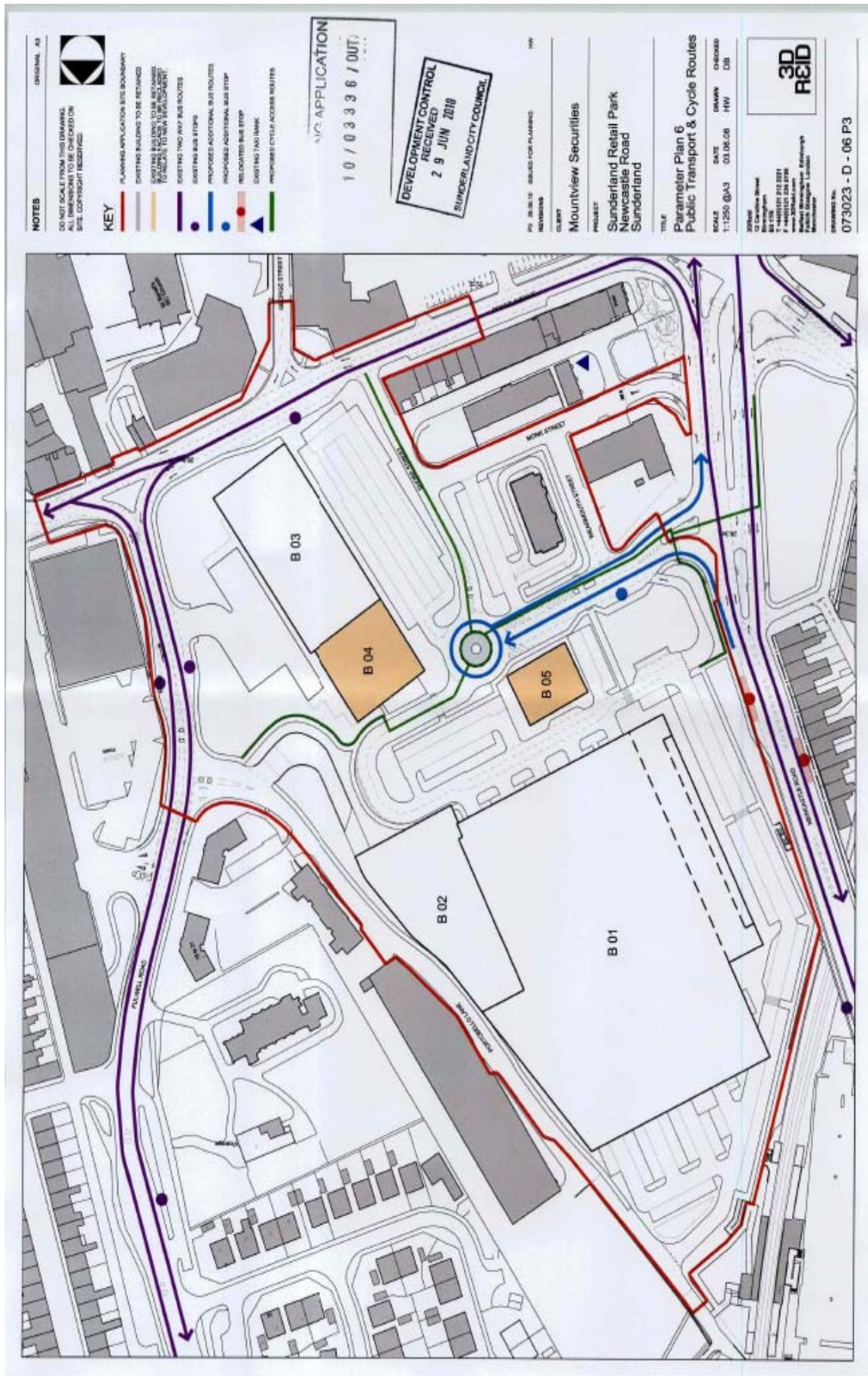
Thus, given these conclusions, the decision maker has to enter the balancing exercise required by Policy EC17.2. In our assessment, the positive regeneration and employment impacts, and the substantial private investment levered by the application proposal more than offset the negative trade diversion impacts. In coming to this conclusion, we have taken account of the health of Sunderland City Centre, and other vitality and viability indicators, as required by Policy EC17.3.

Recommendations

From the perspective of retail and regeneration policies, we recommend that the Council supports the application in principle. There will need for conditions which control the total sales area of the retail park (including any mezzanine floorspace), the total sales area of the food superstore component (including any mezzanine floorspace), and the total sales areas devoted to comparison and convenience goods within the food superstore (again including any mezzanine floorspace).

We also recommend that the Council engages with the applicant, and seeks to persuade it to operate the food superstore as one of its regeneration stores, which will encourage, by condition or legal agreement, the take-up of the job opportunities by those most socially and economically disadvantaged in the local area.

APPENDIX 3 PROPOSED SITE LAYOUT



SUPPLEMENTARY REPORT

Planning and
Highways
Committee
5th October
2010

Reference No.: 08/03336/OUT Outline Application

Proposal: Revised outline planning application, received 5th August 2010, for erection of superstore (A1); retention and recladding of an existing unit; erection of four additional retail units; retention and recladding of the existing Farmfoods/Blockbuster unit ; new vehicular accesses; reopening of section of highway to emergency vehicles; resurfacing/landscaping and stopping up of a highway.

Location: Sunderland Retail Park Sunderland

Ward: St Peters

Applicant: Mountview Securities

Date Valid: 5 September 2008

Target Date: 31 October 2008

PURPOSE OF REPORT

The purpose of this report is firstly to address, in the interests of completeness, an editing error contained in Appendices A1 and A2 to the Addendum Report and to comment further on the proposed Section 106 agreement.

First Appendix A1 contains the summary of consultation responses on the Original Scheme, while Appendix A2 contains the summary of consultation responses on Amended Scheme. However both entries for Sunderland Arc (Consultation response no. 12) refer to the comments made in response to the amended scheme. The response from the Arc on the original scheme is summarised below.

Having regard to the exceptional scale of the proposed development and the capacity deficit revealed by the applicant's own retail assessment Sunderland Arc considered that It would be premature and inappropriate to evaluate this scheme until the new city-wide Retail Study is available and agreed. However, the following provisional comments were provided [*with officer comments in italics*].

Key issues

Sunderland arc considered that the key issues raised by the application were :

- (i) The regeneration and economic benefits arising from the redevelopment of the site — for the locality and the city as a whole.
- (ii) Transport considerations, notably the degree of accessibility by various forms of transport, particularly public transport.
- (iii) The extent of the quantitative and qualitative need for a superstore on the scale proposed.
- (iv) The adequacy of the sequential assessment.
- (v) Potential impacts on the vitality and viability of existing centres, particularly

the city centre, including: the extent of the effect on the spatial planning strategy for the city as a whole; and on future public and private sector investment in the city centre.

(vi) The degree of consistency with the development plan and government planning policy.

Regeneration benefits and accessibility

In relation to matters (i) and (ii), this is a prominent inner urban site that provides a significant regeneration opportunity. It is highly accessible and with a densely developed residential areas adjoining. The area suffers from a poor environment combined with economic and social disadvantage and the case for comprehensive regeneration is compelling. In principle, comprehensive redevelopment of the Sunderland Retail Park also provides an opportunity to strengthen the retail offer in Sunderland generally which is an important material consideration. It may also assist in limiting the leakage of expenditure from north-west Sunderland to retail locations outside the city.

Need

The Arc had a number of concerns with respect to the assessment of need. It was apparent from the applicant's own revised Retail Assessment that a quantitative need for the proposal has not been adequately demonstrated. The Arc concluded that it would be inappropriate to determine an application of this magnitude in an out-of-centre location, ahead of the city-wide retail study subsequently carried out for the Council by Roger Tym & Partners. *[This study has now been completed and used by RTP in their assessment of the amended application.]*

Sequential assessment

With regard to the sequential assessment In relation to Holmeside, the Arc considered that this remained flawed in several important respects. Key among these is that the assessment did not recognise that a major foodstore on Holmeside is fully consistent with the adopted 1998 UDP and with PPS6, as well as with the adopted UDP Alteration, since the site is already within the Retail Core. *[As set out in the main report the development at Holmeside cannot be delivered in the same time frame as SRP as the preferred developer has now gone into administration.]*

In this context, the Arc agreed that the implications of the scale of the proposed superstore development needed to be carefully evaluated with a need to examine the case for reducing the scale of the proposed superstore. It was noted that upwards of some 12,000sqm of retail floorspace already exists on the site which would be replaced by the proposed development, resulting in a net increase of around 10,000sqm. However, at 22,355sqm gross, the scale of the superstore is exceptional, certainly the largest in the region and believed to be possibly the largest in the UK. Whilst the applicant was asked to provide further information on stores of comparable size, comparatively little has emerged apart from the comparison with Kingston Park. The extent of the difference between the proposed gross and net floorspace is also quite remarkable and in the arc's view the applicant's justification was unconvincing. *[The revised scheme has significantly reduced the scale of the proposal and hence the Arc's comments on*

that scheme are considerably more favourable.]

UDP Policy S5

Finally, the Arc noted that there were a number of references in the Retail Assessment to UDP Policy S5, which were quoted in support of the scheme. However, as the Council is aware this particular policy was not saved by the Secretary of State's Direction under paragraph 1(3) of Schedule B to the Planning and Compulsory Purchase Act 2004 - and has therefore expired. *[This matter has been addressed in the assessment relating to the amended scheme.]*

PROPOSED SECTION 106 AGREEMENT

As explained at Page 23 of the Addendum Report, it is proposed to address two policy issues relating to the development through a Section 106 Agreement under the Town and Country Planning Act 1990.

Firstly, it is proposed to impose a planning obligation on the operator of the superstore to provide employment and training opportunities at the store to the most socially and economically disadvantaged in the local area, in particular those who have been unemployed for more than twelve months and individuals in receipt of income support and sickness related benefits. This obligation is necessary to secure the positive impact of the development on local employment as identified by the impact assessment under EC10.2(e) of PPS4.

Secondly, it is proposed to impose a planning obligation on the developer to provide on site public art provision to the value of £50,000 as part of the proposed development. Policy B20 of the UDP provides that the Council will encourage the provision of public art, craft or decoration in major new developments as part of the enhancement of the built environment and the open landscapes of the city. This obligation is necessary to achieve an enhanced development at this important gateway site to the City. The level of this contribution to public art is considered proportionate to the scale and nature of the entire development.

Both planning obligations are therefore considered necessary to make the development acceptable in planning terms. In addition, both obligations directly relate to the development and fairly and reasonably relate to the scale and nature of the development in accordance with the tests contained in Regulation 122 of the Community Infrastructure Regulations 2010.

RECOMMENDATION

Committee is recommended to resolve:-

- 1) That it is minded to approve the outline application for retail development subject to the conditions outlined in the Addendum Report and to the completion of a Section 106 Town and Country Planning Act 1990 Agreement for the following reasons:-
 - The proposed development accords with UDP policy and in particular strategic retail policy S1 and site specific policy

Appendix 8

N44.(having satisfied the sequential test and there being no clear evidence of a significant adverse impact on the vitality and viability of other centres); policies EC1 and EC3 (being in an area of economic and social deprivation and re-using already developed land); policies R1 and R2 (being environmentally sustainable and using existing infrastructure) and accords with the supporting text to emerging Core Strategy CS6 (which provides for out of centre retail provision where there is a lack of such facilities and there are no sequentially preferable sites available).

- The proposed development satisfies the requirements of the sequential approach set out in Policy EC15 of PPS4 and there being no sequentially preferable sites for the development. Further there is also no clear evidence that the proposal will have any significant adverse impacts in terms of any of the impacts referred to in Policies EC10.2 and 16 of PPS4.
 - The proposed development has been assessed taking account of the positive and negative impacts of the proposal and other material considerations and the positive impacts in terms of employment and physical and social regeneration more than offset any potential negative trade diversions.
- 2) to refer the application to the Secretary of State under the terms of the Town and Country Planning (Shopping Development) (England and Wales) (No 2) Direction 1993.

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DPP
FAO Karen Read
5-13 The Side
The Quayside
Newcastle Upon Tyne
NE1 3JE
England

Date of Decision 27th October 2010

**TOWN AND COUNTRY PLANNING ACT 1990 (AS AMENDED)
Town and Country Planning (Development Management Procedure)
(England) Order 2010**

In pursuance of its powers under the above mentioned Act and Order, Sunderland City Council, as local planning authority, has **GRANTED OUTLINE** planning permission for the following development namely:

Application ref: 08/03336/OUT

Proposal: Revised outline planning application received 5th August 2010, for erection of superstore (A1); retention and recladding of an existing unit; erection of four additional retail units; retention and recladding of the existing Farm foods/Blockbuster unit; new vehicular accesses; reopening of section of highway to emergency vehicles; resurfacing/landscaping and stopping up of a highway

At: Sunderland Retail Park, Monkwearmouth, Sunderland.

Subject to compliance with the conditions specified hereunder:

A) Implementation and Phasing

1. Application for approval of the following reserved matters shall be made in writing to the Local Planning Authority before the expiration of three years from the date of this permission: Appearance, Scale, Landscaping. The development hereby permitted shall be begun before the expiration of two years from the date of final approval of the last of the reserved matters to be approved.

Imposed pursuant to the provisions of Section 91 of the Town and Country Planning Act 1990 as amended by Section 51 of the Planning and Compulsory Purchase Act 2004.

PLEASE QUOTE THE APPLICATION NUMBER IN ALL CORRESPONDENCE

Please note: All information will available via the Internet at www.sunderland.gov.uk

B) Design

2. The total net retail sales area of the entire Development hereby permitted shall not exceed 11,916 sqm including any mezzanine floorspace. This is to safeguard the vitality and viability of the City Centre and other local centres in accordance with Government policy.
3. The total net retail sales area of the Superstore hereby permitted shall not exceed 8,378 sqm including any mezzanine floorspace. This is to safeguard the vitality and viability of the City Centre and other local centres in accordance with Government policy.
4. The total net retail sales area of the Superstore hereby permitted shall not exceed 4,189 sqm net retail convenience floorspace and 4,189 sqm net retail comparison floorspace including any mezzanine floorspace. This is to safeguard the vitality and viability of the City Centre and other local centres in accordance with Government policy.
5. Before the development hereby permitted is commenced, details of the following matters shall be submitted to and approved in writing by the Local Planning Authority:- the siting, design and external appearance of the buildings and the landscaping of the site; and the development shall be carried out as approved. This is to ensure a satisfactory form of development as the details submitted as part of the application are incomplete and for illustrative purposes only.
6. The development hereby approved shall be carried out in accordance with the following approved plans unless otherwise agreed by the Local Planning Authority.
073023D 09 P2; 073023D 10 P3; 073023D 05 P3; 073023D 06 P3; 073023D 07 P3; 073023D 24 P4.
7. Before the development hereby permitted is commenced, a schedule and sample of all materials and finishes, including walls, roofs, doors, windows, rainwater goods shall be submitted to and approved in writing by the Local Planning Authority. Thereafter, the development shall not be carried out other than in accordance with the approved details, to secure a satisfactory form of external appearance to comply with policy B2 of the UDP.
8. Before the development hereby permitted is commenced, details of any floodlighting/ exterior lighting for the buildings shall be submitted to and approved in writing by the Local Planning Authority. The lighting shall be installed in accordance with the approved plans before the buildings within the relevant phase of the development to which the lighting relates are occupied, in order to ensure a satisfactory form of development and to comply with policies B2 and T8 of the UDP.
9. Before the development hereby permitted is commenced, details of all walls, fences or other means of boundary enclosure shall be submitted to and approved in writing by the Local Planning Authority. The

boundary treatment shall be completed in accordance with approved details before the buildings within the relevant phase of the development to which the boundary treatment relates are occupied or otherwise in accordance with an agreed timetable, in the interest of visual amenity and to comply with policy B2 of the UDP.

10. All planting, seeding or turfing included in the approved details of landscaping for the development shall be carried out in the first planting season following the first occupation of any of the buildings within the relevant phase of the development to which the landscaping relates or the completion of the development, whichever is the sooner, and any trees or plants, which within a period of 5 years from the completion of the development die, are removed or become seriously damaged or diseased shall be replaced in the next planting season with others of a similar size and species, in the interests of visual amenity and to comply with policies B2 and CN18 of the UDP.

C) Sustainability

11. Before the development of the Superstore hereby permitted is commenced, a schedule demonstrating the means incorporated within the design of the proposals by which the Superstore development addresses the aims of Sustainable Development in accordance with the City Council's Charter 2000, shall be submitted to the Local Planning Authority for written approval and the approved measures shall thereafter be incorporated in the Superstore development, in order to ensure a satisfactory form of development and to comply with policy R1 of the UDP.
12. Before the development of the Superstore hereby permitted is commenced, measures shall be submitted to and approved in writing by the Local Planning Authority to ensure that the Superstore is designed to achieve high energy efficiency and minimise water and energy consumption and achieves BREEAM "very good" rating. The details approved shall thereafter be incorporated in the Superstore development in order to ensure an environmentally sustainable development in accordance with policy R1 of the UDP.
13. Before the development of the Superstore hereby permitted is commenced, measures to ensure 10% (*or such other proportion as may be approved in writing by the Local Planning Authority*) of the Superstore's energy requirements are produced from embedded renewable energy sources shall be submitted to and approved in writing by the Local Planning Authority. The details approved shall be implemented prior to the occupation of the Superstore and retained as operational thereafter unless otherwise agreed in writing by the Local Planning Authority in order to ensure an environmentally sustainable development in accordance with policy R1 of the UDP.

D) Storage of Refuse

14. Before the development hereby permitted is commenced, a plan showing the provision of adequate facilities for the storage and collection of refuse including provision for onsite separation of items for recycling collection within the site shall be submitted to and approved in writing by the Local Planning Authority, and shall be so installed prior to occupation of any of the new buildings and maintained thereafter in order to ensure a satisfactory form of development and to comply with policy EN1 of the UDP.

E) Highways and Transport

15. Notwithstanding the plans hereby approved, details of the design of all roads, footways, footpaths and cycleways and a scheme for external lighting and street furniture (litter bins, seating, planters etc) shall be submitted to and agreed in writing by the Local Planning Authority prior to works commencing on site, in the interests of highway safety and to comply with policy T14 of the UDP. Thereafter, no part of the development hereby permitted shall be carried out or implemented other than in accordance with such agreed details.

16. The following highway improvements, in accordance with detailed designs to be submitted to and approved in writing by the Local Planning Authority shall be completed as part of the development. The Superstore shall not be occupied until the said highway improvements have been completed in accordance with these approved details:-

- (i) major improvements to the junction of Newcastle Road/Roker Avenue/Southwick Road
- (ii) improvements to Roker Avenue east of its junction with George Street to its junction with Fulwell Road.
- (iii) implementation of a signal controlled pedestrian crossing at Roker Avenue or full traffic lights incorporating pedestrian phases in the vicinity of Shore Street/George Street North.
- (iv) ramped access from the site to the Stadium of Light Metro Station
- (v) notwithstanding the presently submitted details, bus stops, bus shelters and bus laybys adjacent to the site at Newcastle Rd and Roker Avenue
- (vi) notwithstanding the presently submitted details, pedestrian routes from Newcastle Rd, Roker Avenue and Portobello Rd, including from any bus stops and pedestrian crossings located on these roads.
- (vii) notwithstanding the presently submitted details, provision of on-site vehicular circulation.
- (viii) A scheme for the management of on site car parking.

Reason: In the interests of highway safety and in accordance with policy T14 of the UDP.

17. The Superstore shall not be occupied until the pedestrian way linking the site with the Stadium of Light Metro Station as shown on the approved plans has been completed and made available to members of the public and shall remain available thereafter for public use, in accordance with policy T14 of the UDP.
18. Before the Superstore hereby permitted is occupied, a detailed Travel Plan shall be submitted to and approved in writing by the Local Planning Authority and subsequently implemented, in the interests of highway safety and in accordance with policies T2 and T14 of the UDP.

F) Parking and Servicing

19. The Superstore shall not be occupied until the off street parking provision for the area of the application site located north of the site access from Newcastle Road has been constructed, surfaced, sealed and made available in accordance with the approved plans. This parking area shall then be retained and permanently reserved for the parking of vehicles, to ensure that adequate and satisfactory provision is made for the off street parking of vehicles and to comply with policies T14 and T22 of the UDP.
20. All other new buildings (excluding the Superstore) shall not be occupied until the off street parking provision for the area of the application site located south of the site access from Newcastle Road has been constructed, surfaced, sealed and made available in accordance with the approved plans. This parking area shall then be retained and permanently reserved for the parking of vehicles, to ensure that adequate and satisfactory provision is made for the off street parking of vehicles and to comply with policies T14 and T22 of the UDP.
21. Before the Superstore development hereby permitted is commenced, details of the space and facilities for bicycle and motor cycle parking for the entire development shall be submitted to and approved in writing by the Local Planning Authority. The facilities shall be laid out in accordance with the approved details before the Superstore is occupied and subsequently retained, in order to ensure that adequate provision is made for cycle and motor cycle parking and to comply with policies T14 and T22 of the UDP.
22. Before the Superstore development hereby permitted is commenced, details of the facilities to enable servicing of the Superstore shall be submitted to and approved in writing by the Local Planning Authority. Such facilities shall be provided in accordance with the approved details before the Superstore is occupied and such facilities shall be retained and kept unobstructed at all times, in the interests of highway safety and to comply with policy T14 of the UDP.

23. Before development of the other new buildings (excluding the Superstore) hereby permitted is commenced, details of the facilities to enable servicing of those buildings shall be submitted to and approved in writing by the Local Planning Authority. Such facilities shall be provided in accordance with the approved details before those buildings are occupied and such facilities shall be retained and kept unobstructed at all times, in the interests of highway safety and to comply with policy T14 of the UDP.
24. Before the development of the Superstore hereby permitted is commenced, details of the siting and design of and signage for four reserved parking bays equipped with two double charging points, to enable battery powered cars to be recharged, shall be submitted to and approved by the Local Planning Authority. The approved equipment, signage and reserved parking bays shall thereafter be installed in the approved location as part of the car parking provision at the development prior to the occupation of the Superstore and retained in perpetuity unless otherwise agreed in writing by the Local Planning Authority, in order to meet the requirements of UDP policy R4.

G) Scheme of Working

25. Before the development hereby permitted is commenced a scheme of working shall be submitted to and agreed in writing by the Local Planning Authority; such scheme shall include days and hours of working, siting and organisation of the construction compound and site cabins, routes to and from the site for construction traffic, and measures to ameliorate noise, dust, vibration and other effects, and thereafter be so implemented, in the interests of the proper planning of the development and to protect the amenity of adjacent occupiers and in order to comply with policies EN1 and T14 of the UDP.
26. Before the development hereby permitted is commenced, details of the method of containing the construction dirt and debris within the site and ensuring that no dirt or debris spreads on to the surrounding road network shall be submitted to and approved in writing by the Local Planning Authority. These details shall include the installation and maintenance of a wheel cleaning facility on the site. All works and practices shall be implemented in accordance with the agreed details and shall be maintained throughout the construction period, in the interests of the amenities of the area and highway safety and to comply with policies EN1 and T14 of the UDP.
27. Before the development hereby permitted is commenced, arrangements for setting up appropriate systems for monitoring and controlling dust emission arising from construction work shall be submitted to and agreed in writing by the Local Planning Authority and

implemented thereafter, in the interest of amenity in accordance with policy EN1 of the UDP.

28. Before the development hereby permitted is commenced, a scheme shall be submitted to and agreed in writing by the Local Planning Authority to ensure that smoke, dust or litter shall not be allowed to drift across the adjoining railway; that no crane jib shall swing suspended loads over the adjoining railway, without the prior approval in writing of the Local Planning Authority, and no illumination shall cast a glare over the adjoining railway and such a scheme shall be implemented thereafter during construction, in the interests of railway safety in compliance with policies EN1 and T14 of the UDP.

H) Archaeology

29. Before the construction of the development hereby permitted is commenced, a second phase of archaeological investigation shall take place in accordance with a programme of work to be agreed with the County Archaeologist, to permit the recording of any archaeological features exposed in accordance with policy B11 and B14 of the UDP.
30. Before any works are commenced on site, the County Archaeologist must be informed, in order that arrangements can be made for an archaeologist with a watching brief, to be present on site while foundation trenches are dug and overburden removed, in order that potential archaeological information can be recovered and to comply with policy B11 and B14 of the UDP.
31. The Superstore shall not be occupied until the final report of the results of the archaeological fieldwork undertaken in pursuance of condition 29 has been submitted to and approved in writing by the Local Planning Authority to ensure that archaeological remains on site can be preserved wherever possible and recorded in accordance with PPS5 and UDP policy B14.

I) Drainage

32. Before the Superstore development hereby permitted is commenced, details of the foul and surface water drainage for the entire development shall be submitted to and approved in writing by the Local Planning Authority and the Superstore shall not be occupied until these facilities have been provided and installed in accordance with the approved details, to ensure satisfactory drainage to the site and to comply with policy B24 of the UDP.
33. Prior to being discharged into any watercourse, surface water sewer or soakway systems, all surface water drainage from parking areas and hardstandings shall be passed through trapped gullies installed in

accordance with a scheme submitted to and approved in writing by the Local Planning Authority before the relevant phase of the development to which the surface water drainage relates is commenced, in order to prevent pollution of the water environment and to comply with policy EN12 of the UDP.

34. The Superstore shall not be occupied until any existing sewers which are to be abandoned have been grouted up or removed, in order to prevent drainage problems in the future in accordance with policy EN12 of the UDP.

J Land Contamination

35. Prior to the commencement of development approved by this planning permission (or such other date or stage in development as may be agreed in writing with the Local Planning Authority), the following components of a scheme to deal with the risks associated with contamination of the site shall each be submitted to and approved, in writing, by the local planning authority:

1) A site investigation scheme, based on the desk top study submitted to support the application, to provide information for a detailed assessment of the risk to all receptors that may be affected, including those off site.

2) The site investigation results and the detailed risk assessment (1) and, based on these, an options appraisal and remediation strategy giving full details of the remediation measures required and how they are to be undertaken.

3) A verification plan providing details of the data that will be collected in order to demonstrate that the works set out in (2) are complete and identifying any requirements for longer-term monitoring of pollutant linkages, maintenance and arrangements for contingency action. Any changes to these components require the express consent of the local planning authority. The scheme shall be implemented as approved prior to the commencement of any development works on site (other than any contamination remediation works required for the purpose of this condition),

Reason: The information provided with the planning application indicates that the site has been subject to multiple potentially contaminative land- uses. The environmental setting of the site is sensitive as it lies on the magnesian limestone, a principal aquifer. This condition will ensure that the risks posed by the site to controlled waters are assessed and addressed as part of the redevelopment.

36. Prior to commencement of the development works (other than any contamination remediation works), a verification report demonstrating completion of the remediation works set out in the approved remediation strategy and the effectiveness of the remediation shall be submitted to and approved, in writing, by the local planning authority.

The report shall include results of sampling and monitoring carried out in accordance with the approved verification plan to demonstrate that the site remediation criteria have been met. It shall also include any plan (a long-term monitoring and maintenance plan) for longer-term monitoring of pollutant linkages, maintenance and arrangements for contingency action, as identified in the verification plan, and for the reporting of this to the local planning authority.

Reason: The information provided with the planning application indicates that the site has been subject to multiple potentially contaminative landuses. The environmental setting of the site is sensitive as it lies on the Magnesian Limestone, a principal aquifer. This condition will ensure that the risks posed by the site to controlled waters are assessed and addressed as part of the redevelopment.

37. If, during development, contamination not previously identified is found to be present at the site then no further development (unless otherwise agreed in writing with the Local Planning Authority) shall be carried out until the developer has submitted, and obtained written approval from the Local Planning Authority for, an amendment to the remediation strategy detailing how this unsuspected contamination shall be dealt with.

Reason: Unsuspected contamination may exist at the site which may pose a risk to controlled waters.

38. Prior to being discharged into any watercourse, surface water sewer or soak away system, all surface water drainage from parking areas and hard standings shall be passed through an oil interceptor installed in accordance with a scheme previously submitted to and approved in writing by the LPA. Roof water shall not pass through the interceptor.

Reason: To prevent pollution of the water environment.

E) Noise from Mechanical Plant

39. Prior to the installation of any fixed mechanical plant at the site a detailed acoustic assessment of such plant must be submitted to and approved by the Local Planning Authority. The assessment shall examine noise levels generated by the plant, how these would affect adjacent residential amenity and specify, if shown to be necessary, details of noise reduction measures to ensure appropriate noise levels are achieved at adjacent dwellings. Any necessary noise reduction measures shall be installed, only in accordance with the approved details and prior to the occupation of any of the new buildings.

Reason: For the protection of residential amenity of dwellings adjacent to the site in accordance with Policy EN5 of the UDP.

INFORMATIVES

NOTE 1

Interpretation

For the purpose of this Planning Permission:-

“the Superstore” means that part of the development comprising a food superstore of 16,140 sqm gross external area and 8,378 sqm net retail sales area.

“net retail sales area” means the sales area within a building (i.e. all internal areas accessible to the customer) but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.

“comparison floorspace” means those parts of the net retail sales area used for the sale and display for sale of comparison goods.

“convenience floorspace” means those parts of the net retail sales area used for the sale and display for sale of convenience goods.

“comparison goods” means those categories of comparison goods as identified in Appendix A to the PPS4 Practice Guidance (December 2009)

“convenience goods” means those categories of convenience goods as identified in Appendix A to the PPS4 Practice Guidance (December 2009).

NOTE 2

The Council has granted outline planning permission for the development for the following reasons:-

- The proposed development accords with UDP policy and in particular strategic retail policy S1 and site specific policy N44.(having satisfied the sequential test and there being no clear evidence of a significant adverse impact on the vitality and viability of other centres); policies EC1 and EC3 (being in an area of economic and social deprivation and re-using already developed land); policies R1 and R2 (being environmentally sustainable and using existing infrastructure) and accords with the supporting text to emerging Core Strategy CS6 (which provides for out of centre retail provision where there is a lack of such facilities and there are no sequentially preferable sites available).
- The proposed development satisfies the requirements of the sequential approach set out in Policy EC15 of PPS4 and there being no sequentially preferable sites for the development. Further there is also no clear evidence that the proposal will

have any significant adverse impacts in terms of any of the impacts referred to in Policies EC10.2 and 16 of PPS4.

- The proposed development has been assessed taking account of the positive and negative impacts of the proposal and other material considerations and the positive impacts in terms of employment and physical and social regeneration more than offset any potential negative trade diversions.

NOTE 3

The following policies and proposals in the development plan were taken into account in the decision to grant planning permission:-

- R1 which seeks environmentally sustainable development by making the most efficient use of land, energy and other resources and reducing reliance on the private car.
- R2 which seeks to make use of existing resources of infrastructure, land etc.
- R4 which encourages energy saving measures.
- EC1 (iv) which encourages proposals targeted at areas of economic and social deprivation.
- EC3 (iv) which encourages the re-use of land and premises
- S1 which seeks to enhance the City's shopping service by encouraging a wide range of well distributed facilities to meet future shopping and related needs generally based on existing centres. Development elsewhere should result from the appliance of the sequential test.
- S2 which encourages proposals which sustain and enhance the vitality, viability and appropriate diversification of centres including the City Centre (this policy does not apply to retail parks as they are not classed as shopping centres).
- S7 which requires a high standard of design for new retail development.
- SA54 which directs major new commercial and retail developments to specific sites within the City Centre.
- SA69 which refers to the Principal Shopping Area as defined on the proposals map supports shopping development within that area and encourages major retail developments to locate on the sites mentioned in SA54.
- EN5 which requires applicants to carry out noise and vibration assessments where a development is likely to generate significant increases of noise or vibration in sensitive areas.
- EN10 which states that, where the UDP does not indicate any proposals for change, development will need to be compatible with the principal use of the neighbourhood.
- EN12 which seeks to ensure that proposals will not increase the likelihood of flooding

- B2 which requires the scale, massing, layout or setting of new developments to respect and enhance the best qualities of nearby properties and the locality.
- B11 protecting the City's archaeological heritage
- B14 which requires the submission of an archaeological assessment where development proposals affect sites of known archaeological importance.
- B16 which provides for the recording or preservation of historic sites
- B19 which seeks to achieve a 'user-friendly' environment in all developments to which the public, including those with impaired mobility, have access.
- B20 which encourages the provision of works of art in association with major developments.
- CN14 which requires developments prominent from main transport routes to be designed to enhance the image of the City.
- T1 which gives priority to measures that promote walking, cycling and public transport, stimulate economic development and regeneration, improve road safety and protect and improve the environment.
- T2 which seeks to promote the role of public transport.
- T8 giving a high priority to the needs of pedestrians in planning new development.
- T9 (iv) which encourages the provision of secure cycle parking facilities.
- T14 which states that new development should, amongst other things, be readily accessible by pedestrians and cyclists and not cause congestion or safety problems on existing roads.
- T21 which requires parking provision to take into account the need to maintain safe road conditions; to reduce travel demand; to ensure the economic viability of existing centres and to promote more environmentally sensitive modes of transport.
- NA44 which allocates a number of small areas around the retail units at Sunderland Retail Park for a variety of purposes, including retail, providing there are no alternative locations in or on the edge of the City centre and this does not detract from the vitality and viability of other centres.
- NA48 which seeks environmental improvements in the commercial and industrial buildings in the area north of Roker Avenue.
- EC10A (Alteration No. 2) Which seeks to support of the regeneration of Central Sunderland and to resist developments which detract from efforts to encourage regeneration within the area or have a negative impact upon vitality and viability of the city centre.
- S2A (Alteration No. 2) Which seeks to direct new retail development to the city centre retail core. Retail developments outside the retail core will need to demonstrate proven need, that proposal is of a scale appropriate to the site, there are no suitable sites within the retail core, there would be no unacceptable impacts on the vitality and viability of the retail core or the Grove local centre and will need to show accessibility by a choice of means of transport and no adverse impact on the development plan strategy or LDF strategy.

- T23A (Alteration No. 2) Which covers maximum parking standards for residential and business (B1) uses.

The reasons for the decision are set out in the committee report. Copies of the reasons for the decision are held on the application file and can be obtained from the City Council.

NOTE 4

The development must be carried out in complete accordance with these approved plans.

Plan Title	Plan Number	Date Received
Location Plan	07023-D01 P2	29 th June 2010
Demolition Plan	07023-D02 P2	29 th June 2010
Block Plan	07023-D03 P3	29 th June 2010
Proposed Maximum and Minimum Block Heights/Existing Site Levels	07023-D04 P6	29 th June 2010
Vehicle routes and access	07023-D05 P3	29 th June 2010
Public Transport and Cycle Routes	07023-D06 P3	29 th June 2010
Pedestrian access	07023-D07 P3	29 th June 2010
Proposed Soft Landscape Zones	07023-D08 P3	29 th June 2010
Proposed Maximum/Minimum Siting Plan	07023-D09 P2	29 th June 2010
Ground Floor Block Plan	07023-D10 P3	29 th June 2010
Existing and proposed Sections A-A and B-B	07023-D24 P4	29 th June 2010

Failure to do so will render the development unauthorised. Should you wish to alter the development proposals you may need to re-apply for planning permission

NOTE 5

It should be noted that this permission follows the completion of a related legal agreement by the applicant under Section 106 of the Town and Country Planning Act 1990.

NOTE 6

The applicant is advised that this development will also require a Sections 38/ 278 Highways Act 1980 Agreements. The applicant is advised to contact the Local Highway Authority for further advice on this matter.

NOTE 7

The proposed development lies within an area which could be subject to current coal mining or hazards resulting from past coal mining. Such hazards may currently exist, be caused as a result of the proposed development, or occur at some time in the future. These hazards include:

- Collapse of shallow coal mine workings.
- Collapse of, or risk of entry into, mine entries (shafts and adits).
- Gas emissions from coal mines including methane and carbon dioxide.
- Spontaneous combustion or ignition of coal which may lead to underground heatings and production of carbon monoxide.
- Transmission of gases into adjacent properties from underground sources through ground
- Coal mining subsidence.
- Water emissions from coal mine workings.

Applicants must take account of these hazards which could affect stability, health & safety, or cause adverse environmental impacts during the carrying out their proposals and must seek specialist advice where required. Additional hazards or stability issues may arise from development on or adjacent to restored opencast sites or quarries and former colliery spoil tips.

Potential hazards or impacts may not necessarily be confined to the development site, and Applicants must take advice and introduce appropriate measures to address risks both within and beyond the development site. As an example the stabilisation of shallow coal workings by grouting may affect, block or divert underground pathways for water or gas.

In coal mining areas there is the potential for existing property and new development to be affected by mine gases, and this must be considered by each developer. Gas prevention measures must be adopted during construction where there is such a risk. The investigation of sites through drilling alone has the potential to displace underground gases or in certain situations may create carbon monoxide where air flush drilling is adopted.

Any intrusive activities which intersect, disturb or enter any coal seams, coal mine workings or coal mine entries (shafts and adits) require the prior written permission of the Coal Authority. Such activities could include site investigation boreholes, digging of foundations, piling activities, other ground works and any subsequent treatment of coal mine workings and coal mine entries for ground stability purposes.

Failure to obtain Coal Authority permission for such activities is trespass, with the potential for court action. In the interests of public safety the Coal Authority is concerned that risks specific to the nature of coal and coal mine workings are identified and mitigated.

The above advice applies to the site of your proposal and the surrounding vicinity. You must obtain property specific summary information on any past, current and proposed surface and underground coal mining activity, and other ground stability information in order to make an assessment of the risks. This can be obtained from The Coal Authority's Property Search Service on 0845 762 6848 or at www.groundstability.com

**PLEASE NOTE THAT THIS IS NOT BUILDING REGULATION
APPROVAL**

BUILDING CONTROL CAN BE CONTACTED ON 0191 561 1550 FOR FURTHER
ADVICE



Janet Johnson
Deputy Chief Executive

APPEALS TO THE SECRETARY OF STATE

If you are aggrieved by the decision overleaf you can appeal to the Secretary of State under s78 of the Town and Country Planning Act 1990. You must do so within the following time scales:

twelve weeks of the date of this notice - if this is a decision to refuse planning permission for a householder application(see definition below). This is an expedited process for householder appeals only which proceed by means of written representations operative from 6th April 2009, however where there is also an associated Listed Building or Conservation Area appeal on the same sight the expedited procedure may not be appropriate;

six months of the date of this notice - if this is a decision :

- to refuse a householder application which is associated with an application/decision for Listed Building Consent or Conservation Area Consent (under section 20 of the Planning (Listed buildings and Conservation Areas) Act 1990)
- to grant planning permission subject to conditions
- to grant (with conditions) or refuse Listed Building or Conservation Area Consent
- in respect of a Lawful Development Certificate application
- in respect of an enforcement notice

In addition if the local planning authority has failed to determine your application within the statutory period you may submit an appeal at the end of that period.

Appeals must be made using a form which you can get from the Planning Inspectorate at Temple Quay house, 2 The Square, Temple Quay , Bristol BS1 6PN or online at www.planningportal.gov.uk/pca.

The Secretary of State can allow a longer period for giving notice of an appeal, but will not normally be prepared to use this power unless there are special circumstances which excuse the delay in giving notice of appeal.

The Secretary of State need not consider an appeal if it seems that the Local Planning Authority could not have granted it without the conditions it imposed, having regard to the statutory requirements, to the provisions of the development order and to any directions given under the order.

In practice, the Secretary of State does not refuse to consider appeals solely because the Local Planning Authority based its decision on a direction given by him.

PURCHASE NOTICES

If either the Local Planning Authority or the Secretary of State refuses permission, refuses consent or grants subject to conditions, you may claim that you can neither put the land to a reasonably beneficial use in its existing state nor can you render the land capable of a reasonably beneficial use by the carrying out of any development or works which has been or would be permitted. In these circumstances the owner may serve a purchase notice on the Council, which will require it to purchase his/her interest in the land in accordance with the provisions of Part IV of the Town and

Country Planning Act 1990 and/or section 32 of the Planning (Listed Buildings and Conservation Areas) Act 1990

COMPENSATION

In certain circumstances a claim for compensation may be claimed from the Local Planning Authority if permission is refused or granted subject to conditions by the Secretary of State on appeal or on reference to the application to him. (see sections 114 of the Town and Country Planning Act 1990 and or section 27 of the Planning (Listed buildings and Conservation Areas) Act 1990).

OTHER USEFUL ADVICE

A range of helpful planning related guidance and services which are useful at both application and appeal stage are available from the Planning Portal on their website; www.planningportal.gov.uk

DISCHARGE OF CONDITIONS

With effect from 6th April 2008, under the Town and Country Planning (Fee for Applications and Deemed Applications) (Amendments) (England) Regulations 2008 and in accordance with article 21 of the General Development Procedure Order 1995, **a formal written response** to a request to discharge the condition(s) can only be provided by the Local Planning Authority on receipt of the following:

1. A written request or alternatively a completed Standard Application form clearly identifying the planning permission by reference number and the conditions you presently wish to discharge by condition number. The form is available at:
<http://www.planningportal.gov.uk/uploads/appPDF/J4525Form027.pdf>
2. Information submitted to discharge the condition(s), with a clear indication of the information which has been submitted in relation to each specific condition.
3. A fee of £25.00 (conditions on householder applications); or £85.00 in all other cases. **Please note this cannot be paid retrospectively.**

IMPORTANT

This decision refers only to that required under the Town and Country Planning Acts and **does not include approval under the Building Regulations** (including their application by Section 24(1) of the Tyne and Wear Act 1980 in respect of Fire Brigade Access) or any other appropriate regulation, enactment, byelaw or order.

TOWN AND COUNTRY PLANNING ACT 1990

THE STOPPING UP OF HIGHWAYS

(NORTH EAST)

(NO. 03) ORDER 2011

Made *21st January* 2011

The Secretary of State makes this Order in exercise of his powers under section 247 of the Town and Country Planning Act 1990 ("the Act"), and of all other powers enabling him in that behalf:-

1. The Secretary of State authorises the stopping up of the highways described in the Schedule to this Order and shown zebra hatched black on the plan, in order to enable development to be carried out in accordance with the planning permission granted under Part III of the Act to DPP by Sunderland City Council on 27 October 2010 under reference 08/03336/OUT.

2. Where immediately before the date of this Order there is any apparatus of statutory undertakers under, in, on, over, along or across any highway authorised to be stopped up pursuant to this Order then, subject to section 261(4) of the Act, those undertakers shall have the same rights as respects that apparatus after that highway is stopped up as they had immediately beforehand.

3. In this Order

"the plan"

means the plan numbered NATTRAN/NE/S247/109, marked "Highways at Sunderland in the City of Sunderland", signed by authority of the Secretary of State and deposited at the Department for Transport, Deposit Document Service, F Floor, Ashdown House, Sedlescombe Road North, St Leonards on Sea, Hastings, East Sussex, TN37 7GA.

4. This Order shall come into force on the date on which notice that it has been made is first published in accordance with section 252(10) of the Act, and may be cited as the Stopping up of Highways (North East) (No. 03) Order 2011.

Signed by authority of
the Secretary of State

21st January 2011



G M CHRISTIE
An Official in the
National Transport Casework Team
Government Office for the North East

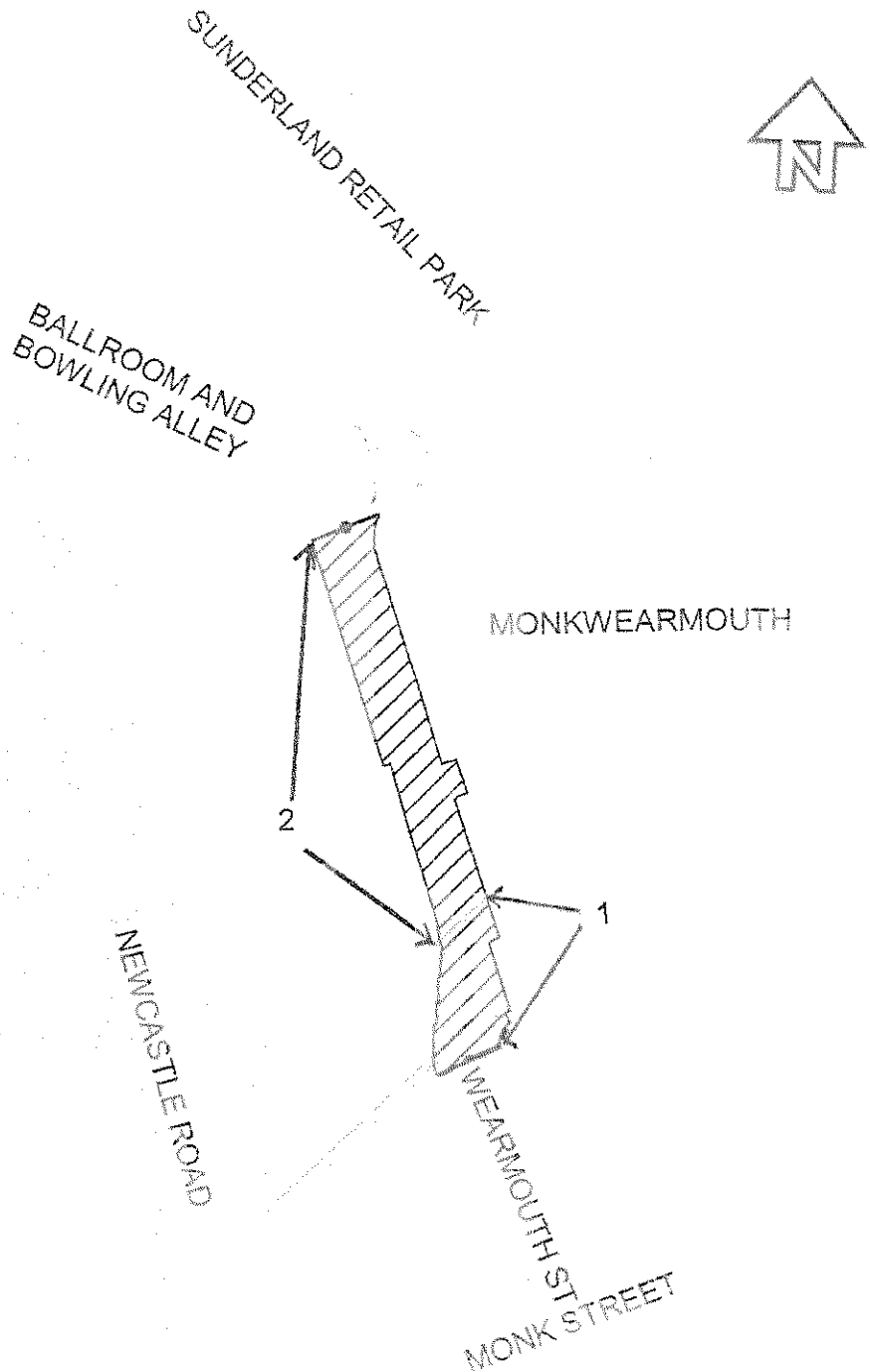
THE SCHEDULE


Description of highways to be stopped up

The highways to be stopped up are at Sunderland in the City of Sunderland and are more particularly delineated and shown zebra hatched black on the plan and are:

1. A length of the unnamed access road which leads from Newcastle Road to Sunderland Retail Park commencing from its eastern termination point and extending generally south westwards for a maximum distance of 15 metres (marked 1 on the plan).
2. The whole of the unnamed highway which runs generally northwards from its junction with the length of the unnamed access road described at 1 above and which lies to the rear of the south eastern corner of the Ballroom and Bowling Alley (marked 2 on the plan).

HIGHWAYS AT SUNDERLAND IN THE CITY OF SUNDERLAND



<p>Key Scale 1:1250</p>	<p>National Transport Casework Team</p>	<p>Signed by Authority of the Secretary of State</p>
<p>Highways to be stopped up </p>	<p>Department for Transport</p>	<p>on 21st January 2011</p>
<p>Plan No: NATTRAN/NE/S247/109</p>		<p>Signature: <i>G M Christie</i></p>
<p><u>OS Grid Ref/Post Code:</u> 139710 552106 Page 166 of 430</p>		<p>G M CHRISTIE An Official in the National Transport Casework Team Government Office for the North East</p>

SCHEDULE

Appendix 11

Table 1

Number on Map (1)	Extent, description and situation of the land (2)	Qualifying persons under section 12(2)(a) of the Acquisition of Land Act 1981 - name and address (3)				Remarks
		Owners or reputed owners	Lessees or reputed lessees	Tenants or reputed tenants (other than lessees)	Occupiers	
1	All interests, other than (a) mines and minerals (b) those of Tesco Stores Limited and (c) rentcharges, in 2213 square metres of commercial premises known as McDonalds, Sunderland Retail Park, Roker Avenue	Tesco Stores Limited	McDonald's Restaurants Limited 11/59 High Road East Finchley London N2 8AW	–	McDonald's Restaurants Limited 11/59 High Road East Finchley London N2 8AW	Freehold Title No: TY290333 Leasehold Title No: TY357438 McDonald's Restaurants Co No: 1002769
2	All interests, other than (a) mines and minerals and (b) those of Tesco Stores Limited, in 595 square metres of retail premises known as Units 10 and 10A Sunderland Retail Park, Roker Avenue	Tesco Stores Limited	Blockbuster Entertainment Limited Harefield Place The Drive Uxbridge UB10 8AQ	–	Blockbuster Entertainment Limited Harefield Place The Drive Uxbridge UB10 8AQ	Freehold Title No: TY290333 Leasehold Title No: TY301037 Blockbuster Co No: 2111417
2 cont					Farmfoods Limited 7 Greens Road Blairlinn Cumbernauld G67 2TU <i>(in respect of Unit 10A)</i>	Farmfoods Co No: SX030186

Number on Map (1)	Extent, description and situation of the land (2)	Qualifying persons under section 12(2)(a) of the Acquisition of Land Act 1981 - name and address (3)				Remarks
		Owners or reputed owners	Lessees or reputed lessees	Tenants or reputed tenants (other than lessees)	Occupiers	
3	All interests, other than (a) mines and minerals and (b) those of Tesco Stores Limited, in 979 square metres of commercial premises known as Unit 11 Sunderland Retail Park, Roker Avenue	Tesco Stores Limited	Dansk Supermarkets Limited	-	Netto Foodstores Limited Elmsall Way South Elmsall Near Pontefract WF9 2XX <i>(in respect of Unit 11)</i>	Freehold Title No: TY290333 Netto Foodstores Co No: 02519748

Table 2

Number on Map (4)	Other qualifying persons under section 12(2A)(a) of the Acquisition of Land Act 1981 (5)		Other qualifying persons under section 12(2A)(b) of the Acquisition of Land Act 1981 - not otherwise shown in Tables 1 & 2 (6)	
	Name and address	Description of Interest to be acquired	Name and address	Description of the land for which the person in adjoining column is likely to make a claim
1				
2				
3				

Number on Map (4)	Other qualifying persons under section 12(2A)(a) of the Acquisition of Land Act 1981 (5)		Other qualifying persons under section 12(2A)(b) of the Acquisition of Land Act 1981 - not otherwise shown in Tables 1 & 2 (6)	
	Name and address	Description of Interest to be acquired	Name and address	Description of the land for which the person in adjoining column is likely to make a claim
3 cont				

Appendix 12: Summary of CPO Process

The acquiring authority does not have the powers to compulsorily acquire land until the appropriate Government Minister confirms the CPO. However, they can acquire by agreement at any time and they should attempt to do so before acquiring by compulsion. CPO should only be used in circumstances where authorities are unable to purchase by agreement.

Formulation

The first stage is for the acquiring authority to decide that land is required for some particular purpose or scheme and that they are prepared to use compulsory purchase powers to assist in achieving this.

The acquiring authority must determine how much land they require for their scheme and are likely to undertake feasibility studies to define the boundaries of the scheme. This may involve walking the site and undertaking inspections of affected properties.

The acquiring authority may choose to make direct contact with owners and occupiers at this stage, and may seek to enter into negotiations to acquire land by agreement. They may use statutory powers to obtain information from landowners and occupiers or to enter land for survey purposes.

Resolution

Once the acquiring authority has completed their initial investigations and established the proposed CPO boundary, they can proceed to formally resolve to use compulsory purchase powers. If the CPO is to be made by a local Council, as is the case here, the Council Cabinet or the appropriate committee will consider a report prepared by officers recommending the use of compulsory purchase powers and make a decision.

The resolution must define the land to be acquired (usually by reference to a plan) and state the purpose for which the land is required.

Referencing - Recording Information

The acquiring authorities will then collect and record further information on land ownership and occupation. The process builds upon the initial information-gathering exercise which an acquiring authority would have undertaken during the formulation stage and the acquiring authority will seek to identify everyone who has a legal interest in, or right to occupy, the land they propose to acquire. This would include the freeholders, leaseholders, tenants and occupiers.

Making the Order

Once the information-gathering exercise is complete, the acquiring authority should be ready to make the CPO. To assist in this process the authority will usually serve a "requisition for information" form on all owners or occupiers of property they wish to acquire.

The main body of the CPO will contain details of the Act authorising the acquisition, the purpose for which the CPO is being made and the name of the acquiring authority.

CPO Schedule and Map

Attached to the CPO will be a schedule showing the ownership of land within the CPO. The schedule will contain the extent, description and situation of the land and set out (where known) the names and addresses of reputed owners, leaseholders, tenants, occupiers, persons who enjoy rights over the land which will be interfered with, and persons who are likely to be entitled to make a claim for compensation because the value of their land will or may be reduced as a result of works carried out on the land being compulsorily acquired even though none of their land is being compulsorily acquired.

Each plot of land referred to in the schedule will have a reference number which will correspond with the relevant plot on the CPO map which will be attached to the CPO.

Statement of Reasons

The acquiring authority will usually prepare a Statement of Reasons for making the Order. This sets out the authority's reasons for seeking to acquire the land, and will accompany the CPO.

Notification and Publicity

Before the acquiring authority submits the CPO for confirmation, a notice must be published for two successive weeks in one or more local newspapers and must also be fixed on or near the land covered by the order.

The acquiring authority must also serve notice stating the effects of the order on every "qualifying person", namely:

- every owner, leaseholder, tenant, and occupier of any land comprised in the CPO; and
- any other person who may have the right to claim compensation either because:
 - o they own rights in the land being acquired and these will be interfered with; or
 - o the value of their land will/may be reduced as a result of works carried out on the land being compulsorily acquired (even though none of their land is being compulsorily acquired).

It may not be possible for the acquiring authority to identify all such people before the CPO is made. The authority must, therefore, also put up site notices on the land.

The content of both the press notice, the site notice, and the individual notices will:

- State that a CPO is about to be submitted to a Government Minister for confirmation.
- Specify the time within which objections to the CPO can be made (at least 21 days from the date the notice is posted).
- Specify the manner in which objections to the CPO may be made.
- Say where in the locality the CPO and map may be inspected.

Objections

If no objections are made and the Minister is satisfied that the proper procedure for serving and publishing notices has been observed, he will consider the case on its merits and may confirm, modify or reject the CPO without the need for any form of hearing. If objections are received and not withdrawn, the Minister will either arrange for a public local inquiry to be held or – where all the remaining objectors agree to it – arrange for the objections to be considered through the written representations procedure.

Negotiations with the Acquiring Authority

The acquiring authority will normally seek to negotiate with objectors prior to the public inquiry or, where relevant, during the written representations procedure. If an objection relates to a specific matter which the acquiring authority can accommodate without prejudicing their scheme, they may be prepared to amend their scheme thus enabling the withdrawal of the objection.

If the acquiring authority is unable to secure the withdrawal of every remaining objector's objection there will either be a public local inquiry or (if all the remaining objectors have agreed to its use) the written representations procedure will be followed.

Consideration of objections

Shortly after the closing date for objections if the Minister thinks the objections could be considered through the written representations procedure he will write to the remaining objectors seeking their consent to this. If, however, he considers that the written representations procedure is not appropriate he will write to the acquiring authority and the objectors indicating that an inquiry is to be held. Similarly, where one or more remaining objector does not consent to the written representations procedure, the Minister will write to all parties indicating that an inquiry is to be held.

The Inquiry

The procedure before, during and after the inquiry is generally governed by the Compulsory Purchase (Inquiries Procedure) Rules 2007 and is not set out in detail here.

Post Inquiry Procedure

After the close of the inquiry, the Inspector will produce a report for the Minister setting out his or her conclusions and putting forward recommendations. The Inspector does not make a decision, but recommends a course of action to the Government Minister.

The written representations procedure

As an alternative to holding an inquiry, objections can be considered by an Inspector through the written representations procedure. Instead of the acquiring authority and objectors (or their representatives) appearing in person before an Inspector, the cases for and against the order are elaborated entirely in writing. The written representations procedure is governed by the Compulsory Purchase of Land (Written Representations Procedure) (Ministers) Regulations 2004.

Decision

After considering the Inspector's Report following either an inquiry or the use of the written representations procedure, the Minister will confirm, modify or reject the CPO, notifying the relevant parties in writing.

Confirmation of the CPO

As soon as possible after the decision letter is issued, the acquiring authority must publicise the decision in one or more local newspapers. A copy of the notice and a copy of the confirmed CPO must be fixed on or near the site and served on:

- all owners, lessees, tenants and occupiers of the land; and
- any other person who may have the right to claim compensation either because:
 - o they own rights in the land being acquired and these will be interfered with; or
 - o the value of their land will/may be reduced as a result of works carried out on the land being compulsorily acquired (even though none of their land is being compulsorily acquired).

Challenges to the CPO

it is possible to challenge the CPO in some circumstances, however this procedure has not been considered here.

CABINET MEETING – 16TH FEBRUARY 2011

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Roker Sea Change Project, Procurement of Contractors

Author(s):

Deputy Chief Executive and Director of City Services

Purpose of Report:

This report seeks retrospective approval of:

- a) The Office of the Chief Executive's decision to procure a contractor to deliver public realm works at Roker seafront.
- b) City Service's decision to procure a contractor to deliver visitor infrastructure facilities at Roker seafront.

Description of Decision:

Cabinet is recommended to approve:

- a) The Office of the Chief Executive's decision to procure a contractor to deliver public realm works at Roker seafront.
- b) City Service's decision to procure a contractor to deliver visitor infrastructure at Roker seafront.

In accordance with the Council's Constitution Cabinet approval is requested due to the procurement being over £250,000.

Is the decision consistent with the Budget/Policy Framework?

Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

The Roker public realm improvements and visitor infrastructure are key elements of the £1.5 million Roker Sea Change project, which forms the first phase in the delivery of the wider Seafront Regeneration Strategy.

Alternative options to be considered and recommended to be rejected:

As set out funding for the project has been secured and the delivery team is progressing the final design stages of the project. To carry out the works contractors must be procured following a competitive tender process. No alternative options have been considered.

Is this a “Key Decision” as defined in the Constitution? Yes	Relevant Scrutiny Committee: Environment and Attractive City Scrutiny Committee
Is it included in the Forward Plan? Yes	

ROKER SEA CHANGE PROJECT PROCUREMENT OF CONTRACTORS

REPORT OF THE DEPUTY CHIEF EXECUTIVE

1.0 Purpose of Report

1.1 This report seeks retrospective approval of:

- a) The Office of the Chief Executive's decision to procure a contractor to deliver public realm works at Roker seafront.
- b) City Service's decision to procure a contractor to deliver visitor infrastructure at Roker seafront.

2.0 Description of Decision

2.1 Cabinet is recommended to approve:

- a) The Office of the Chief Executive's decision to procure a contractor to deliver public realm works at Roker seafront.
- b) City Service's decision to procure a contractor to deliver visitor infrastructure at Roker seafront.

2.2 In accordance with the Council's Constitution Cabinet approval is requested due to the procurement being over £250,000.

3.0 Background

3.1 Cabinet will recall that at its meeting in February 2010 it approved the adoption of the Marine Walk Masterplan and Seafront Regeneration Strategy following a series of public consultation events.

3.2 In June 2009 Cabinet authorised officers to make a £1m bid (match funded by £0.5m from the Council's own resources) for Sea Change funding to deliver a first phase of the Marine Walk Masterplan.

4.0 Current Position

4.1 Since the confirmation in December 2009 that Sea Change funding had been secured the Sea Change project team has been working up detailed designs for the project, which includes the following main elements as set out in the Marine Walk Masterplan:

- (i) Marine Walk public realm improvements
- (ii) Seafront visitor infrastructure including education space, showering facilities and a lifeguard lookout

- (iii) Roker pier gates
- (iv) Spottee's cave enhancements
- (v) Roker interpretation trail

4.2 To ensure best value is achieved a competitive tender process must be undertaken for the public realm improvements and visitor infrastructure.

5.0 Reasons for Decision

5.1 The Roker public realm improvements and the visitor infrastructure are key elements of the £1.5 million Roker Sea Change project, which forms the first phase in the delivery of the wider Seafront Regeneration Strategy.

6.0 Alternative Options

6.1 As set out, funding for the project has been secured and the delivery team is progressing the final design stages of the project. To carry out the works contractors must be procured following a competitive tender process. No alternative options have been considered.

7.0 Relevant Considerations

- a) Financial Implications – The two appointments will be funded from the £1.5m allocation for the Sea Change project within the Capital Programme.
- b) Legal Implications – Clause 9.0 Section 2 of the Local Government Act 2000 provides local authorities with a power for the promotion or improvement of the economic, social or environmental well being of their area.
- c) Policy Implications - The Sea Change project forms part of the wider seafront regeneration project which is in line with the objectives of the Sunderland Strategy and Economic Masterplan.
- d) Project Management Methodology – the delivery of the project is via the Council's standard Prince2 methodology.
- e) Sustainability Impact Appraisal – An impact appraisal has been undertaken and is attached in appendix one

8.0 Background Papers

- Seafront Regeneration Strategy
- Marine Walk Masterplan Supplementary Planning Document
- Marine Walk Masterplan Appropriate Assessment Screening report
- Sustainability Appraisal of the Marine Walk Masterplan

Sustainability Impact Appraisal **A tool for Sunderland**

to develop projects, services and business plans in a way that maximises the mutual benefit to all of the city's objectives, helping the City work towards the goal of sustainable development

Definition of Sustainable Development

their basic needs and enjoy a better quality of life, without compromising the quality of life of future generations. That goal will be pursued through a sustained, innovative and productive economy that delivers high levels of employment; and a just society that promotes social inclusion, sustainable communities and personal wellbeing. This will be done in ways that protect and enhance the physical and natural environment, and use

Sunderland's sustainability challenges

and sets out the economic, social and environmental objectives which are required to ensure Sunderland has a sustainable future. The Sunderland Strategy, together with the Economic Masterplan, outline the aims for the development of the city, with sustainability set as a cross cutting theme. The Sustainability Impact Appraisal was originally based on Local Area Agreement criteria, meaning that the tool is focused and relevant to the key

Instructions

Appraisal.

at key areas of your project or services, to identify whether potentially significant sustainability impacts might exist, and so benefit from a fuller Sustainability Impact Appraisal. Please note, on the 'Sustainability Impact Filter' page of the tool, the "Project/Service Cost" (cell F8) should be filled with the costs likely to result directly from

Team, at sustainability@sunderland.gov.uk, to be checked, logged and held on file for auditing purposes.

YOU DO NOT NEED TO FILL IN THE FULL SIA WORKSHEET AT THIS STAGE.

significant, you should contact the Sustainability Team for some general guidance on project / service development, but you will not be required to carry out the more detailed Sustainability Impact Appraisal, although would be encouraged to do so independently. Significant, you should contact the Sustainability Team to arrange for a more detailed Sustainability Impact Appraisal to be conducted. The results of this would be to first identify, and then jointly develop ways to mitigate, any potential negative impacts against any sustainability objectives for you to build into service or project plans.

Completing the Full Sustainability Impact Appraisal

the set list of topic areas given. The topic areas are distilled from the key objectives contained in the last Local Area Agreement, with some additional issues to consider around environmental impacts. For each area think about what impact your project could

Score the perceived impact that your project in 'Impact Score of Project Outcomes' using Use the 'Evidence' section to provide evidence of how the relative change in impact will occur, this could be for example through a changed business processes, or through Use the 'Action' section to identify any countermeasure(s) you would need to put in place if the impact is negative. This section can also be used to identify support for a neutral or questions, with appraisers having an understanding of the process and of the project they are appraising. Where possible as much information should be gathered in advance of the appraisal to inform and guide decision making about the scoring of impacts. This could be in the form of the current environmental, social and economic baseline data, or an understanding of key issues in the area. Discussions around the topic areas will also help

Although it is unlikely that all areas of the assessment will apply to the impacts your activity will have it is, however, important that each area is considered for the entire scope of the

Should a significant negative impact be identified for any area on the assessment, please contact the Sustainability Team on 0191 561 2434 for advice.

Decision/report name:	Completed by:	Date:

SUSTAINABILITY IMPACT FILTER - SCORECARD

This table assesses whether the decision being developed/proposed potentially has significant sustainability impacts, and therefore requires a full sustainability impact appraisal to be carried out by the Sustainability Team

The full sustainability impact appraisal will identify where the decision can be improved to address sustainability priorities as outlined by the Sunderland Strategy and Local Area Agreement

Please enter the information required in the last column which most closely represents your decision. Answer all applicable questions.

Cost	Description				Enter Project / service cost, £
1	Total cost of the decision	If the decision cost is less than £75,000, you do not need to fill in this form. Enter the full decision value, not annual amounts. Enter amount with all zeros, e.g. 250,000 - do not enter abbreviations, e.g. 75K or 1.2M.			£860,000
Economy	Description	Insignificant (Score "0")	Moderate Significance (Score "1")	Major Significance (Score "2")	2
2	Are goods and services required available from Sunderland	No potential to use local suppliers of goods / services, which has been confirmed through local business searches	No searches carried out yet for possible local suppliers	Searches done, and several local suppliers exist	2
3	Could the decision create employment in Sunderland directly (i.e. funding salaried posts), or indirectly (i.e. increasing demand for labour to provide services)	None expected	Some increased employment expected, up to 50 jobs	Significant employment expected, over 50 jobs, either directly, or indirectly	1
Sustainability	Description	Sector	Details		Enter 1 if applicable
4	The services listed opposite tend to have the largest economic, social and environmental impacts which can be influenced locally. Enter 1 against those services which the decision aims to deliver (tick all main areas that apply)	Construction	buildings, highways and local roads, operations and maintenance		1
		Health and Social Care	operating costs of hospitals, care homes, social care		0
		Food and catering	Purchase and preparation of food		0
		Energy and Fuel consumption	Includes activities which increase energy consumption		0
		Waste disposal	Includes activities which create waste		0
		Office equipment and furniture	Includes electrical office equipment, ICT equipment		0
		Transport provision	Purchase, leasing, or other use of any transport		0
Environment	Description	Impact	Details		Enter 1 if applicable
5	Could the decision potentially cause other environmental and social impacts. Mark any which apply.	Pollute air, soils or watercourses	From combustion, or use of gases, chemicals or liquids		0
		Increase material consumption	Does the decision use large amounts of materials		0
		Import goods from developing world	E.g. clothing, food and other developing world goods		0
		Create hazardous waste	E.g. chemicals, electrical items, batteries, oils, fridges, inks		0
TOTAL:	This represent a score which incorporates the cost of decision multiplied by the sum of the impacts 2 - 5				860
Significance threshold					125
EVALUATION					SIGNIFICANT

If the impact score is greater than 125 then the sustainability impacts are to be deemed 'Significant' and the Sustainability Team should be contacted to carry out a full Sustainability Impact Appraisal

Sustainability Impact Assessment (SIA) Tool - Cabinet decision/report

Decision/r To approve the appointment of contractors to deliver the Marine Walk public realm improvements and seafront infrastructure. (Sea Change)

Lead Officer:

Impact Score of decision Outcomes		<u>Summary</u>
++	Significant Positive Effect	
+	Marginal Positive Effect	
0	Neutral or No Effect	
-	Marginal Negative Effect	
--	Significant Negative Effect	
?	Uncertainty Over Effect	

Description	Impact Score of decision Outcomes	Evidence (Detail how the change in impact will occur)	Action - change to decision requirement (Identify any countermeasures)
1. Supports a Prosperous City / Learning City: does the decision			
1a. Stimulate economic growth in Sunderland (e.g. by using local suppliers, creating employment for Sunderland residents)	+	Public realm work has potential to create local employment opportunities. Where practicable, Tenderers will be expected to have considered the use of local companies for the supply of materials, and any sub contract work required in undertaking the Contract.	
1b. Close skills gaps and support those currently workless into employment in Sunderland?	0	Although there is potential to create local employment the recruitment will be undertaken by the appointed contractor, and may not be specifically targeted at the workless.	
2. Supports a Healthy City: does the decision			
2a. Improve life expectancy of Sunderland residents to match the national average	0	There is no evidence that the project will enhance life expectancy, although it has potential to improve quality of life.	
2b. Improve the emotional health and wellbeing of all residents	++	94% of respondents to the 2007 Community Spirit survey stated the seafront was important to their quality of life. The purpose of the project as set out in the Marine Walk Masterplan (2010) is to create an attractive environment at Roker seafront where both residents and visitors can relax.	
2c. Support people to live independently	0	N/A	
2d. Improve healthy lifestyles of residents, through exercise, and reducing both alcohol misuse and smoking	+	The improvements have the potential to encourage residents to make greater use of the seafront and live a more active lifestyle.	
3. Supports an Attractive and Inclusive City: does the decision			
3a. Improve housing locations, choice and price in Sunderland?	0	N/A	
3b. Support sustainable patterns of consumption and development	+	The seafront infrastructure incorporate renewables including solar panels and windturbines. The contract states wood used for the infrastructure must be FSC accredited.	
3c. Protect and enhance the natural and built environment in Sunderland	++	Both the seafront infrastructure and public realm improvements will enhance the natural environment. The interpretation trail and education space will seek to raise awareness of the areas rich natural environment and	
3d. Develop respect and trust between communities	0	N/A	

	Description	Impact Score of decision Outcomes	Evidence (Detail how the change in impact will occur)	Action - change to decision requirement (Identify any countermeasures)
	3e. Enable local people and groups to influence local decisions	+	The proposals have been subject to considerable consultation. A city-wide consultation took place from 16 February to 3 April 2009 on the future of the seafront. Over 2,500 responses were received. The results of the consultation informed the development of the Seafront Regeneration Strategy and Marine Walk Masterplan. Both documents underwent public consultation between 8th August and 18th September 2009 before being amended as necessary and adopted by the council in February 2010. The detailed proposals for Marine Walk have been developed in consultation with local businesses and interest groups.	
	4. Supports a Safe City: does the decision			
	4a. Help residents be free from crime, harm and involvement in crime.	+	The improvements include new lighting which will increase feelings of safety on an evening. The improvements have the potential to attract additional visitors to the area and by doing so increase eyes on street and feelings of safety.	
	5. Other environmental issues: does the decision			
Environmental Impact Assessment	5a. Meet environmental legislation.	++	The proposals will deliver the first phase of the Marine Walk Masterplan. Under the requirements of the European Directive 2001/42/EC a Strategic Environmental Assessment and Appropriate Assessment have been prepared alongside and informed the masterplan. These documents are available at www.sunderland.gov.uk/roker .	
	5b. Limit local environmental pollution and hazards	0	Work on-site will be carefully managed to ensure materials are disposed of appropriately. A Site Waste Management Plan will be required from the construction company managing the site. There will be no hazardous waste to dispose of.	
	5c. Improve sustainable transport and communications.	+	The public realm improvements incorporate traffic calming to reduce the conflict between vehicles and pedestrians and shift the priority to sustainable modes of transport such as walking	
	5d. Consider and reduce risks from weather and climate change.	0	The public realm scheme has been designed to be inkeeping with the Shoreline Management Plan for this stretch of coastline which states coastal defences at Marine Walk should be maintained.	
	5e. Is a statutory Strategic Environmental Assessment (SEA) required?	++	The proposals will deliver the first phase of the Marine Walk Masterplan. Under the requirements of the European Directive 2001/42/EC a Strategic Environmental Assessment and Appropriate Assessment have been prepared alongside and informed the masterplan. These documents are	

Completed by: Claire Jones
Checked by: David Henry

Date: 2.12.10
Date: 2.12.10

<p>CABINET MEETING – 16TH FEBRUARY 2011</p> <p>EXECUTIVE SUMMARY SHEET- PART 1</p>	
<p>Title of Report: Collection Fund 2010/2011</p>	
<p>Author(s): Executive Director of Commercial and corporate Services</p>	
<p>Purpose of Report: This report advises Cabinet of the estimated balance on the Collection Fund for 2010/2011 and the amounts available to the Council and its major precepting authorities for use in setting Council Tax levels for 2011/2012.</p>	
<p>Description of Decision: Members are requested to note the position in relation to the Collection Fund for 2010/2011 and the surplus of £500,000 which will be taken into account when setting the Council Tax level for the Council for 2011/2012.</p>	
<p>Is the decision consistent with the Budget/Policy Framework? No, the decision forms part of the budget setting process for 2011/2012.</p>	
<p>If not, Council approval is required to change the Budget/Policy Framework</p>	
<p>Suggested reason(s) for Decision: Estimating the Collection Fund balance available at the end of 2010/2011 for use in setting the Council Tax for 2011/2012 is a legal requirement, which the Council must fulfil, based on information available to it as at 15th January, each year. The Council also has an obligation to notify its major precepting authorities of the estimated surplus or deficit on the Collection Fund within 7 working days of when this calculation has been made.</p>	
<p>Alternative options to be considered and recommended to be rejected: Not applicable as the report is for information only.</p>	
<p>Is this a “Key Decision” as defined in the Constitution? Yes</p>	<p>Relevant Scrutiny Committee: Management</p>
<p>Is it included in the Forward Plan? Yes</p>	

Collection Fund 2010/2011

Report of the Executive Director of Commercial and Corporate Services

1. Purpose of Report

- 1.1 This report advises Cabinet of the estimated balance on the Collection Fund for 2010/2011 and the amounts available to the Council and its major precepting authorities for use in setting Council Tax levels for 2011/2012.

2. Description of Decision (Recommendation)

- 2.1 Members are requested to note the position in relation to the Collection Fund for 2010/2011 and the surplus of £500,000 which will be taken into account when setting the Council Tax level for the Council for 2011/2012.

3. Background Information

- 3.1 The Local Authorities (Funds) (England) Regulations 1992 made under Section 99 of the Local Government Act 1988, require that billing authorities inform their relevant major precepting authorities of the amount of any estimated surplus or deficit on their Collection Fund at 31st March.
- 3.2 The estimate is to be made on 15th January or if that is not a working day, the next such day, in accordance with prescribed rules.
- 3.3 Major precepting authorities are to be notified of the estimated surplus or deficit within 7 working days of the estimate being made.

4. Council Tax Surplus or Deficit

- 4.1 The amount of any surplus or deficit, which the billing authority estimates on its Collection Fund as at 31st March is shared by the billing authority and the major precepting authorities in proportion to their respective demands upon the Collection Fund. The amount which is estimated will be taken into account by those authorities in calculating their basic amounts of Council Tax for the following year. The estimated surplus or deficit at 31st March 2011 will therefore be taken into account in setting the Council Tax for 2011/2012.
- 4.2 The sums calculated in accordance with paragraphs 3.1 and 3.2 above are not to be taken into account by authorities in calculating their budget levels, but are to be taken into account when calculating the basic amounts of Council Tax for 2011/2012.

5. Collection Fund 2010/2011

5.1 The surplus on the Collection Fund as at 31st March 2010, reported as part of the Statement of Accounts for 2009/2010, was £1,140,846 and relates entirely to Council Tax. The actual level of the surplus reported was higher than the forecasted level because of three main factors which include:

- a) the impact of the various proactive actions taken by the Council during the year to help people claim benefits that they were entitled to, to point the public to where they could access free financial advice and to provide more flexible payment arrangements and sponsored a free website known as LIBRA with partner organisations which acts as a 'Financial Friend' which signposts the public to where they can obtain free financial advice and guidance on a wide range of topics to help them save money (cheaper insurance, access to responsible credit unions etc.);
- b) the impact of the new council tax system, that can now provide much more meaningful data on levels and types of arrears which has meant better targeting of recovery measures which saw an increase in collection rates in 2009/2010;
- c) various other positive measures adopted by the Council Tax Section to help recover more Council Tax in the year:
Reviewed Single Person Discounts entitlement,
Increased the number of direct debit payments in the year and extended payment terms to 12 months where necessary, and,
Pointed the public to where they could access free financial advice from both the Council directly or via other sources such as the National Debt Line, the Citizens Advice Bureau, the Consumer Credit Counselling Service, etc.

5.2 It was estimated, in a report to Cabinet on the 11th February 2010, that the Council would use some of the projected surplus on the Collection Fund at 31st March 2010 as follows:

	£
Council Tax	
Sunderland City Council	50,000
Northumbria Police Authority	3,470
Tyne and Wear Fire and Rescue Authority	<u>3,093</u>
	<u>56,563</u>

These sums were consequently taken into account when setting the Council Tax for 2010/2011 by the Council and its precepting authorities.

5.4 On the basis of current collection rates and the recovery of Council Tax arrears, it is estimated that the surplus on the Collection Fund as at 31st March 2011 will be £566,124. This sum will be shared as follows:

Sunderland City Council,(Billing Authority)	£ 500,000
Precepting Authorities:	
Northumbria Police Authority	35,280
Tyne and Wear Fire and Rescue Authority	<u>30,844</u>
	566,124

The major precepting authorities have been informed of the position.

- 5.5 The sum of £500,000 has been taken into consideration in resourcing the Council's Revenue Budget for 2011/2012.

6. Reasons for Decision

- 6.1 Estimating the Collection Fund balance available in 2010/2011 for use in setting the Council Tax for 2011/2012 is a legal requirement, which the Council must carry out, based on information available to it as at 15th January of each year.
- 6.2 The Council also has an obligation to notify its major precepting authorities of the estimated surplus or deficit on the Collection Fund within 7 working days of when this calculation has been made.

7. Alternative options to be considered and recommended to be rejected

- 7.1 Not applicable as the report is for information only.

Background papers:

Collection Fund 2009/2010 Report 11th February, 2009
 Calculation of Council Tax Base Report 17th January, 2011
 Statement of Accounts 2009/2010
 Council Tax Collection Estimates for 2010/2011

CABINET MEETING – 16TH FEBRUARY 2011

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Capital Programme 2011/2012 and Treasury Management Policy and Strategy 2011/2012, including Prudential Indicators for 2011/2012 to 2013/2014.

Author(s):

Executive Director of Commercial and Corporate Services

Purpose of Report:

To update Cabinet on the level of capital resources and commitments for the forthcoming financial year and seek a recommendation to Council to the overall Capital Programme 2011/2012 and the Treasury Management Policy and Strategy (including both borrowing and investment strategies) for 2011/2012 and to approve the Prudential Indicators for 2011/2012 to 2013/2014.

Description of Decision:

Cabinet is requested to recommend to Council approval of:

- the proposed Capital Programme for 2011/2012
- the Annual Treasury Management Policy and Strategy (including specifically the Annual Borrowing and Investment Strategies);
- the prudential indicators for 2011/2012 to 2013/2014
- the Annual Minimum Revenue Provision Statement for 2011/2012

Is the decision consistent with the Budget/Policy Framework?

No – this report is integral in reviewing and amending the Budget and Policy Framework.

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To comply with statutory requirements.

Alternative options to be considered and recommended to be rejected:

No alternatives are submitted for Cabinet consideration.

Is this a “Key Decision” as defined in the Constitution? Yes

Relevant Scrutiny Committee:
Management Scrutiny

Is it included in the Forward Plan? Yes

Audit and Governance

Capital Programme 2011/2012 and Treasury Management Policy and Strategy 2011/2012, including Prudential Indicators for 2011/2012 to 2013/2014.

Report of the Executive Director of Commercial and Corporate Services

1. Purpose of the Report

1.1 To update Cabinet on the level of capital resources and commitments for the forthcoming financial year and seek a recommendation to Council to the overall Capital Programme 2011/2012 and the Treasury Management Policy and Strategy (including both borrowing and investment strategies) for 2011/2012 and to set the Prudential Indicators for 2011/2012 to 2013/2014.

2. Description of Decision

Cabinet is requested to recommend to Council approval of:

- the proposed Capital Programme for 2011/2012;
- the Annual Treasury Management Policy and Strategy (including specifically the Annual Borrowing and Investment Strategies);
- the prudential indicators for 2011/2012 to 2013/2014;
- the Annual Minimum Revenue Provision Statement for 2011/2012.

3. Capital Programme 2011/2012

General

3.1 The proposed Capital Programme for 2011/2012 totals £76.228 million and reflects ongoing capital scheme commitments from previous years of £39.392 million, slippage of £10.800 million from 2010/2011 and new starts of £26.036 million. The details of the full Capital Programme for 2011/2012 are included as Appendix 2 and the proposed new starts are set out in Appendix 1 which the rest of this section of the report covers in more detail.

Resources Available for new Starts

Resources - Grants

3.2 As reported to Cabinet in January 2011 resources have been allocated for the main programme areas of Children's Services, Adult Services, Highways, and Housing on the basis of their specific government funding approvals and other service specific resources. The table below details new Government Grants announced for 2011/2012 onwards.

	2011-12 £000s	2012-13 £000s	2013-14 £000s provisional	2014-15 £000s provisional
Highways Capital Maintenance	2,804	2,919	2,877	2,768
Highways Integrated Transport	2,008	2,141	2,141	3,011
Total Transport	4,812	5,060	5,018	5,779
Education Capital Maintenance	3,979			
Education Basic Need	3,308			
Total Education*	7,287			
Department of Health	829	845		
Total Government Grants	12,928	5,905	5,018	5,779

*In addition the Department for Education has announced funding of £2.051m for which schools will have direct responsibility.

The above table shows significantly reduced grants of over 50% compared to previous years, which have been considered in drafting of proposals for future years capital programmes submitted by Directorates. The Council is still awaiting details of future years grant funding in a number of areas such as Major Transport Schemes and an indicative allocation of £1.097m for 2011/2012 and £0.845m for 2012/2013 has been received in respect of Disabled Facilities Grants.

Any further grant approvals which are received will be reported to Cabinet as part of the regular capital programme reviews during the year together with any proposals for additional schemes as appropriate.

Resources – Capital Receipts

- 3.3 Due to the effects of the economic downturn and the fact that the housing market is still depressed, economic recovery is expected to continue to be slow. As a result, very few capital receipts have been, or are anticipated to be received in 2010/2011 or in 2011/2012.

In line with previous decisions of Cabinet, the position in relation to marketing of sites will be kept under review and sites marketed when appropriate.

Resources – Other

- 3.4 To support the Other Services Block new starts an assessment has been made of the capital programme and a range of potential sources of funding including:
- Revenue Budget and potential Savings;
 - Reallocation of existing reserves.

After reviewing the above and taking into account capital commitments, resources available to support new starts at this stage total £4.470 million for 2011/2012 and £2.570 million for 2012/2013.

In addition there are a number of projects which are eligible for funding through prudential borrowing on either an 'invest to save' basis or in order to enable strategic priorities of the Council to proceed. The proposed revenue budget includes prudent provision for capital financing charges that may arise from an additional £10.057 million of prudential borrowing in 2011/2012 and £11.700 million in 2012/2013. The revenue budget is framed to enable such levels to be affordable and sustainable into future years.

Detailed Proposals for New Starts and Capital Programme 2011/2012

- 3.5 Since the January 2011 Cabinet meeting, consultation with the appropriate Cabinet Portfolio Holders has been undertaken on the proposals to utilise the resources available for new starts. Account was taken of the priorities set out in the Sunderland Economic Masterplan and also the outcome of budget consultations. Details of proposed new capital projects are detailed in Appendix 1. The recommended Capital Programme is included in full as Appendix 2 to this report.

Further Reports

- 3.6 In accordance with the Council's Constitution, prior to commencement of projects, details of all new schemes with an estimated cost in excess of £250,000 need to be reported for approval to Cabinet utilising the capital investment appraisal documentation which outlines the detail of the scheme, the outputs and outcomes expected together with funding sources and the consequential revenue implications.
- 3.7 For schemes below £250,000, full capital investment appraisal documentation needs to be prepared and consultation must take place with the relevant Cabinet Portfolio Holder in advance of delegated decisions being taken to implement these schemes.

4. Prudential Framework and Code

- 4.1 One of the principal features of the Local Government Act 2003 was to provide the primary legislative framework to introduce a prudential regime for the control of Local Authority capital expenditure. The regime relies upon both secondary legislation in the form of regulations, and a prudential code issued and maintained by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Prudential Code was reported to Council in March 2004.
- 4.2 Under the prudential framework local authorities are free to borrow without specific government consent if they can afford to service the debt without extra government support. The basic principle is that authorities are free to invest as long as their capital spending plans are affordable, sustainable and prudent. This allows the Council the freedom to manage and control its capital programme and how it is financed. The key elements of control and management of capital finance are through:
- capital expenditure plans – the Council's Capital Programme;
 - external debt - how the Council proposes to fund its Capital Programme;
 - treasury management – the management of the Council's investments, cash flows, banking, money market and capital market transactions, the effective control of risks associated with those activities and the pursuit of optimum performance consistent with those risks.
- 4.3 All authorities must follow the prudential code published by CIPFA. This involves setting various prudential limits and indicators that must be approved by the Council before the start of the relevant financial year as part of their budget setting process. The prudential and treasury management indicators have been prepared for the financial year 2011/2012, taking into account all matters specified in the code. Regular monitoring will take place during the year and reports made to Cabinet to show the council's performance and compliance with these indicators as part of the quarterly capital review reports as appropriate.
- 4.4 All of the indicators together with background information to these indicators and what they are seeking to assess, are detailed in Appendix 3 in full compliance with the code.
- 4.5 In addition regulations came into force on 31st March 2008 revoking secondary legislation to make a Minimum Revenue Provision (MRP) charge to the revenue account for the repayment of debt associated with expenditure incurred on capital assets. The legislation was replaced with a new duty for local authorities to set, each year, an amount of MRP it considers prudent. It also recommends that an annual statement of its policy on making a MRP in respect of the following financial year is submitted to full Council for approval.
- 4.6 The recommended Minimum Revenue Provision Statement for 2011/2012 for the Council is set out in Section 6.11 a) to d) of Appendix 4.

5. Treasury Management

- 5.1 Treasury management is defined as “the management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

5.2 Statutory requirements

The Local Government Act 2003 (the Act) requires the Council to adopt a Treasury Management Policy Statement (detailed in Appendix 5) and to set out its Treasury Management Strategy comprising the Council's strategy for borrowing and the Council's policies for managing its investments, and giving priority to the security and liquidity of those investments (Appendix 6).

The Department of Communities and Local Government issued revised investment guidance which came into effect from 1 April 2010. There are no major changes required over and above the arrangements that the Council already has in place and were included in the revised CIPFA Treasury Management Code of Practice 2009 that the Council fully adheres to.

5.3 CIPFA requirements

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2009) was adopted by this Council on 3rd March 2010.

The primary requirements of the Code are as follows:

1. The Council will create and maintain, as the cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- suitable Treasury Management Practices (TMP's), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement is detailed in Appendix 5 and the TMP's follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments which are minor in nature do not result in the Council deviating from the Code's key principles however.

2. The Council will receive reports on treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMP's.

3. The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Executive Director of Commercial and Corporate Services, who acts in accordance with the organisation's Policy Statement, TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

4. The Council has previously nominated the Audit and Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

5.4 Treasury Management Strategy for 2011/2012

5.4.1 The Treasury Management Strategy comprises a Borrowing and an Investment Strategy. These set out the Council's policies for managing its borrowing and investments and for giving priority to the security and liquidity of investments.

5.4.2 There are no major changes being proposed to the overall Treasury Management Strategy in 2011/2012 which maintains the careful and prudent approach adopted by the Council in

previous years. Particular areas that inform the strategy include the extent of potential borrowing included in the Council's capital programme, the availability of borrowing, and the current and forecast global and UK economic position, in particular forecasts relating to interest rates and security of investments.

- 5.4.3 The proposed Treasury Management Strategy Statement for 2011/2012 is set out in Appendix 6 and is based upon the views of the Executive Director of Commercial and Corporate Services, supplemented with market data, market information and leading market forecasts provided by the Council's treasury adviser, Sector Treasury Services.
- 5.4.4 The strategy is subject to regular review to ensure compliance to the agreed treasury management strategy and that the strategy adapts to changing financial markets as appropriate. It is pleasing to note that the Council's current average rate of borrowing at 3.35% is low in comparison with other local authorities whilst the current rate earned on investments at 1.49% is higher than the benchmark rate. In addition debt rescheduling undertaken by the Council has achieved significant savings in interest charges and discounts and these interest savings have been secured for many years to come. For example, since November 2008 the Council has rescheduled debt worth £59.5 million with an ongoing reduction in interest costs of just under £1.0 million per annum. Market conditions are under constant review so that the Council can take a view on the optimum time to carry out further borrowing or debt rescheduling.

6. Suggested Reason for Decision

- 6.1 To comply with statutory requirements.

7. Alternative Options

- 7.1 No alternatives are submitted for Cabinet consideration

Background Papers

Various Notifications regarding Capital Resources for 2011/2012

Sector City Watch (Monthly)

Local Government Act 2003

The Prudential Code for Capital Finance in Local Authorities

Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (Fully Revised Second Edition 2009)

Treasury Management in the Public services Guidance Notes for Local Authorities including Police Authorities and Fire Authorities (Fully Revised Third Edition)

Capital Programme 2011/2012 – New Starts

1.0 Children's Services Capital Proposals 2011/2012

1.1 The Secretary of State for Education, Michael Gove announced details of schools capital funding for 2011/2012 as part of the Local Government Finance Settlement on 13th December 2010.

Detail of the grant allocations for Sunderland are set out in the table below.

	2010/2011 Original Allocation £'000	2010/2011 Revised June Allocation £'000	2011/2012 Allocation £'000
Education – LA Block			
Primary Capital Grant	6,470	6,470	0
Modernisation	2,923	2,923	0
Capital Maintenance	0	0	3,979
Extended Schools	256	117	0
Basic Need	865	865	3,308
Schools Access Initiative	513	513	0
Harnessing Technology	1,042	519	0
	12,069	11,407	7,287
Schools Block			
Local Authority Devolved Formula Capital (Standards Fund)	4,076	4,076	770
Local Authority Voluntary Aided Devolved Formula Capital (Standards Fund)	1,068	1,068	222
Local Authority Co-ordinated Voluntary Aided Programme	1,371	1,371	1,059
	6,515	6,515	2,051
Other			
Children's Social Care	50	50	0
Youth Capital Fund Grant	174	87	0
Sure Start, Early Years and Childcare Grant	1,050	1,050	0
	1,274	1,187	0
All Capital Approvals	19,858	19,109	9,338

1.2 Proposals for Children's Services Capital Programme New Starts 2011/2012

1.2.1 In 2011/12 Sunderland City Council will be allocated £3.308 million in Basic Need funding and £3.979 million for Capital Maintenance.

1.2.2 Education Capital has been severely reduced with a 60% reduction nationally compared to 2010/11 funding levels (largely due to the demise of Building Schools for the Future). The allocation has been provided for 2011/12 only, pending the outcome of the James Review commissioned by the Coalition Government and due to report later this year.

1.2.3 Basic Need (BN) funding will provide new school places where needed and must cover the needs of maintained and voluntary aided (VA) schools. There is no requirement for new places in community schools (or academies) at present given continuing levels of surplus places but the Council will need to discuss a pro-rata share of this funding with the Dioceses and

potentially Academy Trusts. As neither BN or Capital Maintenance funds are ring fenced it is proposed to treat both allocations as a single sum to address urgent maintenance priorities in secondary non-BSF schools and primary schools.

- 1.2.4 The Asset Management Plan identifies significant levels of capital maintenance necessary. This work includes the replacement of life-expired boiler plant, water systems, infrastructure, roofing and windows. The estimated cost for Priority 1 work in secondary schools is £2.838 million and in primary schools this is £2.833 million.
- 1.2.5 The priority for Children's Services is health and safety, keeping buildings wind and watertight, and thereby avoiding school closures. A contingency sum is therefore also required to address the numerous ad-hoc situations that arise in schools year on year.
- 1.2.6 The Council also has statutory responsibilities in relation to Health and Safety in schools which must be funded through capital maintenance budgets. It is proposed to undertake a comprehensive programme in 2011/2012 in relation to legionella prevention.
- 1.2.7 For a number of years Children's Services has relied upon temporary borrowing in lieu of capital receipts to support investment in new school builds. This is not sustainable moving forward and £1.000 million is to be repaid from 2011/2012 funding allocations with £0.250 million allocated on an ongoing basis until repayments have been made (pending further government announcements concerning future capital allocations).
- 1.2.8 In addition Devolved Formula Capital grant, allocated to schools, will reduce by 75% in 2011/12. A typical secondary school will now receive approximately £25,000 with a typical primary school receiving around £6,000 - £7,000 per year to address maintenance priorities or to upgrade ICT stock.

2.0 Highways Capital Proposals 2011/2012

2.1 The table below details new Government Grants announced by the Department for Transport for 2011/2012 onwards.

	2010-11 £000s	2011-12 £000s	2012-13 £000s	2013-14 £000s provisional	2014-15 £000s provisional
Highways Capital Maintenance	4,729	2,804	2,919	2,877	2,768
Highways Integrated Transport	2,658	2,008	2,141	2,141	3,011
Maintenance – Named Bridges	243				
Total Transport	7,630	4,812	5,060	5,018	5,779

2.1.1 The total allocations represent a reduction of 37% on the revised 2010/2011 allocations (43% reduction on the original 2010/2011 allocations). The reduction is greater than for other Tyne and Wear authorities as in 2010/2011 Sunderland received an additional 'dampening' allocation to ensure that grant received was not less than 75% of the grant received in the previous year. This 'dampening' has ended in 2011/2012.

2.2 Proposals for Highways Capital Programme New Starts 2011/2012

2.2.1 Both the Highways Capital Maintenance and Integrated Transport funding blocks are calculated through a needs-based formula and in Metropolitan Areas will now be allocated to the Integrated Transport Authority (ITA) in that area. It is up to the ITA to distribute funds to constituent authorities in their area. At its meeting on 27th January 2011 the Tyne and Wear ITA ratified that the distribution of funds to the Tyne and Wear districts would be distributed by the same allocation methods used in previous years.

Whilst the LTP funding source is not ring fenced should the Council decide to use funding for non-transport capital schemes, then future years allocations from Tyne and Wear ITA may be at risk.

2.2.2 The proposed capital programme for future years, including ongoing commitments, will support the following priorities

To support economic development and regeneration by:-

- maintaining our highways including the completion works to Penshaw Bridge and undertaking works to Lambton Interchange Bridge (A195)
- managing congestion

To address climate change by:-

- promoting sustainable travel, including the introduction of a parking management scheme at the Royal Hospital
- providing low carbon vehicle infrastructure by completing the installation of electric vehicle charging points in public car parks

To support safe and sustainable communities by:-

- improving road safety, including the introduction of the initial 20 mph zone in residential streets
- improving access

Capital Scheme	£000s
Ongoing commitments	2,859
Supporting Economic Development and Regeneration	167
Supporting Safe and Sustainable Communities	1,786
	4,812

3.0 Health, Housing and Adult Services Capital Proposals 2011/2012

- 3.1 In 2010/2011 the Council received £0.429 million for Adult Services. Under new arrangements that consolidate various funding streams, capital grant funding from the Department of Health (DoH) has been maintained nationally at 2010/2011 levels and will rise in line with inflation. Councils will receive DoH capital grant on the basis of social care Relative Needs Formula, rather than the bidding process for various grants that has been used in the past. The allocation to Sunderland is £0.829 million in 2011/2012 and £0.845 million in 2012/2013 and should be used to support three key areas which comprise of personalisation, reform and efficiency.
- 3.2 Housing funding in previous years has been made available through the Single Housing Investment Plan (SHIP) provided by the Regional Housing Board. The Council received £1.687 million in 2010/2011 however notification has been received of the cessation of the regional pot for SHIP funding from 2011/2012. The Department for Communities and Local Government announced in the Spending Review that they will protect their element of Disabled Facilities Grant funding, while removing the ring fence. Further details of the grant award to Sunderland are awaited, although nationally the allocation has increased from £1.688 billion in 2010/2011 to £1.800 billion in 2011/2012.
- 3.3 **Proposals for Health, Housing and Adult Services Capital Programme New Starts 2011/2012**

The following projects are proposed for inclusion in the 2011/2012 capital programme:

3.3.1 Housing

Disabled Facilities Grant

It is proposed that Disabled Facilities Grants scheme is continued in 2011/2012 and funded through the a specific government grant of £1.097 million (indicative allocation), a Council contribution of £0.570 million, a Directorate revenue contribution of £0.301 million, a contribution from Registered Social Landlords of £0.130 million and DoH funding of £0.300 million (indicative allocation) amounting to a total new programme of £2.398 million.

Housing Renovation Loans Scheme

The Loans Scheme has in previous years been funded from SHIP resources. This funding stream has now ceased and in order to continue the scheme the regional partnership will be submitting a bid to the Regional Growth Scheme via 5 Lamps (the scheme administrators). Should the bid be successful the Council will need to make a financial contribution of £0.100 million per annum for 3 years.

3.3.2 Adult Services

Refurbishment Works

Annually the Directorate reviews all establishments including those occupied by clients and a schedule of refurbishment works totalling £0.312 million has been identified to ensure that they are maintained at an acceptable level. This includes a contribution towards the relocation of Sunderland Carers Centre to premises within Thompson Park and an existing commitment for works to the café at Herrington Park which once complete will become a social enterprise providing a place of employment for clients with learning disabilities.

IT Schemes

An allocation of £0.044 million is proposed to support various IT schedules of work that are required, following consultations, to ensure that current systems support the modernisation agenda.

Extra Care

It is proposed £0.540 million is allocated towards extra care, allowing the council to contribute towards enabling the provision of housing solutions for older households in the city. It will enable the provision of more reablement opportunities, maximising referrals into appropriate self contained accommodation and supporting independent living for longer with the provision of care and support tailored to the needs of the individual.

Summary of Capital Proposals

	Department of Health £'000	B/Fwd Directorate Resources £'000	TOTAL £'000
Housing Renovation Loans Scheme	17	83	100
Refurbishment Works	312		312
IT Schemes		44	44
Extra Care	500	40	540
	829	167	996

4.0 **Other Services Capital New Start Proposals 2011/2012**

The following new projects are proposed for inclusion in the 2011/2012 capital programme:

4.1 **Economic Development Block Provision – £0.800 million**

The proposal seeks to continue the policy of providing funding for a range of capital projects and job creation and retention initiatives that support economic development and regeneration objectives in the city in accordance with the Economic Masterplan. The fund provides a resource to deal with unforeseen demands on both the revenue and capital budgets, and covers both strategic investments in infrastructure and facilities for business and direct support to business growth and investment activities, particularly where new job creation will result.

4.2 **City Centre ‘Quick Wins’ (including Fawcett Street Public realm) £1.000 million**

It is proposed to continue the programme commenced in 2009 to demonstrate the Council's commitment to the City Centre and to support businesses during the economic downturn. Programme of support includes Street Scene Improvements; Festivals and Events; Marketing and Promotion; and business support measures.

Following the quick wins street scene project and market square public realm in the City Centre further works to Fawcett Street will deliver the next phase of investment in the city centre public realm.

4.3 **Advanced Site Works £2.000 million (£1.000 million in 2011/2012 and in 2012/2013)**

This is works to a key strategic site in the Economic Master Plan to support economic development and regeneration.

4.4 **Spatial Retail Work £0.120 million**

It is recommended that a contingency is established to procure specialist retail advice to assist the Council to consider planning developments to aid effective decision making.

4.5 **World Heritage Site Public Realm £1.700 million (£0.250 million in 2011/2012 and 2012/2013, and £0.400 million, per annum in 2013/2014 to 2015/2016)**

As part of the bid to secure World Heritage Status for St Peter's Church, this funding will deliver the landscape vision that supports the nomination document. The Council has made a commitment in the management plan to carry out public realm works on this site. Overall expenditure details are subject to review.

4.6 **Network Upgrade £0.030 million**

The last major upgrade of the corporate network was undertaken in 2005. The devices that were installed 5 years ago are coming to the end of their life and require replacing to ensure the corporate network continues to be protected for power failures.

4.7 **Telephony Upgrade £0.077 million**

The current digital telephone system (Avaya VOIP) was installed in 2006 and support for the system will be removed by the supplier in 2011. There is a requirement to upgrade the telephony system which will provide additional functionality and support smarter working. The total cost for the telephony system upgrade will be £0.200 million with £0.123 million available from existing budgets.

4.8 **Strategic Acquisitions £4.000 million**

The physical regeneration of the City is dependent upon the ability of the Council to intervene in the market and where necessary to assemble strategically important parcels of

land that can contribute to the delivery of regeneration projects. It is proposed that a sum of £4.000 million is allocated to fund land acquisitions in accordance with the Council's policy and with the aims and objectives of the Economic Masterplan. Proposals for acquisition will be brought forward in accordance with the requirements of the Council's policy.

4.9 Highways Maintenance £0.300 million

It is proposed that funding is allocated to carry out work needed to address structural damage caused to highways following the severe winter conditions. The supplementary budget requested assumes no one-off funding will be available from central government.

4.10 Capital Contingencies

Resources have been provisionally allocated as a capital contingency to a number of outline schemes which it is intended will be brought forward subject to the consideration of the individual business case. These schemes support the Council's key priorities in terms of regeneration plans and strategic priorities and include

- 'invest to save' schemes to support property rationalisation, smarter working and other process improvements that will help to deliver the efficiency savings required to further the business transformation agenda
- major IT infrastructure projects such as working with partners on a £40m Regional Growth Fund bid to deliver superfast broadband citywide
- other major regeneration and transport capital works within the City that will support the five Aims of the Sunderland Economic Masterplan

CAPITAL PROGRAMME

Summary of Programme
2010/11 to 2014/15

Expenditure by Portfolio	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
			2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Leader and Deputy Leader	5,363	422	4,141	800			
Resources	21,022	6,644	3,755	10,623			
Children and Learning City	159,848	111,788	23,221	15,359	7,649	1,681	150
Prosperous City	41,127	9,003	7,428	19,463	5,233		
Healthy City	18,805	3,463	4,705	3,787	2,638	2,095	2,117
Safer City and Culture	2,611	910	368	1,333			
Attractive and Inclusive City	112,823	71,200	22,809	8,770	3,217	3,548	3,279
Sustainable Communities	14,190	4,913	3,017	6,260			
Responsive Local Services and Customer Care	8,000	3,213	854	2,883	250	400	400
Contingencies	24,000			6,950	10,450	6,600	0
TOTAL CAPITAL EXPENDITURE	407,789	211,556	70,298	76,228	29,437	14,324	5,946

Resources have been provisionally allocated as a capital contingency for a number of outline schemes which it is intended will be brought forward subject to the consideration of individual business cases. These schemes support the Council's key priorities in terms of regeneration plans and strategic priorities.

CAPITAL PROGRAMME

Source of Finance	Estimated Payments				
	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
From External Sources					
Loans					
- Supported Capital Expenditure (Revenue)	5,771	1,825	3,722		
- Unsupported Borrowing	4,667	27,494	11,700	7,000	400
Government Grants					
- Disabled Facilities	1,029	1,097	1,097	1,097	1,127
- Department for Education - Standards Fund	11,778	5,952	1,532	1,531	
- Department for Education - Capital Maintenance		2,915	1,064		
- Department for Education - Basic Needs		2,127	1,181		
- Department for Education - Building Schools for the Future	5,334	493			
- Department for Education - Other	198	300			
- Department for Communities and Local Government	1,229				
- Department for Culture Media and Sport	18				
- Department for Transport - Transport Grant	5,520	4,812	4,050	3,518	3,279
- Department for Transport - HAMP Grant	71				
- Department of Health	1,352	1,169	750		
- Sure Start	1,928				
- Social Services IT	443				
- Single Housing Investment Pot	2,204	679			
- Coast Protection	98	175	15	30	
- CABE Sea Change Fund	270	730			
Lottery Grants	1,388	657			
European Grants	17	5,237	1,377		
Grants from Other Public Bodies					
- One North East	4,547	2,917			
- Homes and Communities Agency	610	4,992			
- Primary Care Trust	711				
- Nexus	329				
- Waste Infrastructure Grant	257				
- Tyne & Wear Museums	216				
- School Governors Contribution	402	600			
- Football Foundation	247	755			
- Low Carbon Initiative	124				
Other External Funding	800	140	130	130	130
Total External Sources	51,558	65,066	26,618	13,306	4,936
From Internal Sources					
Revenue Contributions					
- General Fund	1,967	7,178	570	570	570
- Children's Services	424	168	150	150	150
- Health, Housing and Adults Services	291	417	91	298	290
- City Services	379	4			
- Strategic Initiatives Budget	285				
- Empire Maintenance	65				
Capital Receipts	1,182	1,379			
Reserves					
- Strategic Investment Reserve	3,688	(5,424)	(848)		
- Strategic Investment Plan	1,915	2,458			
- Unutilised RCCO Reserve	6,489	1,974			
- Working Neighbourhoods Reserve	1,383	2,118	2,856		
- Other Reserves	496	50			
- Section 106 Reserve	176				
- Port Reserve		840			
Total Internal Sources	18,740	11,162	2,819	1,018	1,010
TOTAL CAPITAL FINANCING	70,298	76,228	29,437	14,324	5,946

LEADER AND DEPUTY LEADER CAPITAL PROGRAMME

CAPITAL INVESTMENT PLANS AND LINKAGES TO SERVICE OBJECTIVES, STRATEGIC PRIORITIES, THE CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

The Leader / Deputy Leader capital programme will contribute towards meeting the five Aims of the Sunderland Economic Masterplan:

- A new kind of university city
- A national hub of the low-carbon economy
- A prosperous and well-connected waterfront city centre
- An inclusive city economy for all ages
- A one city approach to economic leadership

OUTCOMES FROM COMPLETED CAPITAL SCHEMES

During 2010/2011, Economic Development Support to local companies included a significant Job Creation Grant and a contribution to the development of an electricity sub-station.

KEY MEDIUM TERM PRIORITIES

- To meet the Aims of the Economic Masterplan (see above).
- Implementation of the Customer Service and Access Strategy action plan key principles .

HOW THE PROGRAMME CONTRIBUTES TO AN EFFICIENT AND EFFECTIVE COUNCIL

In developing measures to improve economic prosperity, value for money will be achieved through a range of measures including:

- Maximising external funding.
- Work with internal and external partners to improve services for local businesses.
- Efficiencies will be achieved through improved procurement techniques and monitoring arrangements.

CAPITAL INVESTMENTS FOR THE YEAR

New Starts

- Provisions made for Economic Development will enable the Council to respond quickly and positively to economic issues that support job creation and job protection in Sunderland and deliver the aims of the Sunderland Economic Masterplan.

**LEADER AND DEPUTY LEADER
CAPITAL PROGRAMME**

SUMMARY

Project Description	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
			2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
MAIN BLOCK							
Continuing Projects	800	422	378				
Projects Commencing 2010/2011	3,763		3,763				
Projects Commencing 2011/2012	800			800			
Projects Commencing 2012/2013							
Projects Commencing 2013/2014							
Projects Commencing 2014/2015							
TOTAL CAPITAL EXPENDITURE	5,363	422	4,141	800			

METHOD OF FINANCING ESTIMATED CAPITAL EXPENDITURE

Source of Finance	Estimated Resources				
	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
FROM EXTERNAL SOURCES					
Government Grants - One North East	1,000				
Total External Sources	1,000				
FROM INTERNAL SOURCES					
Reserves - Working Neighbourhood Fund - Unutilised RCCO Reserve	763 2,378	800			
Total Internal Sources	3,141	800			
TOTAL FINANCING	4,141	800			

**LEADER AND DEPUTY LEADER
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	Continuing Projects								
MAN/120	CITY BUSINESS AND INVESTMENT TEAM Provision for Economic Development	J Snaith	800	422	378				
TOTAL CONTINUING PROJECTS			800	422	378				
	Projects Commencing 2010/2011								
MAN130	CITY BUSINESS AND INVESTMENT TEAM Provision for Economic Development 2010/2011	J Snaith	763		763				
MAN132	Economic Development Support Provision	J Snaith	3,000		3,000				
TOTAL PROJECTS COMMENCING 2010/2011			3,763		3,763				
	Projects Commencing 2011/2012								
MAN140	CITY BUSINESS AND INVESTMENT TEAM Provision for Economic Development 2011/2012	J Snaith	800			800			
TOTAL PROJECTS COMMENCING 2011/2012			800			800			
TOTAL CAPITAL PROGRAMME			5,363	422	4,141	800			

**LEADER AND DEPUTY LEADER
CAPITAL PROGRAMME**

RESOURCES CAPITAL PROGRAMME

CAPITAL INVESTMENT PLANS AND LINKAGES TO SERVICE OBJECTIVES, STRATEGIC PRIORITIES, THE CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

The Resources capital programme will contribute towards the five Aims of the Sunderland Economic Masterplan:

- A new kind of university city
- A national hub of the low-carbon economy
- A prosperous and well-connected waterfront city centre
- An inclusive city economy for all ages
- A one city approach to economic leadership

An important role for Resources in delivering these Aims is to ensure that Sunderland is at the forefront of securing the benefits offered by advances in Information Technology

OUTCOMES FROM COMPLETED CAPITAL SCHEMES

- Improvements to the Voice and Data Network is substantially complete and is generating significant improvements to the network as well as significant revenue savings.
- The Digital Challenge programme is setting the vision for a digitally enabled Sunderland by delivering services where, when, and how they are needed and wanted. The programme is due to be completed by 31st March 2011.
- The Business Transformation Programme is supporting the council's efficiency programme by delivering savings within all aspects of Strategic and Shared services and improving effectiveness within the customer service network.
- The provision of a single ICT hardware platform has helped to support the Council's increased demands on the SAP ERP system.
- As part of continuing efforts to improve the trading position of the Port of Sunderland, a number of items of equipment have been purchased that will safeguard existing operational standards, reduce equipment hire costs and provide the necessary equipment to enable the Port to better respond to market opportunities and spot trade.

KEY MEDIUM TERM PRIORITIES

- A Business Improvement Plan for the Port has been completed and the Port Masterplan produced in draft form. Proposed investment included in the masterplan is currently being evaluated.
- ICT medium term priorities include assisting the Council to meet its Smarter City objectives.

HOW THE PROGRAMME CONTRIBUTES TO AN EFFICIENT AND EFFECTIVE COUNCIL

- The investment in the voice and data network is producing significant revenue savings in terms of reduced line rentals.
- The investment in Business Warehousing will produce a seamless electronic purchasing process.
- The introduction of home working will increase utilisation of Council buildings, improve staff productivity and performance.

CAPITAL INVESTMENTS FOR THE YEAR AHEAD

Ongoing Commitments

- Phase 2 of the Revenue and Benefits system upgrade involves public access via the web allowing customers to access account information without contacting the Council, a homeworking pilot, and IEG4 Intelligent e-forms enabling efficiencies through customers being able to complete benefit applications on line.
- Port Workshops relocation will secure the future of a tenant in the Port and will further rationalise the Port estate, thereby providing additional land for potential new business development.
- Introduction of an electronic system for the production of Court papers will allow for a more efficient use of staff time in bundle preparation and in accessing archived cases and it will substantially reduce future storage requirements.
- ICT infrastructure schemes in relation to Fibre Network Provision, Thin Client and Server Provision will help to provide service efficiencies and the foundations on which to build a more strategic approach to technology and information deployment.

New Starts

- The upgrade of the power devices will protect the network from damage through power failures and power spikes.
- The upgrade of the current digital telephone system will provide additional functionality within to allow the corporate use of "softphone" software to support smarter working.
- In line with the current dredging regime at the Port of Sunderland, a full dredge of the operational areas of the river and quay areas will be undertaken in 2011/2012 in order to maintain depth levels at the Port.

**RESOURCES
CAPITAL PROGRAMME**

SUMMARY

Project Description	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
			2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
MAIN BLOCK							
Continuing Projects	10,218	6,644	3,007	567			
Projects Commencing 2009/2010	9,857		748	9,109			
Projects Commencing 2010/2011	947			947			
Projects Commencing 2011/2012							
Projects Commencing 2012/2013							
Projects Commencing 2013/2014							
TOTAL CAPITAL EXPENDITURE	21,022	6,644	3,755	10,623			

METHOD OF FINANCING ESTIMATED CAPITAL EXPENDITURE

Source of Finance	Estimated Resources				
	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
FROM EXTERNAL SOURCES					
Unsupported Borrowing	667	8,888			
Government Grants					
- Communities and Local Government	1,229				
- European Grants	17				
Total External Sources	1,913	8,888			
FROM INTERNAL SOURCES					
Revenue Contributions					
- General Fund	64	116			
- Directorate Resources- Children's Services	131				
- Directorate Resources - HHAS	105	105			
Reserves					
- Port Reserve	16	840			
- Strategic Investment Plan	108	268			
- Unutilised RCCO Reserve	1,270	396			
Capital Receipts	148	10			
Total Internal Sources	1,842	1,735			
TOTAL FINANCING	3,755	10,623			

**RESOURCES
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Continuing Projects									
CITY CENTRE DEVELOPMENTS AND LAND AND PROPERTY									
DR91976	Relocation of Allotments Dyer Square Southwick	N Wood	150	138	12				
DR91912	Occupational Health Unit Relocation	C Clark	103	92	11				
ICT									
CS91012	Improvements to Voice and Data Network	T Baker	1,840	1,705	135				
CS94017	Complaints and Freedom of Information Act	R Rayner	110	31	79				
CS94030	SAP Reporting-Business Warehousing	F Brown	308	306	2				
CS94054	Flexible Working Solutions	T Baker	100		100				
CS94045/037	Digital Challenge	T Baker	3,391	2,162	1,229				
CS96001/3	Business Transformation Projects	A Seekings	2,624	1,610	1,014				
CS91013	SAP Infrastructure	T Baker	100	38	62				
CS91015	Power Supply to Data Centre	T Baker	80	58	22				
CS91016	Revenue and Benefits system Phase 2	F Brown	444	24	108	312			
CS91017	Flexible Working System	S Stanhope	50			50			
CS94058	Cash Receipting	T Baker	200		200				
CS91017	SAP Archiving	T Baker	205			205			
Port									
DR92009	Port Penstocks	C Clark	60	44	16				
DR91708	Port Regeneration Study	K Lowes	453	436	17				
TOTAL CONTINUING PROJECTS			10,218	6,644	3,007	567			
Projects Commencing 2010/2011									
ICT									
CS94056	Call Manager Replacement	T Baker	491		300	191			
CS94057	Automated Court Bundle	R Rayner	30			30			
	IT Infrastructure	T Baker	8,800			8,800			
Port									
DR92010	Port Workshops Relocation	C Clark	288		200	88			
CS92011-15	Port Equipment	C Clark	248		248				
TOTAL PROJECTS COMMENCING 2010/2011			9,857		748	9,109			
Projects Commencing 2011/2012									
ICT									
	Network Upgrade	T Baker	30			30			
	Telephony Upgrade	T Baker	77			77			
Port									
	Port Dredging	C Clark	840			840			
TOTAL PROJECTS COMMENCING 2011/2012			947			947			
TOTAL CAPITAL PROGRAMME			21,022	6,644	3,755	10,623			

**RESOURCES
CAPITAL PROGRAMME**

CHILDREN AND LEARNING CITY CAPITAL PROGRAMME

CAPITAL INVESTMENT PLANS AND LINKAGES TO SERVICE OBJECTIVES, STRATEGIC PRIORITIES, THE CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

The Children's Services Capital Programme will contribute towards meeting the five Aims of the Sunderland Economic Masterplan:

- A new kind of university city
- A national hub of the low-carbon economy
- A prosperous and well-connected waterfront city centre
- An inclusive city economy for all ages
- A one city approach to economic leadership

And the Children and Young People's Plan priorities:

- Achieving their education
- Enjoy sport, leisure and play

The national outcome and indicators of which the most relevant to capital investment are:

- Achievement of at least 78 points across the Early Years Foundation Stage (EYFS) with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy.
- Percentage of schools providing access to extended services.
- Take up of 14-19 learning diplomas.
- Narrowing the gap between the lowest achieving 20% in the EYFS Profile and the rest.
- Delivery of Sure Start Children's Centres.
- The Children's Services AMP, which contains updated information about the condition, suitability and sufficiency of all school buildings. Education (DfE).
- The replacement of two primary schools under the Primary Strategy for Change.
- The ongoing review of both primary and secondary school places to identify future priorities for capital investment, taking into account the current pupil roll and projected future school rolls.
- Schools being allocated devolved capital from Standards Fund. The LA provides support to schools in assisting them in planning this expenditure to achieve school and LA development priorities.
- Partnership working which is key to making right investment choices and to supporting the wider regeneration agenda in Sunderland.
- Providing young people leaving care with a residential resource.

OUTCOMES FROM COMPLETED CAPITAL SCHEMES

- Sunderland's Wave 1 BSF programme is now complete. The three 'Sunderland Model' Academies'; Academy 360, Castle View Enterprise Academy, and Red House Academy were opened in September 2009 as was Washington School. All of these schemes were delivered on time and within budget. The two remaining major refurbishment schemes at Biddick and St Robert of Newminster RC Secondary Schools were complete in 2010 in March and September respectively. All schemes were completed on time and to budget. Schools in the BSF and Academies programme will provide the platform for transforming secondary education and for creating state of the art ICT and vocational facilities.
- Several schools have benefited from the Children's Services Access Initiative Budget which has been used to improve facilities for disabled pupils accessing mainstream school provision.
- A total of 30 PVI and 38 maintained early years settings have benefited from transformed external play facilities under phase 2 of the provision of external play, equipment and some refurbishment to early years settings to improve EYFS learning environments.
- Wessington Primary School has benefited from capital investment to rationalise spare accommodation and to relocate and enhance the CAMHS facility based there.
- Capital works to reconfigure accommodation and provide children's centre outreach facilities at Seaburn Dene Primary School are due to be completed in 2011.

KEY MEDIUM TERM PRIORITIES

- To address the most urgent condition priorities, health and safety work and major capitalised repairs in the primary and nursery sector as identified from Children's Services AMP data.
- To support schools in using the reduced level of devolved formula capital allocations to address the priorities identified in their asset management plans.
- Extend supported accommodation for vulnerable young people.
- To maintain children's homes to a standard required to meet at least the minimum standards against which Sunderland are inspected by OFSTED twice per annum, and also to fulfil the requirements of the council as Corporate Parents .

**CHILDREN AND LEARNING CITY
CAPITAL PROGRAMME**

HOW THE PROGRAMME CONTRIBUTES TO AN EFFICIENT AND EFFECTIVE COUNCIL

- Children's Services is participating in a corporate wide review of accommodation with a view to rationalising property. The moves towards locality and integrated working have begun with some staff located at Bunnyhill and the remainder due to move there in January 2011. A rolling programme of moves to the other four localities will be completed in October 2011. The moves include adopting a more flexible and mobile working model. It is expected that these changes will generate efficiencies through reductions in accommodation requirements and the new ways of working will result in more efficient, cohesive and responsive services in the local communities.

CAPITAL INVESTMENTS FOR THE YEAR AHEAD

Ongoing Commitments

- The replacement of St Joseph's Primary School, the initial priority school replacement identified in the Primary Strategy for Change consultations, begins in January 2011, with the school expected to be completed in March 2012 .
- The replacement of Maplewood School, the second priority school replacement identified in the Primary Strategy for Change consultations, begins in July 2011, with the school expected to be completed in August 2012.
- Work at six primary schools, using the Targeted Capital Fund for school kitchens, to support enhanced and improved kitchen and dining area facilities to increase school lunch take-up.
- The Coalition Government announced in July that BSF schemes that were not contractually committed would be stopped. Sunderland's Wave 2 scheme involving 9 secondary and 4 secondary special schools will therefore not be going ahead.

New Starts

2010/2011 schools capital allocations were announced by the Secretary of State for Education as part of the schools financial settlement on 13th December 2010. Basic Need funding provides school places where needed for maintained, academy and voluntary aided schools. Capital Maintenance funding is to address maintenance priorities in schools (the VA section has a separate allocation for this). In addition maintained schools will receive their share of £769,666 Devolved Formula Capital. The sum in the VA sector is £222,492. It should be noted that these sums are approximately 25% of DFC sums allocated in previous years. Basic Need / Capital Maintenance funds are not ring fenced and are likely to be viewed as a single funding source to address urgent maintenance priorities, including in the secondary schools that will now not benefit from BSF.

**CHILDREN AND LEARNING CITY
CAPITAL PROGRAMME**

SUMMARY

Project Description	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
			2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
MAIN BLOCK							
Continuing Projects	139,585	111,788	20,119	6,504	1,174		
Projects Commencing 2010/2011	11,173		3,102	2,973	3,823	1,275	
Projects Commencing 2011/2012	8,640			5,882	2,502	256	
Projects Commencing 2012/2013	150				150		
Projects Commencing 2013/2014	150					150	
Projects Commencing 2014/2015	150						150
TOTAL CAPITAL EXPENDITURE	159,848	111,788	23,221	15,359	7,649	1,681	150

METHOD OF FINANCING ESTIMATED CAPITAL EXPENDITURE

Source of Finance	Estimated Resources				
	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
FROM EXTERNAL SOURCES					
Loans					
- Supported Capital Expenditure (Revenue)	935	1,825	3,722		
- Unsupported Capital Expenditure		6,801			
Government Grants					
- Standards Fund	11,778	5,952	1,532	1,531	
- Capital Maintenance		2,915	1,064		
- Basic Need		2,127	1,181		
- Modernisation Fund	111				
- Building Schools for the Future	5,334	493			
- Sure Start	1,928				
- DCSF Grant	87				
- Other	442				
Governors Contribution	402	600			
Private Sector Contributions	343	10			
Total External Sources	21,360	20,723	7,499	1,531	
FROM INTERNAL SOURCES					
Revenue Contributions					
- Directorate Resources	293	168	150	150	150
Reserves					
- Strategic Investment Reserve (Temporary Use)	1,410	(5,532)			
- Capital Reserves	115				
Strategic Investment Plan	43				
Total Internal Sources	1,861	(5,364)	150	150	150
TOTAL FINANCING	23,221	15,359	7,649	1,681	150

**CHILDREN AND LEARNING CITY
CAPITAL PROGRAMME**

**CHILDREN AND LEARNING CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	MAIN BLOCK								
	Continuing Projects								
EDC2007X	Electricity at Work	R Smith	681	581	100				
EDC5011S	Children's Centre Database	R Singh	151	1	150				
EDC5009P	Washington BSF	B Scanlon	19,157	19,150	7				
EDC5009P	Castle View Academy BSF	B Scanlon	15,994	15,954	40				
EDC5009P	Pennywell Academy BSF	B Scanlon	23,285	23,209	76				
ED96143	Usworth School Demolitions	B Scanlon	697	528	169				
EDC5009S	Asbestos Testing	J Walvin	128	98	30				
EDC5009S	School Closures - misc costs	J Walvin	122	107	15				
	Schools Devolved Capital 2008/2009	V Thompson	3,743	3,662	81				
EDC5009P	Hylton Red House - BSF	B Scanlon	12,440	12,355	85				
EDC5009P	Biddick School - BSF	B Scanlon	16,175	14,136	2,039				
EDC5009P	St Roberts - BSF	B Scanlon	15,832	10,756	5,076				
EDC5009P	ICT Infrastructure	B Scanlon	1,681	1,646	35				
EDC7010C	Aiming High	S Fletcher	441	337	104				
EDC7002P	Eco Schools in Sunderland	V Thompson	15	10	5				
	Schools Devolved Capital 2009/2010	V Thompson	5,100		3,570	1,275	255		
	School Travel Plans	V Thompson	143	76	67				
EDC8005P	Seaburn Dene Primary - surplus place removal	V Thompson	501	1	500				
EDC8005P	Wessington Primary - surplus place removal	V Thompson	522	16	506				
EDC7002P	Oxclose Primary - boiler	V Thompson	10	10					
ED99261	Early Years Foundation Stage	R Putz	1,897		1,897				
EDC7010P	Children's Centres Maintenance	R Singh	38	38					
	School Asset Management Programmes	B Scanlon	1,575			1,575			
ED96096	BSF - ICT Contract	B Scanlon	10,442	8,270	2,172				
EDC8003P	St Josephs RC Primary	V Thompson	6,000	231	1,250	3,600	919		
EDC8005S	Farringdon School - upgrade of all weather pitch	D Thornton	532		496	36			
EDC5011S	City Learning Centres 09/10	L Johnson	300	113	187				
EDC8002P	Window replacement schemes	V Thompson	603	3	600				
EDC4007P	Southwick (former) - demolition	V Thompson	100	37	63				
ED95196	Thorney Close Children's Centre	R Singh	36	3	33				
EDC7010P	Children's Centres Contingency	R Singh	3	3					
	BSF Wave 2 Project Resource Plan	B Scanlon	686	300	386				
	Capita One V4 Upgrade	T Skipper	185	106	61	18			
EDC7010P	Seaburn Dene Children's Centre	R Singh	5		5				
	Hendon Health Centre	R Singh	3		3				
EDC7002N	Pennywell EY's - Boiler	V Thompson	1		1				

**CHILDREN AND LEARNING CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. To 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
EDC7002P	New Penshaw Primary - Boiler	V Thompson	2		2				
EDC7002P	Valley Road Primary - Boiler	V Thompson	2		2				
	Children's Social Care								
EDC7010C	Children's Social Care Home - Avenue Vivian	M Boustead	47	30	17				
EDC7010C	Children's Social Care Home - 59 Cotswold Road	M Boustead	122	9	113				
EDC7010C	Children's Social Care Home - 18 Revelstoke Road	M Boustead	124	6	118				
EDC7010C	Children's Social Care Home - 7 Colombo Road	M Boustead	54	6	48				
EDC7010C	Children's Social Care Leased Homes	M Boustead	10		10				
TOTAL CONTINUING PROJECTS			139,585	111,788	20,119	6,504	1,174		
	Projects Commencing 2010/2011								
EDC9005L	Schools Devolved Capital	V Thompson	2,295				1,020	1,275	
	Maplewood School	V Thompson	5,800		547	2,450	2,803		
	Holley Park - TCF Kitchen & Dining	V Thompson	122		122				
	St Benet's - TCF Kitchen & Dining	V Thompson	160		160				
	St John Boste - TCF Kitchen & Dining	V Thompson	110		110				
	Barnes inf&Jun - TCF Kitchen & Dining	V Thompson	90		90				
	Springwell VP - TCF Kitchen & Dining	V Thompson	8		8				
EDC7012S	Youth Capital Fund	K Butchert	87		87				
EDC7010P	Children's Centre Maintenance	R Singh	94		94				
	BSF LA ICT Refresh Fund	B Scanlon	493			493			
	Biddick school - upgrade of all weather pitch	J Thompson	304		274	30			
	NDS Modernisation Schemes	V Thompson	100		100				
EDC7002P	Oxclose Village Primary Boiler Replacement	V Thompson	94		94				
EDC7002P	Gillas Lane Primary Boiler Replacement	V Thompson	63		63				
EDC7002P	Usworth Colliery Primary Boiler Replacement	V Thompson	61		61				
EDC7002P	Oxclose Nursery Boiler Replacement	V Thompson	21		21				
	Springwell Village Primary Auto Fire Detection	V Thompson	14		14				
	Hylton Castle Primary Auto Fire Detection	V Thompson	16		16				
	East Herrington Primary Auto Fire Detection	V Thompson	21		21				
	Hillview Infants Auto Fire Detection	V Thompson	7		7				
	Blackfell Primary Auto Fire Detection	V Thompson	33		33				
	Hastings Hill Primary Auto Fire Detection	V Thompson	22		22				
	Plains Farm Primary Auto Fire Detection	V Thompson	19		19				

**CHILDREN AND LEARNING CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. To 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	Thorney Close Primary Auto Fire Detection	V Thompson	12		12				
	Hylton Red House Primary Auto Fire Detection	V Thompson	28		28				
	Easington Lane Temporary Classroom	V Thompson	17		17				
	Springwell Village Primary Roofing Works	V Thompson	85		85				
	Hetton Lyons Primary – remove temp classroom	V Thompson	15		15				
	Wessington Primary Hall Floor	V Thompson	50		50				
	Holley Park Primary Drain	V Thompson	10		10				
EDC4003P	Access Schemes	V Thompson	50		50				
EDC4003P	Oxclose Village DDA Adaptations Access Scheme	V Thompson	18		18				
EDC4003P	Usworth Colliery Primary Access Scheme	V Thompson	5		5				
EDC4003P	Grangetown Primary Access Scheme	V Thompson	110		110				
EDC4003P	Ryhope Infants Hygiene Access Scheme	V Thompson	50		50				
EDC4003P	Ryhope Juniors Hygiene Access Scheme	V Thompson	25		25				
EDC4003P	Access Equipment	V Thompson	25		25				
EDC4003P	Hylton Castle Primary – Lighting	J Walvin	23		23				
EDC4003P	Fulwell Juniors – lighting	J Walvin	5		5				
	Barbara Priestman School – Specialist Status	C Barker	100		100				
	Houghton Kepier School – Specialist Status	S Hyland	25		25				
	Thorney Close Heating	V Thompson	200		200				
	Farringdon Secondary – Electric Mains Cable	V Thompson	33		33				
	Hetton Lyons Replacement	V Thompson	6		6				
	Burnside Primary – underground sump pump	V Thompson	12		12				
	Farringdon Secondary – Emergency Lighting	V Thompson	7		7				
	Bunnyhill Relocations	R Barker	35		35				
	Hylton Red House Academy Floodlighting	I Parkin	43		43				
EDC8010C	Software Licences	B Brown	150		150				
TOTAL PROJECTS COMMENCING 2010/2011			11,173		3,102	2,973	3,823	1,275	
	Projects Commencing 2011/2012								
	Schools Devolved Capital	V Thompson	770			257	257	256	
	Primary School Asset Management Programmes	V Thompson	1,433			1,433			
	School Asset Management Programmes	B Scanlon	6,287			4,042	2,245		
EDC8010C	Software Licences	B Brown	150			150			
TOTAL PROJECTS COMMENCING 2011/2012			8,640			5,882	2,502	256	

**CHILDREN AND LEARNING CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. To 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
EDC8010C	Projects Commencing 2012/2013 Software Licences	B Brown	150				150		
TOTAL PROJECTS COMMENCING 2012/2013			150				150		
EDC8010C	Projects Commencing 2013/2014 Software Licences	B Brown	150					150	
TOTAL PROJECTS COMMENCING 2013/2014			150					150	
EDC8010C	Projects Commencing 2014/2015 Software Licences	B Brown	150						150
TOTAL PROJECTS COMMENCING 2014/2015			150						150
TOTAL CAPITAL PROGRAMME			159,848	111,788	23,221	15,359	7,649	1,681	150

**CHILDREN AND LEARNING CITY
CAPITAL PROGRAMME**

PROSPEROUS CITY CAPITAL PROGRAMME

CAPITAL INVESTMENT PLANS AND LINKAGES TO SERVICE OBJECTIVES, STRATEGIC PRIORITIES, THE CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

The Prosperous City capital programme will contribute towards meeting the five Aims of the Sunderland Economic Masterplan:

- A new kind of university city
- A national hub of the low-carbon economy
- A prosperous and well-connected waterfront city centre
- An inclusive city economy for all ages
- A one city approach to economic leadership

OUTCOMES FROM COMPLETED CAPITAL SCHEMES

- Hetton Downs – improvements to paving and car parking in Market Street.
- Sunnyside Public Realm - high quality streetscape improvements, maintenance and refurbishment works to compliment the improvement of buildings in the same area.
- Seaburn Public Realm – improvements to upper and lower promenade including street furniture.

KEY MEDIUM TERM PRIORITIES

- Developing measures to increase the level of business activity and stimulate sustainable economic interest and investment in the city.
- Providing support and assistance to local and incoming businesses in order to develop employment opportunities and support business growth.
- Providing proactive and reactive support and assistance to secure direct investment and re-investments within the city to create and safeguard local jobs.
- Promoting physical and infrastructure improvements for business growth.

HOW THE PROGRAMME CONTRIBUTES TO AN EFFICIENT AND EFFECTIVE COUNCIL

In developing measures to improve economic prosperity, value for money will be achieved through a range of measures including:

- Maximising external funding.
- Work with internal and external partners to improve services for local businesses.
- Efficiencies through improved procurement techniques and monitoring arrangements.

CAPITAL INVESTMENTS FOR THE YEAR

Ongoing Commitments

- Software City - Business, academia and the public sector have combined forces to create and deliver a vision for Sunderland as a leading 21st century software city. The aim is to provide world class telecommunications infrastructure and business premises.
- The Washington Managed Workspace scheme will develop high quality managed workspace in the Washington area to encourage the start-up of new, small and medium enterprises and support their early growth by providing a purpose-built business centre.
- A development provision has enabled rapid response to issues and opportunities in the city centre including physical infrastructure improvements.
- City Centre Footfall Cameras to measure visitor numbers.
- Market Square Public Realm improvements including new footpaths, lighting, and landscape works.
- The Seafront Regeneration Strategy will be completed in 2011/12 and will be utilised in the delivery of the Marine Walk Masterplan Phase 1 and 2.
- Phase 1 of the Marine Walk Masterplan will provide an interpretation trail, public realm improvements, and feature lighting, part funded from an award of £1 million Sea Change funding from CABB.

New Starts

- A provision has been made for land acquisitions where this will benefit the Council's strategic objectives.
- Improvements to a key strategic City Centre site to support future development.
- Establishment of a contingency enable the Council to procure specialist retail advice to assist in consideration of retail developments.
- The development provision for the city centre has been extended to 2010/2011 to enable further rapid response to issues and opportunities that may arise in the city centre, including physical infrastructure improvements.

**PROSPEROUS CITY
CAPITAL PROGRAMME**

SUMMARY

Project Description	Gross Cost £'000	Expend. To 31.3.10 £'000	Estimated Payments				
			2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
MAIN BLOCK							
Continuing Projects	25,904	9,003	2,710	9,958	4,233		
Projects Commencing 2010/2011	8,103		4,718	3,385			
Projects Commencing 2011/2012	7,120			6,120	1,000		
Projects Commencing 2012/2013							
Projects Commencing 2013/2014							
Projects Commencing 2014/2015							
TOTAL CAPITAL EXPENDITURE	41,127	9,003	7,428	19,463	5,233		

METHOD OF FINANCING ESTIMATED CAPITAL EXPENDITURE

Source of Finance	Estimated Resources				
	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
FROM EXTERNAL SOURCES					
Unsupported Borrowing	4,000	6,155	1,000		
Government Grants					
- Urban 2	3				
- CAFE Sea Change Fund	270	730			
- One North East	2,075	1,703			
- ERDF		5,237	1,377		
Total External Sources	6,348	13,825	2,377		
FROM INTERNAL SOURCES					
Revenue Contributions					
- General Fund	467	2,340			
- Strategic Initiatives Budget	168				
- Directorate Resources	120				
Reserves					
- Working Neighbourhoods Fund	20	2,118	2,856		
- Strategic Investment Reserve	15	32			
- Strategic Investment Plan	205	815			
- Unutilised RCCO Reserve		320			
Capital Receipts	85	13			
Total Internal Sources	1,080	5,638	2,856		
TOTAL FINANCING	7,428	19,463	5,233		

**PROSPEROUS CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Continuing Projects									
CITY CENTRE DEVELOPMENTS AND LAND AND PROPERTY									
DR91706	City Centre Developments	K Lowes	108	93	15				
DR91954	Ryhope Centre	K Lowes	523	491		32			
DR91613	Hetton Downs Environmental Improvements	K Lowes	139	136	3				
DR91763/4/5	Farringdon Row Phase 2	C Clark	2,277	2,277					
DR91716	Refurbishment 28 - 29 Sunnyside & The Place	C Clark	4,122	4,115	7				
DR91811	Sunnyside Public Realm	K Lowes	2,288	1,613	675				
DR91980	Seafront Regeneration Strategy	K Lowes	60	29	18	13			
CS94055	Washington Managed Workspace	J Snaith	5,000		20	1,247	3,733		
CS93010	Software City	J Snaith	9,742	31	1,400	7,811	500		
DR91812	Market Square	K Lowes	1,040	7	200	833			
DR91610	Footfall Cameras	L Hardy	55	11	22	22			
CITY CENTRE DEVELOPMENTS									
DR91775	Street Scene Improvements	K Lowes	497	160	337				
DR91710	St Mary's Car Park - Ticket Machines	S Pickering	53	40	13				
TOTAL CONTINUING PROJECTS			25,904	9,003	2,710	9,958	4,233		
Projects Commencing 2010/2011									
DR91981-3	Seafront - Marine Walk Masterplan Ph1	K Lowes	1,500		270	1,230			
CS97001	Seafront - Seaburn Public Realm Improvements	K Lowes	207		207				
CC90173	Seafront – Toilets	C Alexander	141		141				
CS93016	Strategic Land Acquisition Provision	C Clark	6,155		4,000	2,155			
DR91775	City Centre Improvements	G Farnworth	100		100				
TOTAL PROJECTS COMMENCING 2010/2011			8,103		4,718	3,385			
Projects Commencing 2011/2012									
	City Centre Improvements	G Farnworth	1,000			1,000			
	Advance Site Works	C Clark	2,000			1,000	1,000		
	Spatial Retail Study	C Clark	120			120			
	Strategic Land Acquisition Provision	C Clark	4,000			4,000			
TOTAL PROJECTS COMMENCING 2011/2012			7,120			6,120	1,000		
TOTAL CAPITAL PROGRAMME			41,127	9,003	7,428	19,463	5,233		

**PROSPEROUS CITY
CAPITAL PROGRAMME**

HEALTHY CITY CAPITAL PROGRAMME

CAPITAL INVESTMENT PLANS AND LINKAGES TO SERVICE OBJECTIVES, STRATEGIC PRIORITIES, THE CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

The Healthy City capital programme will contribute towards meeting the five Aims of the Sunderland Economic Masterplan:

- A new kind of university city
- A national hub of the low-carbon economy
- A prosperous and well-connected waterfront city centre
- An inclusive city economy for all ages
- A one city approach to economic leadership

It aims to do this through:

- Delivering long term housing solutions as required by the Enabling Independence Strategy which enables the development of supported accommodation to meet the needs of older people and other vulnerable client groups within our communities, with a further choice of care to be tailored to the needs of the household to enable them to live independently for as long as possible. To support the decommissioning of the Council's own Small Group Homes by providing an improved choice and standard of accommodation for people with mental health and learning disabilities.
- More Core and Cluster facilities for people with disabilities.
- Developing the Housing Related Support Programme (formerly Supporting People Programme), which promotes housing related services, complimenting existing care services.
- Modernising Adult Services ICT systems to improve departmental and council communications.
- The Financial Assistance Policy which aims to be innovative, obtain value for money and reinforce that homeowners should accept responsibility for their own housing investment through a range of loans led and grant supported products. The council will also utilise its resources to fulfil ambitions in the private rented sector by improving the living conditions and its management.
- Continue the delivery of Disabled Facilities Grants.

OUTCOMES FROM COMPLETED CAPITAL SCHEMES

- Through the Campus programme people have been supported to live in their own tenancies, having in many cases lived in long stay hospitals for a number of years.
- Modernisation of ICT systems (SWIFT, Electronic Social Care Record, etc.) allows easier transfer of information between staff and helps aggregate data accurately for management information leading to more efficient use of staff time.
- A re-settlement programme is ongoing in learning disabilities to provide services locally for people with intensive support needs. This will provide a better model of care for our clients and achieve annual revenue efficiency savings through the reduction in the number of people being placed into permanent residential care and reducing the cost of care packages for customers currently out of city.
- To further reduce fuel poverty the Sunderland Energy Efficiency Programme, (SEEP), was extended to include families with young children. There has been an increase in the number of homes receiving cavity wall and loft insulation and supported measures to around 1,960 households between 1 April 2010 and 1 November 2010. The Warm Front Programme, (up to 1 October 2010), assisted 346 households including installing 234 new boilers.
- The delivery of 15 loans and 10 grants for the purpose of bringing vulnerable peoples homes up to the decent homes standard.
- Disabled Facilities Grants forecasting completion of 660 adaptations in 2010/2011.

KEY MEDIUM TERM PRIORITIES

- To enable the provision of housing solutions including improving the delivery of home improvement, minor alterations and adaptations for people with a care and support need as outlined within the Enabling Independence Strategy for households including older people; people with a mental health; learning disabilities and physical disabilities.
- Review the use of our buildings based services and move to more community based services in line with the aims of the White Paper, "Our Health, Our Care, Our Say." This will include the use of technology such as Telecare to allow people to live in their own homes for much longer.
- To ensure that assets are updated and fit for purpose.
- To support rationalisation of council wide assets.
- Identify opportunities within the Governments reform of Health Services to improve health of residents in the homes they live in and the services provided to them.
- Explore opportunities of further energy efficiency measures being extended into the private rented sector.
- Continue to upgrade the Adult Services ICT systems to improve management information, deliver e-government, support delivery of personalisation and promote the integration agenda.

HEALTHY CITY CAPITAL PROGRAMME

HOW THE PROGRAMME CONTRIBUTES TO AN EFFICIENT AND EFFECTIVE COUNCIL

- The Directorate aims to reduce referrals into residential care provision and increase the use of assistive technology, alongside reducing costs associated with care and support services and operation of buildings used for supported housing provision. Enabling the development and provision of supported housing solutions with alternative providers to secure efficiencies for the Council while providing a choice of effective housing and care solutions in a safe environment, while supporting sustainable communities.
- Adult Services is part of the Smarter Working initiative piloting new ways of working such as hot-desking, the use of portable technology, home working, etc. This pilot is ongoing with a view to the rationalisation of office accommodation.
- The Housing Financial Assistance Programme, Disabled Facilities Grant and Warm Homes Initiative will ensure that individuals stay safely in their own for as long as possible. This is not only what people want in terms of quality of their lives, but is generally a less expensive option than institutional care. For example, in 2003/2004, there were over 600 older people admitted to council-supported residential/nursing care, but this has declined to 372 in 2009/2010. The type of assistance to individuals has changed from grants to loans focussed support, which will help maximise available resources and allow the support to be provided to a greater number of individuals.

CAPITAL INVESTMENTS FOR THE YEAR AHEAD

Ongoing Commitments

- Home Improvement Agency (HIA) provides financial assistance via loans and grants to help make homes safe, secure and free from hazards for vulnerable homeowners living in the private sector.
- Disabled Facilities Grants carry out adaptations to disabled person's properties helps to ensure that people can remain in their own properties for as long as possible in a safe and secure environment.
- Warm Homes Initiative to tackle fuel poverty, including the continuation of the hardship fund to assist people to live safely and in comfort in their own homes.

New Starts

- Provision is made for improvement to care and support facilities to ensure that assets are fit for purpose. The Adults Services Capital Board will establish its priorities for the use of these funds.
- Funding has been allocated towards extra care allowing the council to contribute towards enabling the provision of housing solutions for older households in the city.

**HEALTHY CITY
CAPITAL PROGRAMME**

SUMMARY

Project Description	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
			2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
MAIN BLOCK							
Continuing Projects	4,965	3,406	1,479	80			
Projects Commencing 2010/2011	3,813	57	3,226	530			
Projects Commencing 2011/2012	3,177			3,177			
Projects Commencing 2012/2013	2,638				2,638		
Projects Commencing 2013/2014	2,095					2,095	
Projects Commencing 2014/2015	2,117						2,117
TOTAL CAPITAL EXPENDITURE	18,805	3,463	4,705	3,787	2,638	2,095	2,117

METHOD OF FINANCING ESTIMATED CAPITAL EXPENDITURE

Source of Finance	Estimated Resources				
	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
FROM EXTERNAL SOURCES					
Loans					
- Supported Capital Expenditure (Revenue)	69				
Government Grants					
- IT Grants	443				
- Department of Health	611	1,129	750		
- SHIP Grant	1,636	174			
- Homes and Communities		325			
- Disabled Facilities Grant	1,029	1,097	1,097	1,097	1,127
- Other Contributions (TPCT)	161				
- Other Income		130	130	130	130
Total External Sources	3,949	2,855	1,977	1,227	1,257
FROM INTERNAL SOURCES					
- General Fund	570	570	570	570	570
Revenue Contributions					
- Directorate Resources	186	312	91	298	290
Reserves					
- Misc Reserves		50			
Total Internal Sources	756	932	661	868	860
TOTAL FINANCING	4,705	3,787	2,638	2,095	2,117

**HEALTHY CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Continuing Projects									
SS96013	Minor Works 2008/2009	P Foster	364	339	25				
SS95009	Mental Health 2008/2009	P Foster	217	148	69				
SS94020	Rosalie House	P Foster	523	508	15				
SS94019	LD Service Resettlement Scheme	P Corner	227	207	20				
SS94021	Campus Re-provision Programme	P Corner	1,258	1,103	155				
SS96013	Minor Works 2009/2010	P Foster	433	357	76				
SS95009	Mental Health 2009/2010	P Foster	136	50	86				
SS96029	Swift Enhancements	G King	809	587	222				
SS96030	Herrington Park café	P Foster	100	8	92				
SS96031	Managing Income	G King	53		53				
SS96032	Telecare	G King	100		100				
SS96033	Adults Information System	G King	50	8	42				
SS96034	Document Management System	G King	75	25	50				
SS97013	Private Sector Renewal Grants	A Caddick	300	2	218	80			
SS97020	Regional Loans Scheme	A Caddick	229	58	171				
SS97016	Warm Homes Initiative	A Caddick	91	6	85				
TOTAL CONTINUING PROJECTS			4,965	3,406	1,479	80			
Projects Commencing 2010/2011									
SS96013	Minor Works	P Foster	236		146	90			
SS95009	Mental Health 2010/2011	P Foster	33		33				
SS96035	Mobile Portal	G King	200	57	143				
SS97008	Disabled Facilities Grants 2010/2011	A Caddick	2,689		2,339	350			
SS97013	Private Sector Renewal Grants	A Caddick	239		239				
SS97020	Regional Loans Scheme	A Caddick	142		142				
SS97038	Hardship Fund	A Caddick	31		31				
SS97016	Warm Homes Initiative	A Caddick	100		10	90			
SS94025	Fulwell Day Centre	P Foster	127		127				
SS96020	Office Accommodation	G King	16		16				
TOTAL PROJECTS COMMENCING 2010/2011			3,813	57	3,226	530			
Projects Commencing 2011/2012									
SS96013	Improvements To Care and Support	P Foster	150			150			
SS97008	Disabled Facilities Grant 2011/2012	A Caddick	2,398			2,398			
SS97038	Hardship Fund	A Caddick	29			29			
	Extra Care Schemes	P Corner	500			500			
	Regional Loans Scheme	A Caddick	100			100			
TOTAL PROJECTS COMMENCING 2011/2012			3,177			3,177			

**HEALTHY CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
SS96013 SS97008	Projects Commencing 2012/2013 Improvements To Care and Support Disabled Facilities Grants 2012/13	P Foster A Caddick	150 2,488				150 2,488		
TOTAL PROJECTS COMMENCING 2012/2013			2,638				2,638		
SS96013 SS97008	Projects Commencing 2013/2014 Improvements To Care and Support Disabled Facilities Grants 2013/14	P Foster A Caddick	185 1,910					185 1,910	
TOTAL PROJECTS COMMENCING 2013/2014			2,095					2,095	
SS96013 SS97008	Projects Commencing 2014/2015 Improvements To Care and Support Disabled Facilities Grants 2014/15	P Foster A Caddick	185 1,932						185 1,932
TOTAL PROJECTS COMMENCING 2014/2015			2,117						2,117
TOTAL CAPITAL PROGRAMME			18,805	3,463	4,705	3,787	2,638	2,095	2,117

**HEALTHY CITY
CAPITAL PROGRAMME**

SAFER CITY AND CULTURE CAPITAL PROGRAMME

CAPITAL INVESTMENT PLANS AND LINKAGES TO SERVICE OBJECTIVES, STRATEGIC PRIORITIES, THE CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

The Safer Cities capital programme will contribute towards meeting the five Aims of the Sunderland Economic Masterplan:

- A new kind of university city
- A national hub of the low-carbon economy
- A prosperous and well-connected waterfront city centre
- An inclusive city economy for all ages
- A one city approach to economic leadership

OUTCOMES FROM COMPLETED CAPITAL SCHEMES

- Hendon Beach Safety Works Phase 2 - the works included the construction of additional pedestrian ramp and traffic calming measures on the promenade which compliments the Phase 1 works, allowing easier exit from the beach.
- Safer Stronger Communities Fund capital grant for 2010/11 was used to improve the security of 'high priority' industrial units, and to upgrade older CCTV cameras within the network.
- Restoration of Memorial Fountain in Roker Park.

KEY MEDIUM TERM PRIORITIES

- To work with all partners to reduce the incidence and perception of crime.

HOW THE PROGRAMME CONTRIBUTES TO AN EFFICIENT AND EFFECTIVE COUNCIL

In developing measures to improve economic prosperity, value for money will be achieved through a range of measures including:

- Maximising external funding.
- Work with internal and external partners to improve community safety.
- Efficiencies will be achieved through improved procurement techniques and monitoring arrangements.

CAPITAL INVESTMENTS FOR THE YEAR

Ongoing Commitments

- Old Sunderland Townscape Heritage Initiative - The Council continues to offer financial assistance for environmental improvements in the old Sunderland area partly funded by the Heritage Lottery Fund
- Rapid development of CCTV across the City - Whilst the scheme is substantially complete, part of the budget has been reprofiled into 2011/2012 for sites in home locations where options are currently being considered.

**SAFER CITY AND CULTURE
CAPITAL PROGRAMME**

SUMMARY

Project Description	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
			2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
MAIN BLOCK							
Continuing Projects	2,611	910	368	1,333			
Projects Commencing 2010/2011							
Projects Commencing 2011/2012							
Projects Commencing 2012/2013							
Projects Commencing 2013/2014							
Projects Commencing 2014/2015							
TOTAL CAPITAL EXPENDITURE	2,611	910	368	1,333			

METHOD OF FINANCING ESTIMATED CAPITAL EXPENDITURE

Source of Finance	Estimated Resources				
	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
FROM EXTERNAL SOURCES					
Grants from Other Public Bodies					
- Heritage Lottery	50	657			
- Tyne and Wear Museums	216				
Total External Sources	266	657			
FROM INTERNAL SOURCES					
Revenue Contributions					
- Directorate Resources	9				
Reserves					
- Strategic Investment Plan	20	20			
Capital Receipts	73	656			
Total Internal Sources	102	676			
TOTAL FINANCING	368	1,333			

**SAFER CITY AND CULTURE
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	Continuing Projects								
	CITY CENTRE DEVELOPMENTS AND LAND AND PROPERTY								
DR92335	Rapid deployment of CCTV across the City	C Clark	399	359	20	20			
DR91752	Old Sunderland Townscape Heritage Initiative	K Lowes	1,827	414	100	1,313			
DR91615	Hendon Beach Safety Works Ph2	K Lowes	169	137	32				
	CULTURE AND LEISURE								
CC90159	Monkwearmouth Station Museum Sidings	C Alexander	216		216				
TOTAL CONTINUING PROJECTS			2,611	910	368	1,333			
TOTAL CAPITAL PROGRAMME			2,611	910	368	1,333			

ATTRACTIVE AND INCLUSIVE CITY CAPITAL PROGRAMME

CAPITAL INVESTMENT PLANS AND LINKAGES TO SERVICE OBJECTIVES, STRATEGIC PRIORITIES, THE CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

The Attractive and Inclusive City capital programme will contribute towards meeting the five Aims of the Sunderland Economic Masterplan:

- A new kind of university city
- A national hub of the low-carbon economy
- A prosperous and well-connected waterfront city centre
- An inclusive city economy for all ages
- A one city approach to economic leadership

It aims to do this by:

- Maintaining the existing highway including its bridges and structures in a safe and serviceable condition.
- Securing the safe and efficient movement and appropriate access for goods and people using the city's highways.
- Securing improvements to existing highways and the construction of new highways.
- Maintaining and enhancing coastal and seafront structures.
- Managing, reviewing and upgrading existing facilities that support the aims of the Council's Improvement Priorities.
- Researching and sourcing funding for the development of facilities and services in partnership with other service providers.

OUTCOMES FROM COMPLETED CAPITAL SCHEMES

- Design and implementation of Local Safety Schemes including Front Street Concord, Blackwood Rd/Washington Rd, Bede Bank Puffin crossing, Philadelphia Lane crossing.
- Contribution to junction improvement work on the A19 at the A690 and A1231 undertaken by the Highways Agency.
- Highway Maintenance schemes including A1231 Washington, Thorndale Road, Meadow Drive/West Grove, Offerton Grove, B1286 Fenton Tce, Cherry Blossom Way, Hallidon Road.
- Major Refurbishment of Barnes Park with funding from the Heritage Lottery Fund.
- Acquisition of two Nissan Leaf electric vehicles to replace conventional vans.
- Installation of electric vehicle charging points across the city.
- Improved recycling facilities. Provision of a further wheeled-bin to replace the black box.
- Installation of filtration equipment at Sunderland Crematorium to comply with mercury emission regulations.
- Road Safety Measures in Washington.

The expected outcomes from LTP 2 to 2010/2011 are as follows:

- Contribute towards meeting Tyne and Wear LTP targets which incorporate the Governments 2010 targets for casualty reduction.
- Targets are that by 2011 the service will achieve 40% reduction in all Killed or Seriously Injured (KSI); 20% reduction in all KSI from 2002-04 average to 2009-11 average; 50% reduction in child KSI from 2002-04 average to 2009-11 average; 25% reduction in child KSI from 2002-04 average to 2009-11.
- Reduced car usage and reduced adverse environmental impacts associated with traffic and encourage use of public transport, cycling and walking.
- Improved traffic flow and reduced congestion on the highway.
- Improved journey times and reduction in the number of 3rd party public liability claims.
- Supplement the regeneration of the City with improved highway and bridge infrastructure.

KEY MEDIUM TERM PRIORITIES

- Structural highway maintenance works on classified roads.
- Continue to support plans for the regeneration of the City Centre and River Corridor.
- Coast Protection Works subject to funding approval from the Environment Agency.
- Development of the Sunderland Strategic Transport Corridor (SSTC) which will contribute to reducing congestion, improving quality of the environment, economic success and reduce social exclusion.
- Development of leisure facilities at Stadium Village.
- Longer term requirements to meet recycling targets within the South Tyne and Wear Joint Waste Strategy, to provide a system that is more easily understood by customers and address efficiencies.

HOW THE PROGRAMME CONTRIBUTES TO VALUE FOR MONEY AND EFFICIENCY

- The capital provision for structural maintenance of highways of £1.9 million per annum for the 4 year period 2007/2008 to 2010/2011 along with the revenue maintenance budget (£3.5 million each year) has enabled the improvement in the condition of the highway network. The repudiation rate of claims made against the Council

**ATTRACTIVE AND INCLUSIVE CITY
CAPITAL PROGRAMME**

for personal injury accidents on the highway has increased to 87% in 2008/2009 (84% in 2007/2008). Public Liability Insurance premiums have reduced from £1.1million in 2006/2007 to an estimated sum of £0.4 million in 2010/2011, a saving of £0.7million.

- Many of the capital schemes contribute to improving traffic flows and reducing congestion within the city. This enables more efficient access to key sites contributing to the continued economic development of the city.
- The Play Pathfinder programme has reduced financial challenges relating to the long term upkeep of the play facilities.

CAPITAL INVESTMENTS FOR THE YEAR AHEAD**Ongoing Commitments**

- Continue development of plans for the Sunderland Strategic Transport Corridor. A proposed new transport corridor from West Wear Street at the south side of the Wearmouth Bridge to the A19/A1231 including a new Wear Bridge crossing.
- Complete the demolition of Central Car Park whilst enabling the indoor market to remain open throughout the process.
- Acquisition of low carbon shuttle buses.
- Complete the structural maintenance of Penshaw Bridge.
- Refurbishment of 12 pavilions to encourage greater usage of sporting facilities across the city as well as ensuring that they are accessible to all sectors of the community in partnership with the Football Foundation.

New Starts

- Continue the programme of investment in schemes to improve the safety of highway users.
- Continue the programme of investment in schemes to improve conditions for cyclists.
- Continue the programme of investment in schemes to improve the condition of highways and their structures.
- Additional capital maintenance to enable work needed to address structural damage caused to highways following the severe winter conditions.

**ATTRACTIVE AND INCLUSIVE CITY
CAPITAL PROGRAMME**

SUMMARY

Project Description	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
			2010/11	2011/12	2012/13	2013/14	2014/15
			£'000	£'000	£'000	£'000	£'000
MAIN BLOCK							
Continuing Projects	91,534	71,200	16,691	3,643			
Projects Commencing 2010/2011	8,495		6,118	2,377			
Projects Commencing 2011/2012	2,750			2,750			
Projects Commencing 2012/2013	3,247				3,217	30	
Projects Commencing 2013/2014	3,518					3,518	
Projects Commencing 2014/2015	3,279						3,279
TOTAL CAPITAL EXPENDITURE	112,823	71,200	22,809	8,770	3,217	3,548	3,279

METHOD OF FINANCING ESTIMATED CAPITAL EXPENDITURE

Source of Finance	Estimated Resources				
	2010/11	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000	£'000
FROM EXTERNAL SOURCES					
Loans					
- Supported Capital Expenditure (Revenue)	4,729				
- Unsupported Capital Expenditure		300			
Government Grants					
- LTP Transport Grant	5,520	4,812	4,050	3,518	3,279
- Coast Protection	98	175	15	30	
- DCMS	18				
- One North East	1,059	1,214			
- Heritage Lottery Fund	1,330				
- Waste Infrastructure Capital Grant	257				
- HAMP Grant	71				
- CDENT	150				
Lottery	8				
Football Foundation		755			
NEXUS	329				
Other Contributions	233				
Total External Sources	13,802	7,256	4,065	3,548	3,279
FROM INTERNAL SOURCES					
Revenue Contributions					
- General Fund	866	810			
- Directorate Resources	250	4			
- Strategic Initiatives Budget	117				
Capital Receipts	826				
Reserves					
- Strategic Investment Reserve	2,093	(7)	(848)		
- Strategic Investment Plan	1,079	707			
- Section 106 Reserve	176				
- Working Neighbourhood Fund Reserve	600				
- Unutilised RCCO Reserve	2,685				
- Replacement Recycling Capital Reserve	315				
Total Internal Sources	9,007	1,514	(848)		
TOTAL FINANCING					
	22,809	8,770	3,217	3,548	3,279

**ATTRACTIVE AND INCLUSIVE CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	Continuing Projects								
	TRANSPORT								
	Major Highway Schemes								
DR90001	Southern Radial Route	S Pickering	40,982	35,795	3,883	1,304			
DR90003	Central Route - Scheme Development & Land Costs	S Pickering	2,361	1,327	545	489			
DR90307	Queen Alexandra Bridge Major Maintenance	S Pickering	7,528	7,526	2				
DR90005	SSTC Ph2 (New Wear Bridge) Development Costs	S Pickering	9,670	4,913	3,898	859			
DR90006	SSTC Ph3 - Major Scheme Business Case	S Pickering	50	27	23				
	Local Transport Plan								
DR90312	A690 Four Lane Ends Bridge	S Pickering	504	312	192				
DR90316	A690 Lake Interchange Bridges	S Pickering	885	862	23				
DR90315	A1231 Grange Road Bridge	S Pickering	374	266	108				
DR90318	A1231/Pallion New Road/Trimdon St Bridge	S Pickering	28	8	20				
DR90317	The Bridges Shopping Centre - Bridge Access Roads	S Pickering	426	411	15				
DR99016	Highways Agency Junction Improvements schemes	S Pickering	3,125	1,864	1,086	175			
DR91085	- Bus Corridor Major Business Case	S Pickering	617	605	12				
	Strategic Investment Plan :								
DR90947	Washington Road Safety Measures	S Pickering	500	322	178				
CC96124-126									
	Street Scene								
DR91966	Private Streetworks	S Pickering	65	15	50				
DR91408	Ryhope Beach Access	S Pickering	325	116	209				
DR91771	Civil Parking Enforcement equipment	S Pickering	30		30				
DR91769	Central Car Park	S Pickering	2,730	420	1,500	810			
DR91977	Subway Improvement Review	S Pickering	91		90	1			
CC90160	Replacement Recycling Scheme	L Clark	2,700	394	2,306				
	SIB Initiatives								
DR90935	Castletown Masterplan Gating project	S Pickering	22	17	5				
	Coast Protection								
DR91409	Coastal Strategy Review Ph1	S Pickering	35	17	18				
DR91409	Coastal Strategy Review Ph2	S Pickering	50		45	5			
	Community Services								
CC90086/7	Hetton and Silksworth 25m Pools	M Poulter	10,274	10,086	188				

**ATTRACTIVE AND INCLUSIVE CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
CC90094	Leisure Ctr Income System	J Gray	165	162	3				
CC90095-100	Big Lottery Children's Play Programme	J Gray	841	826	15				
CC90112-141	Play Pathfinder	J Gray	3,755	3,472	283				
CC90158	Barnes Park	M Poulter	3,346	1,430	1,916				
CC90157	Washington Leisure Centre - Feasibility Study	J Gray	25	7	18				
CC90162	Belford House Playing Fields	J Gray	30		30				
TOTAL CONTINUING PROJECTS			91,534	71,200	16,691	3,643			
Projects Commencing 2010/2011									
TRANSPORT									
Local Transport Plan									
DR90200	Highway Maintenance	S Pickering	1,900		1,900				
DR90300	Bridge Maintenance	S Pickering	201		182	19			
CC95601	Penshaw Bridge	S Pickering	677		61	616			
CC95602	A195 Lambton Interchange	S Pickering	258		226	32			
DR90500	Accessibility- Cycleways	S Pickering	150		150				
DR90450	Accessibility- Access for All	S Pickering	253		253				
DR90900	Congestion -	S Pickering	670		670				
DR90600	Road Safety	S Pickering	254		254				
Miscellaneous									
DR91232	- Tyne and Wear Central Transport Team	S Pickering	357		357				
DR91231	- Tyne and Wear Freight Partnership	S Pickering	15		15				
DR91350	Climate Change - Electric Vehicle Charging Points	S Pickering	263		188	75			
DR91075	Public Transport Schemes	S Pickering	329		329				
DR91233	Tyne and Wear DASTS (Delivering a Sustainable Transport System) Study	S Pickering	142		142				
Perceived Safety Schemes									
DR90631	Speed Management Strategy	S Pickering	50		50				
CC96400	Barnes Primary School traffic calming	S Pickering	65		65				
CC96401	Wensleydale Ave traffic calming	S Pickering	10		10				
CC96403	Blue House Lane		12		12				
DR90901	Pelican/Puffin/Toucan/Zebra Crossings commitments	S Pickering	110		110				
SIB/SIP Schemes									
CC96111	Vehicle Activated Signs Seaburn	S Pickering	16		16				
CC96112	Vehicle Activated Signs Sunderland East	S Pickering	35		35				
CC95905	Mill Hill Road Puffin Crossing	S Pickering	20		20				
CC95908	Washington East Dropped Crossings	S Pickering	16		16				
CC95909	Houghton Dropped Crossings	S Pickering	8		8				
CC95910	Lake Road Footpath	S Pickering	10			10			
CC96402	Robin Lane/Hazard Lane	S Pickering	10		10				
CS96404	Newcastle Rd 30mph	S Pickering	7		7				
CS96405	Queensway Traffic Calming	S Pickering	3		3				

**ATTRACTIVE AND INCLUSIVE CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
CS96406	Fencehouses Gateway Feature	S Pickering	4		4				
CS96120	Bonehill Lane/Rookhope Roundabout	S Pickering	20		20				
CS96407	North Rd/Hazard Lane Pedestrian Refuge	S Pickering	29		29				
CS96408	Sunderland Rd/High Lane Speed Limit & Gateway	S Pickering	25		25				
CC96123	Vehicle Activated Signs Hetton Town Council	S Pickering	4			4			
CC96127	Monument Park	S Pickering	3			3			
CC96313	Tunstall Road Refuge	S Pickering	2			2			
CC96129	Vehicle Activated Signs Coalfield	S Pickering	11			11			
	Coast Protection								
CC96701	Deptford Culvert Safety Works	S Pickering	100			100			
CC96702	Hendon Burn Culvert Safety Works	S Pickering	80		10	70			
CC96703	Hydrographic Survey	S Pickering	25		25				
	Community Services								
CC90019	Community Sports Facilities	J Gray	1,455		20	1,435			
CC90177	Washington Leisure Centre - Essential Works	J Gray	146		146				
	Street Scene								
CC90037	Sunderland Crematorium	L Clark	750		750				
TOTAL PROJECTS COMMENCING 2010/2011			8,495		6,118	2,377			
	Projects Commencing 2011/2012								
	TRANSPORT								
	Local Transport Plan								
DR90200	Highway Maintenance	S Pickering	1,000			1,000			
DR90300	Bridge Maintenance	S Pickering	26			26			
DR90500	Economic Development and Regeneration	S Pickering	473			473			
DR90450	Climate Change	S Pickering	50			50			
DR90900	Safe and Sustainable Communities	S Pickering	901			901			
	Structural Highways Maintenance	S Pickering	300			300			
TOTAL PROJECTS COMMENCING 2011/2012			2,750			2,750			
	Projects Commencing 2012/2013								
	TRANSPORT								
	Local Transport Plan								
DR90200	Highway Maintenance	S Pickering	1,100				1,100		
DR90300	Bridge Maintenance	S Pickering	350				350		
DR90500	Economic Development and Regeneration	S Pickering	797				797		
DR90450	Climate Change	S Pickering	50				50		
DR90900	Safe and Sustainable Communities	S Pickering	905				905		
	COAST PROTECTION								
DR91407	Coastal Monitoring 2012 - 2016	S Pickering	45				15	30	
TOTAL PROJECTS COMMENCING 2012/2013			3,247				3,217	30	

**ATTRACTIVE AND INCLUSIVE CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Projects Commencing 2013/2014									
DR90020	Highway Maintenance	S Pickering	1,200					1,200	
DR90300	Bridge Maintenance	S Pickering	500					500	
DR90500	Economic Development and Regeneration	S Pickering	863					863	
DR90450	Climate Change	S Pickering	50					50	
DR90900	Safe and Sustainable Communities	S Pickering	905					905	
TOTAL PROJECTS COMMENCING 2013/2014			3,518					3,518	
Projects Commencing 2014/2015									
DR90020	Highway Maintenance	S Pickering	1,200						1,200
DR90300	Bridge Maintenance	S Pickering	350						350
DR90500	Economic Development and Regeneration	S Pickering	774						774
DR90450	Climate Change	S Pickering	50						50
DR90900	Safe and Sustainable Communities	S Pickering	905						905
TOTAL PROJECTS COMMENCING 2014/2015			3,279						3,279
TOTAL CAPITAL PROGRAMME			112,823	71,200	22,809	8,770	3,217	3,548	3,279

SUSTAINABLE COMMUNITIES CAPITAL PROGRAMME

CAPITAL INVESTMENT PLANS AND LINKAGES TO SERVICE OBJECTIVES, STRATEGIC PRIORITIES, THE CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

The Sustainable City capital programme will contribute towards meeting the five Aims of the Sunderland Economic Masterplan:

- A new kind of university city
- A national hub of the low-carbon economy
- A prosperous and well-connected waterfront city centre
- An inclusive city economy for all ages
- A one city approach to economic leadership

It aims to do this through:

- **Regeneration:** By continually assessing and gathering up to date housing market and stock condition information to enable informed decisions for the selection of future Private Sector Renewal / Clearance Area schemes. Stock Condition Surveys are the main source of data used to identify private housing investment priorities. In 2007/2008, the council commissioned and completed its latest survey, the findings of which are being used to inform future housing renewal, regeneration and planning for the city in 2010/2011 and beyond.
- Delivering long term housing solutions as required by the Enabling Independence Strategy which includes the extra care programme within Sunderland. This will enable the development of supported accommodation to meet the needs of older people and other vulnerable client groups within our communities, with a further choice of care to be tailored to the needs of the household to enable them to live independently for as long as possible. To support the decommissioning of the Council's own Small Group Homes by providing an improved choice and standard of accommodation for people with mental health and learning disabilities.
- Delivering the overarching priorities as set in Sunderland's Housing Priorities Plan by attracting inward investment into the City as to support the delivery of sustainable economic growth, develop and deliver new homes and continue to improve the existing housing stock and by supporting the transition of selected neighbourhoods to 'Low Carbon City Villages'. Meeting the accommodation needs of all vulnerable and socially excluded people and by promoting sustainable living across the city by challenging existing attitudes, culture and behaviours will enable Sunderland to realise its vision.

OUTCOMES FROM COMPLETED CAPITAL SCHEMES

- Area Renewal programme has contributed towards a sustainable community and neighborhood through an increase in housing choice with the development of 79 new housing units in Phase 1 in Castletown to be completed by March 2011 decreasing the number of empty properties in the renewal areas by 42 and by reducing anti-social behavior.
- There have been 2 acquisitions of homes at Hetton Downs through SHIP and Homes and Communities Agency (HCA) funding plus 47 properties made more sustainable in Castletown through external improvements as part of a block improvement scheme.
- Bramble Hollow Extra Care Scheme in Hetton was opened in 2010, providing 48 two bedroom mixed tenure apartments with an on site care team providing care and support services within the scheme and outreach to residents within the local community.

KEY MEDIUM TERM PRIORITIES

- Continue with the development and implementation of Sunderland's Housing Priorities Plan linked to the delivery of the Economic Masterplan and the on-going development of the Core Strategy / Local Development Framework.
- Developing long-term housing solutions for households with a support need vulnerable adults through the development of the Suitable Homes for Living Strategy, which will help to deliver a greater number and range of Extra Care housing, a form of sheltered housing, for older people in partnership with both the Local Housing Corporation and housing providers in the city, and with whom Housing colleagues have developed strong business links.
- Improving the quality and choice of affordable accommodation, with emphasis being placed upon Council Renewal Areas.
- Continue to improve the housing stock in terms of decency and fitness for habitation in the private housing sector particularly targeting standards in the private rented sector. (Aim 4) (CIP 2, CIP 5 and CIP 6).
- Encourage more private landlords to become accredited and raise housing conditions and standards in the private sector.

HOW THE PROGRAMME CONTRIBUTES TO AN EFFICIENT AND EFFECTIVE COUNCIL

The development of Joint Ventures such as in Castletown and Hetton Downs creates the environment for the council to work with funding and development partners to attract resources into developing and creating sustainable communities.

**SUSTAINABLE COMMUNITIES
CAPITAL PROGRAMME**

- Identify areas of low housing demand and develop action plans to assist in reversing trends.
- Continue to encourage and develop investment opportunities in the housing market.

CAPITAL INVESTMENTS FOR THE YEAR AHEAD**Ongoing Commitments**

- The Extra Care housing programme continues with the development of the extra care housing scheme Cherry Tree Gardens in Houghton le Spring. This will provide 40, two bedroom apartments and 7 two bedroom bungalows for older people and 24/7 care provision tailored to meet the needs of individuals.
- Area Renewal continues within Hetton Downs.
- A travellers transit site will assist in dealing with unauthorised encampments more efficiently and effectively. The provision will ensure that statutory regulations are met
- The Young Persons Immediate Access Project is being developed and will provide 18 units of supported accommodation for young people in Dundas Street.
- Receive delivery of two Nissan Leaf Electric Vehicles which replace conventional diesel vehicles. The council will be seen as a leader in this field by promoting electric vehicle usage and help to reduce carbon emissions, improve air quality in the city and benefit from savings in vehicle running costs.
- Wind Energy Programme – to install 3 wind turbines at The Venerable Bede C of E, Washington, and St.Robert of Newminster schools, contributing to both cost savings and carbon reduction targets
- Improving Energy Management of Buildings – scheme to achieve energy savings by replacing obsolete heating control systems in Council buildings.
- Complete upgrading of 6 Recycling Bring Sites including an 'Invest to Save' project at Beach Street Household Waste and Recycling Site comprising infrastructure works including new waste containers and access platforms.

**SUSTAINABLE COMMUNITIES
CAPITAL PROGRAMME**

SUMMARY

Project Description	Gross Cost £'000	Expend. To 31.3.10 £'000	Estimated Payments				
			2010/11	2011/12	2012/13	2013/14	2014/15
			£'000	£'000	£'000	£'000	£'000
MAIN BLOCK							
Continuing Projects	11,969	4,913	1,969	5,087			
Projects Commencing 2010/2011	2,221		1,048	1,173			
Projects Commencing 2011/2012							
Projects Commencing 2012/2013							
Projects Commencing 2013/2014							
Projects Commencing 2014/2015							
TOTAL CAPITAL EXPENDITURE	14,190	4,913	3,017	6,260			

METHOD OF FINANCING ESTIMATED CAPITAL EXPENDITURE

Source of Finance	Estimated Resources				
	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
FROM EXTERNAL SOURCES					
Supported Borrowing	38				
Government Grants					
- SHIP	568	505			
- Department of Health	741	40			
- Homes and Communities Agency	610	4,667			
- Department for Education		300			
- PCT	550				
Total External Sources	2,507	5,512			
FROM INTERNAL SOURCES					
Reserves					
- Strategic Investment Plan	460	648			
- Salix Fund	50				
Capital Receipts		100			
Total Internal Sources	510	748			
TOTAL FINANCING	3,017	6,260			

**SUSTAINABLE COMMUNITIES
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	Continuing Projects								
	HOUSING								
	Disabled Facilities								
	Market Rejuvenation								
SS97004	Eppleton, Castletown, Hendon 2009/2010	A Caddick	988	387	271	330			
SS97031	Hetton Downs	A Caddick	7,150	2,739	20	4,391			
	Decent Homes								
SS97035	Travellers Site	A Caddick	100			100			
SS97003	Homelessness & Advice Service - Set Up costs	A Caddick	251	213	38				
SS97025	Extra Care Housing : Moorhouse	A Caddick	565	283	282				
SS97026	Extra Care Housing : Racecourse	A Caddick	2,622	1,291	1,291	40			
	STREET SCENE								
CC90145	Recycling Bring Sites	L Clark	293		67	226			
TOTAL CONTINUING PROJECTS			11,969	4,913	1,969	5,087			
	Projects Commencing 2010/2011								
	HOUSING								
	Market Rejuvenation								
SS97004	- Area Renewal : Eppleton, Castletown, Hendon	A Caddick	472		297	175			
	Decent Homes								
	Centrepont Sunderland	A Caddick	866		590	276			
	CITY CENTRE DEVELOPMENTS AND LAND AND PROPERTY								
DR91552	Wind Energy Programme	K.Lowes	685		38	647			
CC96601	Electric Vehicles	R.Donaldson	48		48				
DR91554	Improving Energy Management of Buildings	A.Atkinson	150		75	75			
TOTAL PROJECTS COMMENCING 2010/2011			2,221		1,048	1,173			
TOTAL CAPITAL PROGRAMME			14,190	4,913	3,017	6,260			

RESPONSIVE LOCAL SERVICES AND CUSTOMER CARE CAPITAL PROGRAMME

CAPITAL INVESTMENT PLANS AND LINKAGES TO SERVICE OBJECTIVES, STRATEGIC PRIORITIES, THE CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

The Responsive and Customer Care Capital Programme will contribute towards meeting the five Aims of the Sunderland Economic Masterplan:

- A new kind of university city
- A national hub of the low-carbon economy
- A prosperous and well-connected waterfront city centre
- An inclusive city economy for all ages
- A one city approach to economic leadership

It aims to do this by:

- Promoting inclusion by challenging existing structures, policies and practice by encouraging the engagement of all communities - Customer Service Centre Network and Mobile CSC.
- Developing facilities that support the aims of the Council's Improvement Priorities.
- Researching and sourcing funding for the development of facilities and services in partnership with other service providers.

HOW THE PROGRAMME CONTRIBUTES TO VALUE FOR MONEY AND EFFICIENCY

In developing measures to improve economic prosperity, value for money will be achieved through a range of measures including:

- Maximising external funding.
- Efficiencies will be achieved through improved procurement techniques and monitoring arrangements.
- The delivery of integrated customer services supports VFM by increasing first point of contact resolution, leading to less signposting and increased efficiency.
- Multi-skilling staff and integrating multiple reception points into one will also ensure improved and more efficient services delivery.

CAPITAL INVESTMENTS FOR THE YEAR AHEAD

Ongoing Commitments

- Complete a programme of visitor improvements to support the Wearmouth-Jarrow bid for World Heritage Site status in 2011.
- Relocation of the City Centre Customer Service to Fawcett Street and rationalise facilities for visitors at the Civic Centre.
- A contribution towards works at Houghton Primary Care Centre to provide a physical link with Houghton Sports Centre and a new Wellness Centre, café and support facilities.

New Starts

- Public realm works on the World Heritage Status site for St Peter's Church to deliver the landscape vision that supports the nomination document.

**RESPONSIVE LOCAL SERVICES AND CUSTOMER CARE
CAPITAL PROGRAMME**

SUMMARY

Project Description	Gross Cost £'000	Expend. To 31.3.10 £'000	Estimated Payments				
			2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
MAIN BLOCK							
Continuing Projects	3,967	3,213	754				
Projects Commencing 2010/2011	2,733		100	2,633			
Projects Commencing 2011/2012	1,300			250	250	400	400
Projects Commencing 2012/2013							
Projects Commencing 2013/2014							
Projects Commencing 2014/2015							
TOTAL CAPITAL EXPENDITURE	8,000	3,213	854	2,883	250	400	400

METHOD OF FINANCING ESTIMATED CAPITAL EXPENDITURE

Source of Finance	Estimated Resources				
	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
FROM EXTERNAL SOURCES					
Unsupported Borrowing		457	250	400	400
Grants from Other Public Bodies - One NorthEast - Single Programme	413				
Total External Sources	413	457	250	400	400
FROM INTERNAL SOURCES					
Revenue Contributions					
- General Fund		1,342			
- Empire Maintenance Fund	65				
Reserves					
- Strategic Investment Reserve	170	83			
- Strategic Investment Plan		41			
- Unutilised RCCO Reserve	156	360			
Capital Receipts	50	600			
Total Internal Sources	441	2,426			
TOTAL FINANCING	854	2,883	250	400	400

**RESPONSIVE LOCAL SERVICES AND CUSTOMER CARE
CAPITAL PROGRAMME**

Project Ref.No.	Project Description	Project Sponsor	Gross Cost £'000	Expend. to 31.3.10 £'000	Estimated Payments				
					2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	Continuing Projects								
	Strategic Change Management - People First								
CC90170	IT for Customer Service Centres	M Poulter	75	35	40				
CS95501	Washington - Customer Service Centre	M Poulter	1,843	1,818	25				
CC90169	Hendon Customer Service Centre	M Poulter	11	9	2				
CC90168	Southwick Customer Service Centre	M Poulter	20	17	3				
	Culture and Tourism								
CC90091	Empire Fly Tower	C Alexander	113	44	69				
CC90103	Herrington Country Park	C Alexander	1,000	937	63				
CC90108	Environmental Improvements - Public Art	C Alexander	278	245	33				
CC90109	Cultural Quarter	C Alexander	43	37	6				
CC90161	World Heritage Site- Wearmouth Jarrow action plan	C Alexander	100	24	76				
CC90161	World Heritage Site- Wearmouth Jarrow	C Alexander	484	47	437				
TOTAL CONTINUING PROJECTS			3,967	3,213	754				
	Projects Commencing 2010/2011								
	Strategic Change Management - People First								
CC90175	City Centre - Customer Service Centre	L St Louis	333		100	233			
CC90174	Houghton Primary Care Centre	M Poulter	2,400			2,400			
TOTAL PROJECTS COMMENCING 2010/2011			2,733		100	2,633			
	Projects Commencing 2011/2012								
	World Heritage Site Public Realm - Wearmouth Jarrow	C Alexander	1,300			250	250	400	400
TOTAL PROJECTS COMMENCING 2011/2012			1,300			250	250	400	400
TOTAL CAPITAL PROGRAMME			8,000	3,213	854	2,883	250	400	400

Prudential and Treasury Indicators 2011/2012 to 2013/2014

It should be noted that all of the prudential indicators fully reflect the requirements of International Financial Reporting Standards (IFRS) which were introduced from 1st April 2010. Should any of the Council's prudential indicators be exceeded during the year then they will be reported to Cabinet and where appropriate full Council at the next appropriate meeting following the change.

The indicators that must be taken into account are set out below:

- P1 Actual capital expenditure incurred in 2009/2010 was £99.921 million and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	2010/11	2011/12	2012/13	2013/14
	£'000	£'000	£'000	£'000
A Estimated Capital Expenditure	70.298	76.228	29.437	14.324

An estimate has been made of future spend on the basis of indicative grants approved for 2011/2012 onwards. The profile of expenditure will be updated in the quarterly capital reviews to Cabinet as further projects are approved.

- P2 Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2009/2010 are:

Ratio of financing costs to net revenue stream				
2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Actual	Estimate	Estimate	Estimate	Estimate
5.74%	6.01%	7.86%	9.42%	9.70%

The estimates of financing costs include current commitments and the proposals in the revenue budget and capital programme reports. The forecasts show an increase in anticipated ratios of financing costs to net revenue stream in future years as a result of forecast reductions in future years Formula Grant allocations and additional prudential borrowing proposed in the capital programme.

The indicators also show an increase reflecting the fact that significant amounts of expenditure are planned to be financed from earmarked reserves which will lead to investment levels reducing over time and due to forecasted low levels of interest rates as a result of the economic downturn, the end of which is uncertain. It should be noted that the ratios will vary depending on the interest rate obtained on investments and the level of investments available. If there is, for example, slippage in the use of prudential borrowing to fund the capital programme then the ratios shown in the table above will decrease, whilst any reduction in the interest

rate obtained on investments, beyond that estimated, will lead to an increase in the reported ratios.

The level of financing costs is considered to be affordable and has been taken into account when assessing the Medium Term Financial Strategy.

- P3 Estimates of the end of year Capital Financing Requirement for the Council for the current and future years and the actual Capital Financing Requirement at 31st March 2010 are:

Capital Financing Requirement				
31/03/10	31/03/11	31/03/12	31/03/13	31/03/14
£000	£000	£000	£000	£000
Actual	Estimate	Estimate	Estimate	Estimate
238,563	241,771	266,660	273,981	277,283

The Capital Financing Requirement measures the authority's underlying need to borrow for a capital purpose. In accordance with best practice, Sunderland City Council does not associate individual borrowing taken out with particular items or types of expenditure. The Authority has an integrated Treasury Management Strategy and has fully adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The City Council has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved Treasury Management Strategy and practices. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the Capital Financing Requirement reflects the authority's underlying need to borrow for a capital purpose. The increase in the Capital Financing Requirement reflects funding proposals in the capital programme reports.

- P4 CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following as a key indicator of prudence:

"In order to ensure that over the medium term net borrowing will only be used for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

The Authority had no difficulty meeting this requirement in 2009/2010, nor are there any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this report and the report elsewhere on today's agenda on the Revenue Budget and Proposed Council Tax 2011/2012.

The Council's net borrowing at 31st March 2010 was £12.591 million and as noted in Prudential Indicator P7 the Council's actual external borrowing was £178.273 million. This variation between actual and net borrowing

Appendix 3

reflects the cash flow position of the authority and balances held in earmarked reserves. The gap will reduce over time as earmarked reserves are used to fund specific projects as planned.

The benefits of having a high level of investments are that:

- a larger amount of interest will be received that can then be used to help support Council budgets and help deliver strategic plans;
- the Council has greater freedom in making its borrowing decisions and can take out borrowing when the timing is right rather than being potentially subject to market volatility; and,
- the liquidity risk is reduced as having a high level of investments means that in the short term the Council is less at risk should money market funds dry up.

The risks associated with holding a high level of investments are:

- from a reduced level of interest earned to that budgeted for should interest rates reduce; and,
- the risk of counterparties not repaying money the Council invests with them.

The Council has mitigated these risks by having a risk averse Treasury Management Investment Strategy and by detailed monitoring of counterparties through its borrowing and investment strategies and treasury management working practices and procedures.

- P5 In respect of its external debt, it is recommended that the Council approves the following authorised limits for its total external debt, gross of investments for the next three financial years, and agrees the continuation of the previously agreed limit for the current year since no change to this is necessary. These limits separately identify borrowing from other long-term liabilities such as PFI schemes and finance leases. The Council is asked to approve these limits and to delegate authority to the Executive Director of Commercial and Corporate Services, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for the authority. Any such changes made will be reported to Cabinet and the Council at the next meetings following the change.

	Authorised Limit for External Debt			
	2010/2011	2011/2012	2012/2013	2013/2014
	£000	£000	£000	£000
Borrowing	323,990	331,539	340,096	347,623
Other long term liabilities	91,558	50,860	48,710	46,515
Total	415,548	382,399	388,806	394,138

The Executive Director of Commercial and Corporate Services reports that these authorised limits are consistent with the Authority's current commitments, existing plans and the proposals in this report for capital expenditure and financing, and with its approved treasury management policy statement and practices. The Executive Director of Commercial and

Appendix 3

Corporate Services also confirms that they are based on the estimate of most likely, prudent, but not worst case scenario, with, in addition, sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the Capital Financing Requirement and estimates of cash flow requirements for all purposes. It should be noted that the Council undertakes investment and borrowing on behalf of external bodies such as Tyne and Wear Fire and Rescue Authority. Treasury Management undertaken on behalf of other authorities is included in Sunderland's borrowing limits, however it is excluded when considering financing costs and when calculating net borrowing for the Council. A specific element of risk has also been taken into account for these bodies.

In taking its decisions on the Revenue Budget and Capital Programme for 2011/2012, the Council is asked to note that the authorised limit determined for 2011/2012, (see P5 above), will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

- P6 The Council is also asked to approve the following operational boundary for external debt for the same time period and agrees the continuation of the previously agreed limit for the current year since no change to this is necessary. The proposed operational boundary for external debt is based on the same estimates as the authorised limit, but reflects directly the estimate of the most likely, prudent but not worst case scenario level, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified. The Council is also asked to delegate authority to the Executive Director of Commercial and Corporate Services, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long term liabilities, similar to the authorised limit set out above.

The operational boundary limit will be closely monitored and a report will be made to Cabinet and Council if it is exceeded at any point. In any financial year, it is generally only expected that the actual debt outstanding will approach the operational boundary when all of the long-term borrowing has been undertaken for that particular year and will only be broken temporarily as a result of the timing of debt rescheduling.

	Operational Boundary for External Debt			
	2010/11	2011/12	2012/13	2013/14
	£000	£000	£000	£000
Borrowing	235,743	261,603	276,335	291,258
Other long term liabilities	91,558	50,860	48,710	46,515
Total	327,301	312,463	325,045	337,773

P7 The Council's actual external debt at 31st March 2010 was £178.273 million.

The Council includes an element for long-term liabilities relating to PFI schemes and finance leases in its calculation of the operational and authorised boundaries to allow further flexibility over future financing. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary, since the actual external debt reflects the position at any one point in time and allowance needs to be made for cash flow variations.

P8 The estimate of the incremental impact of new capital decisions proposed in this report, over and above capital investment decisions that have previously been taken by the Council are:

<u>For Band D Council Tax</u>		
2011/2012	2012/2013	2012/2013
£5.24	£24.87	£39.45

The estimates show the net revenue effect of all capital expenditure from all schemes commencing in 2011/2012 and the following two financial years. The impact on the Band D Council Tax detailed above takes account of estimated government grant funding through General Grants.

These forward estimates are not fixed and do not commit the Council. They are based on the Council's existing commitments, current plans and the capital plans detailed in this report. The cumulative effect of full year debt charges will have an additional impact of £39.53 in 2013/2014. There are no known significant variations beyond the above timeframe that would result from past events and decisions or the proposals in the budget report.

P9 The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. This original 2001 Code was adopted on 20th November 2002 by full Council and the revised Code was adopted on 3rd March 2010.

The objective of the Prudential Code is to provide a clear framework for local authority capital finance that will ensure for individual local authorities that:

- (a) capital expenditure plans are affordable;
- (b) all external borrowing and other long term liabilities are within prudent and sustainable levels;
- (c) treasury management decisions are taken in accordance with professional good practice;

and that in taking decisions in relation to (a) to (c) above the local authority is

- (d) accountable, by providing a clear and transparent framework.

Further, the framework established by the Code should be consistent with and support:

- (e) local strategic planning;
- (f) local asset management planning;
- (g) proper option appraisal.

In exceptional circumstances the objective of the Code is to provide a framework that will demonstrate that there is a danger of not ensuring the above, so that the Authority can take timely remedial action.

CIPFA Treasury Management in the Public Services Code of Practice - Indicators 2011/2012 to 2013/2014

- P10 It is recommended that the Council sets an upper limit on its fixed interest rate exposures of £105 million in 2011/2012, £125 million in 2012/2013 and £145 million in 2013/2014.
- P11 It is further recommended that the Council sets an upper limit on its variable interest rate exposures of £60 million in 2011/2012, £60 million in 2012/2013 and £50 million in 2013/2014.
- P12 It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowings as follows:

Amount of projected borrowing that is fixed rate maturing in each period expressed as a percentage of total projected borrowing that is fixed rate at the start of the period:

	Upper limit	Lower limit
Under 12 months	50%	0%
12 months and within 24 months	60%	0%
24 months and within 5 years	80%	0%
5 years and within 10 years	100%	0%
10 years and within 20 years	100%	0%
20 years and within 30 years	100%	0%
30 years and within 40 years	100%	0%
40 years and within 50 years	100%	0%
over 50 years	100%	0%

- P13 A maximum maturity limit of £100 million is set for each financial year (2011/2012, 2012/2013 and 2013/2014) for long term investments, (those over 364 days), made by the authority. This gives additional flexibility to the Council in undertaking its Treasury Management function. Should the Council appoint any external fund managers during the year, these limits will be apportioned accordingly. The type of investments to be allowed are detailed in the Annual Investment Strategy (Appendix 6).

Appendix 3

At present the Council has £0.836 million of long-term investments. This is £0.816 million for the value of share capital held in NIAL Holdings PLC. This equates to a 9.41% share in Newcastle International Airport. The Council also holds £0.020 million in government securities, other shares and unit trusts.

Minimum Revenue Provision Policy Statement 2011/2012

The Department for Communities and Local Government (DCLG) has provided statutory guidance on the methodology to use, which local authorities 'must have regard to'. The guidance recommends that authorities must submit to full Council an annual statement of its policy on making a MRP in respect of the following financial year and highlight which of the various options set out in their guidance will be followed.

- 6.1 Provision for the repayment of debt is considered to be prudent where the period of repayment is either reasonably commensurate with that over which the capital expenditure to which it relates provides benefits, or in the case of borrowing supported by government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant. The major proportion of the MRP for 2011/12 will relate to the supported historic debt liability.
- 6.2 The four options for calculating MRP which were set out in the guidance can be summarised as follows:
- Option 1 – Regulatory Method: applying the statutory formula set out in the 2003 Regulations before it was revoked in 2008.
 - Option 2 – Capital Financing Requirement (CFR) Method: multiplying the CFR at the end of the preceding financial year by 4%.
 - Option 3 – Asset Life Method: amortising expenditure over an estimated useful life for the relevant assets created. An assessment must be made of the asset life at the outset of the capital scheme and MRP is charged to revenue in either equal annual instalments or by an annuity method over the estimated life of the asset. The MRP charge will commence in the financial year following the one in which the asset comes into service.
 - Option 4 – Depreciation Method: making charges to revenue in accordance with the standard rules for depreciation accounting for the particular asset being created or enhanced.
- 6.4 Estimated life periods will be determined under delegated powers. As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, such as IT infrastructure, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives. The Council also reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.
- 6.5 For 2011/2012, having considered all of the options available to the Council, it is proposed that the Council use Option 1 (the Regulatory Method) for government supported borrowing. This is a continuation of the

method currently used by the Council (using regulations 28 and 29 of the Capital Finance Regulations and the Local Government Act 2003) where MRP is calculated with regard to the 'credit ceiling' of the authority. This takes into account all loan advances and repayments through the Council's consolidated advances and borrowing pool with MRP being calculated at 4% of the opening 'credit ceiling' balance.

Option 1 is preferred as this option takes the formulae used by the government in calculating revenue support grant as its basis and better reflects the actual funding provided by government.

- 6.6 Neither of the two options recommended for future borrowing, for which no government support is being given and is therefore self-financed (options 3 and 4), reflect existing Council policy to accelerate debt repayments on unsupported borrowing through an increased voluntary MRP. The depreciation method for calculating MRP is also subject to volatility when asset lives are reassessed as part of the revaluation process.
- 6.7 The Council currently follows the criteria set out below for all unsupported borrowing and provides an increased voluntary MRP:
- In the case of invest to save schemes MRP is based on the payback period for any borrowing taken out up to a maximum of 7 years (this requirement is relaxed where unsupported borrowing is taken out on behalf of trading services and areas which are subject to market pressures to ensure that these services would not be put at an unfair disadvantage in comparison to any potential competitors);
 - In cases where a full option appraisal shows borrowing to offer better value for money than leasing, MRP is based on the payment period that would have arisen had a lease been taken out instead of a loan;
 - In the case of any form of grants for capital purposes that have been given in earlier years and any new grants given for which borrowing is taken out, MRP is based on the actual principal repayment schedule relating to the grant provided. This option is used for existing loans provided to Wearside College, mortgages provided in earlier years to householders under Right to Buy regulations, and loans to industry to support economic regeneration:

In the all other cases where unsupported borrowing is used to finance capital schemes then the option 3 asset life method of determining MRP is used.

- 6.8 Given budget pressures, it is proposed that opportunities for utilising the prudential framework be restricted to a level where provision has been made within the revenue budget and where the expenditure will either be used to support the Council's key priorities in terms of regeneration plans and strategic priorities, to fund invest to save schemes, or to support asset purchases where option appraisal of funding through borrowing instead of leasing is appropriate. The revenue budget is framed to enable such levels to be affordable and sustainable into future years.
- 6.9 For the purposes of the proposed regulations Option 3 is recommended for self-financed borrowing as this method is subject to less potential variation

than Option 4. It is also recommended to continue existing practice so that an additional voluntary MRP repayment will be made using the criteria detailed in 6.7 above.

- 6.10 In addition, revised accountancy guidelines to comply with IFRS have been introduced for the financial year 2010/2011. The new standards have the effect of reclassifying operational leases, finance leases and PFI contracts and require these assets to be brought onto the Council's balance sheet. It is recommended that the MRP policy for 2011/2012 ensures that there will be no impact on council taxpayers from revisions to accounting standards and that the amount of MRP to be made will be set to ensure that the finance charge and MRP for finance leases and on-balance sheet PFI schemes is equal to the rental or service charge payable in the income and expenditure account for the year, which writes down the balance sheet liability of those assets i.e. the annual MRP charge will be an amount equal to the amount that has been taken to the balance sheet to reduce the liability for that asset.
- 6.11 In summary, it is recommended that the Council approves the following Annual Minimum Revenue Provision Statement 2011/2012:
- a) For all government supported borrowing the Council will adopt Option 1 as set out in the government guidance which is a continuation of the basis upon which the Council currently calculates MRP.
 - b) For all unsupported borrowing the Council will adopt Option 3 and make MRP repayments using the equal instalment method with the estimated useful life of an asset being assessed by the Executive Director of Commercial and Corporate Services in consultation with appropriate officers.
 - c) For MRP payments in relation to finance leases and PFI contracts previously held off-balance sheet but now included on-balance sheet to comply with IFRS requirements, the amount of MRP to be made will be set to ensure that the finance charge and MRP for finance leases and on-balance sheet PFI schemes is equal to the rental or service charge payable in the income and expenditure account for the year, which writes down the balance sheet liability of those assets.
 - d) The Council will make additional voluntary MRP payments to that indicated by the adoption of Option 3, with reference to the Council's framework detailed in 6.7 above where this is considered to be both prudent and affordable. This requirement may be relaxed by the Executive Director of Commercial and Corporate Services where appropriate, in particular for any unsupported borrowing taken out on behalf of trading services, which are subject to market pressures.

Treasury Management Policy Statement

In line with CIPFA recommendations, on the 3rd March 2010 the Council adopted the following Treasury Management Policy Statement, which defines the policies and objectives of its treasury management activities:

- The Council defines its treasury management activities as: The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".
- The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
- The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The Council needs to re-affirm its commitment to the above Treasury Management Policy Statement each year.

Treasury Management Strategy Statement for 2011/2012

1. Introduction

- 1.1 The Local Government Act 2003 and subsequent guidance requires the Council to set out its Treasury Management Strategy for Borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The suggested strategy for 2011/2012 is set out below and is based upon the Executive Director of Commercial and Corporate Services views on interest rates, supplemented with leading market forecasts and other financial data available and advice provided by the Council's treasury adviser, Sector Treasury Services.

- 1.2 The treasury management strategy covers:

A. Borrowing Policy and Strategy

- treasury limits for 2011/2012 to 2013/2014
- the past and current treasury management position
- the borrowing requirement 2011/2012
- prudential and treasury management Indicators for 2011/12 to 2013/14
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling

B. Annual Investment Policy and Strategy

- Investment policy and objectives
- the investment strategy
- investment types
- investments defined as capital expenditure
- investment limits
- provision for credit related losses
- creditworthiness policy
- monitoring of credit ratings
- past performance and current position
- outlook and proposed investment strategy
- external fund managers
- policy on use of external service providers

2. Borrowing Policy and Strategy

2.1 Treasury Limits for 2011/12 to 2013/14

It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". In England and Wales the Authorised Limit represents the legislative limit specified in the Act.

The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'.

Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is set, on a rolling basis, for the forthcoming financial year and two successive financial years and details can be found in Appendix 3 of this report. The Council is asked to approve these limits and to delegate authority to the Executive Director of Commercial and Corporate Services, within the total limit for any individual year, to action movement between the separately agreed limits for borrowing and other long term liabilities where this would be appropriate. Any such changes made will be reported to the Cabinet and the Council at their next meetings following the change.

Also, the Council is asked to approve the Operational Boundary Limits which are included in the Prudential Indicators (Appendix 3). This operational boundary represents a key management tool for in year monitoring. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified and the Council is also asked to delegate authority to the Executive Director of Commercial and Corporate Services, within the total operational boundary for any individual year, to action movement between the separately agreed figures for borrowing and other long-term liabilities, in a similar fashion to the authorised limit.

2.2 The Past and Current Treasury Management Position

2.2.1 Interest Rates 2010/2011

Interest rates were fairly static with only small variations during the current financial year, until the government, on 20th October 2010, following the Chancellor's announcement of the Spending Review, instructed the PWLB to increase the average interest rate on all new loans by an average of 1.00% above the Government's cost of borrowing. This unexpected change at the time saw an overall increase in all PWLB rates going forward of 0.87% making borrowing from this source both less affordable and less attractive. The table below shows that the largest movement in rates was short term borrowing up to one year of 0.82% and by approximately 0.5% on all other maturity periods. Rates increased because of the government's actions but there has been a slow fall in interest rates since. This trend is starting to reverse but no significant movements are anticipated for the next financial year. This position will be carefully monitored however.

Appendix 6

Loan Type	31 st March 2010 %	31 st December 2010 %	Difference %
7 Day Notice	0.30	0.40	0.10
1 Month	0.42	0.45	0.03
PWLB – 1 Year	0.83	1.65	0.82
5 Year	2.89	3.33	0.44
10 Years	4.19	4.58	0.39
25 Years	4.67	5.23	0.56
50 Years	4.70	5.16	0.46

The Bank of England Base Rate has remained at 0.50% since 5th March 2009 with little sign that it will be raised in the short term.

2.2.2 Long Term Borrowing 2010/2011

The Treasury Management Policy and Strategy Statement for 2010/2011 included a benchmark rate of 4.5% for all long-term borrowing.

The Council's strategy for 2010/2011 is to adopt a pragmatic approach and to respond to any changing circumstances to seek to secure benefit for the Council. In response to the Government's increase in PWLB rates across all PWLB loan periods, the Council's benchmark rate for long-term borrowing was increased to 5.5% for the remainder of 2010/2011.

So far in 2010/2011 £30.50 million of long term borrowing has been undertaken at an average rate of 3.31% (£26.5m in respect of debt rescheduling carried out in earlier years, £3.5m for approved prudential borrowing and £0.5m in respect of a specific loan taken out on behalf of Beamish Museum), details of the new loans are shown below. It is pleasing to report that the replacement borrowing was made before the government unexpectedly and immediately increased borrowing rates by on average 1% across all loan duration periods on 20th October 2010, the date of the Spending Review.

Long Term PWLB Borrowing 2010/2011						
Date	Amount £m	Period (Years)	Rate %	Benchmark Rate %	Margin %	Loan Type
11/05/10	0.50	15	3.65	4.50	0.85	EIP*
25/05/10	10.00	4	1.99	4.50	2.51	Maturity
25/05/10	5.00	50	4.29	4.50	0.21	Maturity
27/07/10	5.00	11	3.75	4.50	1.25	Maturity
27/07/10	5.00	12	3.87	4.50	1.13	Maturity
01/09/10	5.00	50	3.96	4.50	0.54	Maturity
	30.50		3.31			
* This loan was taken on behalf of Beamish Museum and is an Equal Instalment of Principal (EIP) loan						

The Council also has nine market, Lender's Option / Borrower's Option (LOBO's), loans totalling £39.5 million. The lender has the option to alter the rate on these loans at set intervals and the Council can either accept the new rate or repay the loan without penalty. If interest rates begin to rise the council will need to consider the potential to have to replace these loans. The following table shows the LOBO's that were subject to a

Appendix 6

potential rollover in this financial year but have not been replaced as the option was not exercised.

<u>Roll Over Dates</u>	<u>Lender</u>	<u>Amount £m</u>	<u>Rate %</u>	<u>Roll Over Periods</u>
23/04/2010 and 23/10/2010	Barclays	5.0	4.50	Every 6 months (Variable Rate)
14/08/2010	Barclays	5.0	4.45	Every 3 years (Fixed Rate)
Total		10.0		

2.2.3 Current Portfolio Position

The Council's treasury portfolio position at 31st December 2010 comprised:

		Principal (£m)	Total (£m)	Average Rate (%)
Borrowing				
Fixed Rate Funding	PWLB	138.0		
	Market (LOBO's)	34.5		
	Other	0.4	172.9	3.86
Variable Rate Funding	PWLB	0.0		
	Market (LOBO's)	5.0		
	Temporary/			
	Other	31.1	36.1	0.92
Total Borrowing			209.0	3.35
Total Investments	In House		214.1	1.49
Net Position			(5.1)	

The Council currently has a difference between gross debt and net debt of £5.1 million, however this position is expected to change over the next few years as the Council has to manage its finances with significantly less government grant in both capital and revenue funding which could impact in the form of increased borrowing and possible temporary reductions to reserves, with the result that total borrowing could then exceed investments.

There are a number of risks and benefits associated with having both a large amount of debt whilst at the same time having a considerable amount of investments.

Benefits of having a high level of investments are;

- liquidity risk – having a large amount of investments means that the Council is at less of a risk should money markets become restricted

or borrowing less generally available, this mitigates against liquidity risk;

- interest is received on investments which helps the Council to address its Strategic Priorities;
- the Council has greater freedom in the timing of its borrowing as it can afford to wait until the timing is right rather than be subject to the need to borrow at a time when interest rates are not advantageous.

Risks associated with holding a high level of investments are;

- the Counterparty risk – institutions cannot repay the Council investment placed with them;
- interest rate risk – the rate of interest earned on the investments will be less than that paid on debt, thus causing a loss to the Council.

The Council has mitigated these risks by formulating its Treasury Management Policy that incorporates both a Borrowing Strategy and an Annual Investment Strategy and has also taken prudent action to redeem debt early by temporarily using investments to the benefit of the Council and saving on interest charges when opportunities have arisen.

2.3 Borrowing Requirement 2011/2012

The Council's borrowing requirement is as follows:

		2011/12 £m	2012/13 £m	2013/14 £m
1.	Capital Borrowing (potential)	47.7	15.0	15.0
2.	Replacement borrowing (PWLB)	0.0	5.0	5.0
3.	Replacement borrowing (Market)	0.0	0.0	0.0
4.	Market LOBO replacement (potential)	19.5	20.0	10.0
TOTAL – KNOWN (2+3)		0.0	5.0	5.0
TOTAL – POTENTIAL (1+4)		67.2	35.0	25.0

2.4 Prudential and Treasury Management Indicators for 2011/12 – 2013/14

Prudential and Treasury Indicators (as set out in Appendix 3) are a requirement of the CIPFA Prudential Code and are relevant for the purposes of setting an integrated treasury management strategy and to ensure that treasury management decisions are taken in accordance with good professional practice.

The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. The original 2001 Code was adopted on 20th November 2002 and the revised 2009 Code was adopted by the full Council on 3rd March 2010. The Council also re-affirms its full adherence to the code annually (as set out in Appendix 5).

2.5 Prospects for Interest Rates

The Council's treasury advisors are Sector Treasury Services and part of their service is to assist the Council to formulate a view on interest

rates. A number of current City forecasts for short term (Bank Rate) and longer fixed interest rates are set out in Annex A. The following gives the Sector Treasury Services Bank Rate forecast for the next 4 financial year ends (March).

- 2010/2011 0.50%
- 2011/2012 1.00%
- 2012/2013 2.25%
- 2013/2014 3.25%

There is a downside risk to these forecasts especially if recovery from the recession proves to be weaker and slower than currently expected and a short term upside risk should inflation pressures increase. A detailed view of the current economic background is contained within Annex B to this report.

2.6 Borrowing Strategy

2.6.1 Borrowing rates

The Sector forecast in respect of interest rates for loans charged by the PWLB is as follows: -

	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Mar-13	Mar-14
Bank rate	0.50%	0.50%	0.50%	0.75%	1.00%	2.25%	3.25%
5yrPW IB rate	3.30%	3.30%	3.40%	3.50%	3.60%	4.30%	5.00%
10yrPW IB rate	4.40%	4.40%	4.40%	4.50%	4.70%	5.10%	5.40%
25yrPW IB rate	5.20%	5.20%	5.20%	5.30%	5.30%	5.50%	5.70%
50yrPW IB rate	5.20%	5.20%	5.20%	5.30%	5.30%	5.50%	5.70%

A more detailed forecast from Sector is included in Annex A.

The main sensitivities of the forecast are likely to be;

- if it were felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate borrowing will be undertaken whilst interest rates are still relatively cheap.
- if it were felt that there was a significant risk of a sharp fall in long and short term rates, e.g. due to a marked increase of risks around a relapse into recession or, a risk of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

The Council officers, in conjunction with the Council's treasury advisers, will monitor both the prevailing interest rates and the market forecasts.

With long-term interest rate forecasts set to remain around their current levels the Executive Director of Commercial and Corporate Services, taking into account the advice of the Council's treasury adviser considers a benchmark financing rate of 5.50% for any further long-term borrowing for 2010/2011 to be appropriate.

Consideration will be given to various options, including utilising some investment balances to fund the borrowing requirement in 2011/2012. The need to adapt to changing circumstances and revisions to profiling of capital expenditure is required, and flexibility needs to be retained to adapt to any changes that may occur.

The Executive Director of Commercial and Corporate Services, taking advice from the Council's treasury advisers will continue to monitor rates closely, and whilst implementing the borrowing strategy, will adopt a pragmatic approach in identifying the low points in the interest rate cycle at which to borrow.

2.7 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will: -

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been fully considered;
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
- consider the merits of alternative forms of funding;
- consider alternative interest forecasts available and the most appropriate periods and repayment profiles to use;
- consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them.

2.8 Debt Rescheduling

The reasons for any rescheduling of debt will include:

- the generation of cash savings at minimum risk;
- in order to help fulfil the Treasury Management Strategy; and
- in order to enhance the balance of the long-term portfolio (by amending the maturity profile and/or the balance of volatility).

In previous years, debt rescheduling has achieved significant savings in interest charges and discounts and these interest savings have been secured for many years to come. For example, since November 2008 the Council has rescheduled debt worth £59.5 million with an ongoing reduction in interest costs of just under £1.0 million per annum. The introduction by the PWLB in 2007 of a spread between the rates applied to new borrowing and repayment of debt, which has now been compounded since 20 October 2010 by a considerable further widening of the difference between new borrowing and repayment rates, has meant that PWLB debt restructuring is much less attractive than it was before both of these measures were introduced. Consideration will also be given to other options where interest savings may be achievable by using LOBO (Lenders Option Borrowers Option) loans, and / or other market loans, in rescheduling exercises rather than solely using PWLB borrowing as the source of replacement financing but this would only be the case where this would represent best value to the Council.

The latest interest rate projections for 2011/2012 show short term borrowing rates will be considerably cheaper than longer term rates and as such there may be potential for some opportunities to generate savings by switching from long term debt to short-term debt. However, these savings will need to be considered in the light of the size of premiums incurred, their short term nature, and the likely cost of refinancing those short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio.

The Council is keeping a watching brief on market conditions in order to secure further debt rescheduling when, and if, appropriate opportunities arise. The timing of all borrowing and investment decisions inevitably includes an element of risk, as those decisions are based upon expectations of future interest rates. The policy to date has been very firmly one of risk spread and this prudent policy will be continued.

Any rescheduling undertaken will be reported to Cabinet, as part of the agreed treasury management reporting procedure.

3. Annual Investment Policy and Strategy

3.1 Investment Policy and Objectives

When considering its investment policy and objectives, the Council has taken regard to the Department of Communities and Local Government's (DCLG) Guidance on Local Government Investments ("the Guidance") and the 2009 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").

The Council's investment objectives are: -

- (a) the security of capital, and
- (b) the liquidity of its investments.

The Council also aims to achieve the optimum return on its investments but commensurate with proper levels of security and liquidity. The risk

appetite of the Council is regarded as low in order to give priority to security of its investments.

The borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity.

3.2 Investment Strategy

This Strategy sets out:

- the procedures for determining the use of each class of investment (advantages and associated risk), particularly if the investment falls under the category of “non-specified investments”;
- the maximum periods for which funds may be prudently committed in each class of investment;
- the amount or percentage limit to be invested in each class of investment;
- whether the investment instrument is to be used by the Council’s in-house officers and/or by the Council’s appointed external fund managers, (if used); and, if non-specified investments are to be used in-house, whether prior professional advice is to be sought from the Council’s treasury advisers;
- the minimum amount to be held in short-term investments (i.e. an investment which the Council may require to be repaid or redeemed within 12 months of making the investment).

3.3 Investment Types

The Council is allowed to invest in two types of investment, namely Specified Investments and Non-specified Investments.

Specified Investments are those investments that are for a period of less than one year, are not classed as capital expenditure, and are placed with high credit rated counterparties.

Non-specified Investments are any investments which are not classified as specified investments. As the Council only uses high credit rated counterparties this means in effect that any investments placed with those counterparties for a period of one year or more will be classed as Non-specified Investments. The Council will not invest in any type of investment that will be classed as capital expenditure (see 3.4 below).

The type of investments to be used by the in-house team will be limited to term deposits, interest bearing accounts, and Money Market Funds and will follow the criteria as set out in Annex C.

3.4 Investments Defined as Capital Expenditure

The acquisition of share capital or loan capital in any body corporate is defined as capital expenditure under Section 16(2) of the Local Government Act 2003. Such investments have to be funded out of capital or revenue resources and are classified as ‘non-specified investments’.

A loan or grant by this Council to another body for capital expenditure by that body is also deemed by regulation to be capital expenditure by the Council. It is therefore important for the Council to clearly identify if the loan has been made for policy reasons or if it is an investment for treasury management purposes. The latter will be governed by the framework set by the Council for 'specified' and 'non-specified' investments.

The Council will not use (or allow any external fund managers it may appoint to use) any investment which will be deemed as capital expenditure.

3.5 **Investment Limits**

One of the recommendations of the Code is that local authorities should set limits for the amounts of investments that can be placed with institutions by country, sector and group. These limits are applied in the Council's Counterparty criteria set out in Annex C.

The minimum amount of overall investments that the Council will hold in short-term investments (less than one year) is £50 million. As the Council has decided to restrict most of its investments to term deposits, it will maintain liquidity by having a minimum of 30% of these short-term investments maturing within 6 months.

A maximum limit of £100 million is to be set for in-house non-specified investments over 364 days up to a maximum period of 2 years. This amount has been calculated by reference to the Council's cash flows, including the potential use of earmarked reserves. The Executive Director of Commercial and Corporate Services will monitor long-term investment rates and identify any investment opportunities if market conditions change.

3.6 **Provisions for Credit Related Losses**

If any of the Council's investments appear at risk of loss due to default, (i.e. a credit-related loss, and not one resulting from a fall in price due to movements in interest rates), then the Council will make revenue provision of an appropriate amount in accordance with proper accounting practice or any prevailing government regulations, if applicable. This position has not occurred and the Council mitigates this risk with its prudent investment policy.

3.7 **Creditworthiness policy**

The creditworthiness policy adopted by this Council takes into account not only the credit ratings issued by all three credit rating agencies (Fitch, Moody's and Standard & Poor's), but also, available market data and intelligence, the level of government support to financial institutions and advice from its Treasury Management advisors.

Set out in Annex D is the detailed criteria that will be used, subject to approval, in determining the level of investments that can be invested with each counterparty or institution. Where a counterparty is rated differently

by any of the 3 rating agencies, the lowest rating will be used to determine the level of investment.

3.8 Monitoring of Credit Ratings

- All credit ratings are monitored on a daily basis. The Council has access to all three credit ratings agencies and is alerted to changes through its use of the Sector Treasury Services credit worthiness service.
- If a counterparty's rating is downgraded with the result that it no longer meets the Council's minimum criteria, the Council will cease to place funds with that counterparty. The Council will also immediately inform its external fund manager(s), if used, to cease placing funds with that counterparty.
- If a counterparty's rating is downgraded with the result that, their rating is still sufficient for the counterparty to remain on the Approved Lending List, then the counterparty's authorised investment limit will be reviewed accordingly. A downgraded credit rating may result in the lowering of the counterparty's investment limit and vice versa. The Council will also immediately inform its external fund manager(s), if used, of any such change(s).

Should fund managers be employed by the Council, the Council will establish with its fund manager(s) their credit criteria and the frequency of their monitoring of credit ratings so as to be satisfied as to their adherence to the Council's policy.

3.9 Past Performance and Current Position

During 2010/2011 the Council did not employ any external fund managers, all funds being managed by the in-house team. The performance of the fund by the in-house team is shown below and compares this with the relevant benchmarks and performance from the previous year:

	2009/10 Return %	2009/10 Benchmark %	2010/11 Return %	2010/11 Benchmark %
			Year to date	Year to date
Council	1.91	0.36	1.49	0.34

During 2010/2011 the Council will continue to review the optimum arrangements for the investment of its funds whilst fully observing the investment strategy in place.

3.10 Outlook and Proposed Investment Strategy

Based on its cash flow forecasts, the Council anticipates its fund balances in 2011/2012 are likely to range between £150 million and £300 million. This represents a cautious approach and provides for funding being

received in excess of the level budgeted for, and also for unexpected and unplanned levels of capital underspending in the year or reprofiling of spend into future years. In 2011/2012, with short-term interest rates forecast to be materially below long-term rates, it is possible that some investment balances may be used to fund some long-term borrowing or used for debt rescheduling. Such funding is wholly dependent upon market conditions and will be assessed and reported to Cabinet if and when the appropriate conditions arise.

The Council is not committed to any investments, which are due to commence in 2011/2012, (i.e. it has not agreed any forward deals).

Activities likely to have a significant effect on investment balances are:

- Capital expenditure during the financial year, (dependent upon timing), will affect cash flow and short term investment balances;
- Any reprofiling of capital expenditure from, and to, other financial years will also affect cash flow, (no reprofiling has been taken into account in current estimates);
- Any unexpected capital receipts or income;
- Timing of new long-term borrowing to fund capital expenditure;
- Possible funding of long-term borrowing from investment balances (dependent upon appropriate market conditions).

The Executive Director of Commercial and Corporate Services, in conjunction with the Council's treasury adviser Sector Treasury Services, and taking into account the minimum amount to be maintained in short-term investments, will continue to monitor investment rates closely and to identify any appropriate investment opportunities that may arise.

It is proposed that delegated authority continues to be given to the Executive Director of Commercial and Corporate Services, in consultation with the Cabinet Portfolio holder for Resources, to vary the Lending List Criteria and Lending List itself should circumstances dictate, on the basis that changes be reported to Cabinet retrospectively, in accordance with normal Treasury Management reporting procedures.

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

3.11 External fund managers

At present the Council does not employ any external fund managers.

Should the Council appoint any external fund managers in the future, they will have to agree to strict investment limits and investment criteria. These external fund managers will work to the following parameters:

- The institutions on the Approved Lending list of the external manager must correspond to those agreed with Sunderland City Council (i.e. only institutions on Sunderland City Council's Approved Lending List to be included as shown in Annex D);
- they will be allowed to invest in term deposits, Certificates of Deposit (CD's) and government gilt securities;

- An investment limit of £3 million per institution (per manager);
- A maximum limit of 50% fund exposure to government gilts;
- A maximum proportion of the fund invested in instruments carrying rates of interest for periods longer than 364 days shall not exceed 50%. Again, it is proposed to only recommend the use of fixed term deposits up to a maximum of 2 years.

3.12 Policy on the use of external service providers

The Council uses Sector as its external treasury management advisers. The Council recognises that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review.

4. Scheme of delegation

4.1 The Treasury Management Strategy Statement has been prepared in accordance with the revised Code. Accordingly, the Council’s Treasury Management Strategy (TMS) is approved annually by the full Council and full Council now receive, as a minimum, a mid-year TMS report and an annual Treasury Management outturn report for the previous year by no later than the 30th September of the following year. In addition quarterly reports are made to Cabinet and the Audit and Governance Committee and monitoring reports are reviewed by members in both executive and scrutiny functions respectively. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

The Council adopted the following reporting arrangements in accordance with the requirements of the Code: -

Area of Responsibility	Council/ Committee/ Officer	Frequency
Treasury Management Policy Statement (revised)	Full Council	Adoption of the new code for 2010/2011 and then as required
Treasury Management Strategy / Annual Investment Strategy	Full Council	Annually before the start of the year
Treasury Management Strategy / Annual Investment Strategy – mid year report	Full Council	Mid year
Treasury Management Strategy / Annual Investment Strategy –updates or revisions at other times	Full Council	As appropriate

Appendix 6

Area of Responsibility	Council/ Committee/ Officer	Frequency
Annual Treasury Management Outturn Report	Full Council	Annually by 30/9 after the end of the financial year
Treasury Management Monitoring Reports	Executive Director of Commercial and Corporate Services	Monthly
Treasury Management Practices	Executive Director of Commercial and Corporate Services	Annually
Scrutiny of Treasury Management Strategy	Cabinet / Audit and Governance Committee	Annually before Full Council
Scrutiny of Treasury Management Performance	Cabinet / Audit and Governance Committee	Quarterly

5. **The Treasury Management Role of the Section 151 Officer**

5.1 The Executive Director of Corporate Services is the Council's Section 151 Officer and has specific delegated responsibility in the Council's Constitution to manage the borrowing, financing, and investment requirements of the Council in accordance with the Treasury Management Policy agreed by the Council. This includes;

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers.

5.2 **Balanced Budget Requirement**

It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from: -

- increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
 - any increases in running costs from new capital projects,
- are limited to a level which is affordable within the projected income of the Council for the foreseeable future. Increased debt charges that are forecast to arise from the Council's Capital Programme meet the above balanced budget requirement.

ANNEX A

Interest Rate Forecasts

The data below shows a variety of forecasts published by a number of institutions. The first three are individual forecasts from Sector Treasury Services, Capital Economics (an independent forecasting consultancy) and UBS (which represents summarised figures drawn from the population of all major City banks and academic institutions).

The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

1. Individual Forecasts**Sector:**

Interest rate forecast – 6.1.11

	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Bank rate	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.25%	2.75%	3.00%	3.25%	3.25%
3 month LIBID	0.60%	0.70%	0.80%	1.00%	1.25%	1.50%	1.75%	2.00%	2.50%	3.00%	3.25%	3.50%	3.50%
6 month LIBID	0.90%	1.00%	1.10%	1.20%	1.50%	1.80%	2.10%	2.40%	2.80%	3.20%	3.50%	3.80%	4.00%
12 month LIBID	1.40%	1.50%	1.60%	1.80%	2.10%	2.40%	2.70%	3.00%	3.20%	3.40%	3.65%	4.00%	4.20%
5yr PWLB rate	3.30%	3.30%	3.40%	3.50%	3.60%	3.80%	3.90%	4.10%	4.30%	4.60%	4.80%	4.90%	5.00%
10yr PWLB rate	4.40%	4.40%	4.40%	4.50%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.30%	5.40%	5.40%
25yr PWLB rate	5.20%	5.20%	5.20%	5.30%	5.30%	5.40%	5.40%	5.40%	5.50%	5.50%	5.60%	5.70%	5.70%
50yr PWLB rate	5.20%	5.20%	5.20%	5.30%	5.30%	5.40%	5.40%	5.40%	5.50%	5.50%	5.60%	5.70%	5.70%

Capital Economics:

Interest rate forecast – 12.1.11

	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.50%	2.00%
5yr PWLB rate	3.20%	3.20%	3.00%	2.75%	2.75%	2.90%	3.00%	3.20%	3.40%	3.60%	3.90%	4.20%
10yr PWLB rate	4.75%	4.75%	4.25%	3.75%	3.75%	3.75%	3.75%	3.75%	3.90%	4.00%	4.30%	4.60%
25yr PWLB rate	5.25%	5.25%	4.85%	4.65%	4.65%	4.65%	4.65%	4.65%	4.75%	4.85%	5.10%	5.30%
50yr PWLB rate	5.30%	5.30%	5.20%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.10%	5.20%	5.30%

UBS:

Interest rate forecast (for quarter ends) – 6.1.11

	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12
Bank rate	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%
10yr PWLB rate	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%
25yr PWLB rate	5.25%	5.30%	5.35%	5.40%	5.45%	5.50%	5.55%	5.60%
50yr PWLB rate	5.35%	5.40%	5.45%	5.50%	5.55%	5.60%	5.65%	5.70%

2. Survey of Economic Forecasts**HM Treasury January 2011**

The current Q4 2010 and 2011 forecasts are based on the January 2011 report. Forecasts for 2010 – 2014 are based on 32 forecasts in the last quarterly forecast – in November 2010.

BANK RATE FORECASTS	quarter ended			annual average Bank Rate			
	actual	Q4 2011		ave. 2011	ave. 2012	ave. 2013	ave. 2014
Median	0.50%	1.00%		0.90%	1.60%	2.40%	3.00%
Highest	0.50%	1.60%		2.10%	3.10%	3.60%	4.50%
Lowest	0.50%	0.50%		0.50%	0.50%	0.60%	1.20%

Economic Background

1.1 Global economy

The economic downturn that began following the global credit crunch of August 2007 has continued into 2011. The sovereign debt crisis peaked in May 2010 prompted by major concerns over the size of the Greek government's total debt and annual deficit. Any default or write down of Greek debt would have a substantial impact on other countries, in particular, Portugal, Spain and Ireland. This crisis culminated in the EU and IMF putting together a €750bn support package in mid May. A second crisis, this time over Ireland in November 2010, culminated in Ireland also having to take EU support. There is a concern that Portugal will also shortly need to take EU support. That, in turn, would then cause further major concerns as to whether the current size of the support package facility put together by the EU and IMF would be big enough to cope with any crisis involving another major economy.

The unexpectedly high rate of growth in quarters 2 and 3 of 2010 in the UK and the Euro zone in Q2 were driven by strong growth in the construction sector catching up from inclement weather earlier in the year and by other short term factors. General expectations are for low (but not negative) growth in 2011 in the western economies.

1.2 UK economy

Following the general election in May 2010, the coalition government has put in place austerity measures to carry out a 'correction' of the public sector deficit over the next five years. The result of fiscal contraction will be major job losses during this period, in particular, in public sector services. This will have a knock-on effect on consumer and business confidence and appears to have also hit the housing market as house prices started on a negative trend during the summer and autumn of 2010. Mortgage approvals are also at very weak levels and are declining, all of which indicates that the housing market is likely to be very weak in 2011.

Economic Growth – GDP growth is likely to have peaked in the current period of recovery at 1.2% in quarter 2 of 2010. Growth in quarter 3 at +0.7% was also unexpectedly high. However, the outlook is for low growth in 2011/2012 although the Bank of England and the Office for Budget Responsibility are forecasting near trend growth (2.5%) i.e. above what most forecasters are currently expecting.

Unemployment – the trend of falling unemployment (on the benefit claimant count) has been replaced since July 2010 with small increases which are likely to be the start of a new trend for some years ahead of rising unemployment.

Inflation and Bank Rate – CPI has remained high during 2010. It peaked at 3.7% in April gradually declined to 3.1% in September but has now returned to the level of 3.7% in December (RPI 4.7%). Although inflation has remained above the MPC's 2% target, the MPC is confident that inflation will fall back under the target over the next two years.

ANNEX B

The Bank of England finished its programme of quantitative easing (QE) with a total of £200bn in November 2009. However, expectations that there could be a second round of quantitative easing in early 2011, to help support economic growth, have evaporated after the surprises of the Q3 GDP figure of +0.7% and the outcome of the November Inflation Report revising the forecast for short-term inflation sharply upwards.

Sector's view is that there is unlikely to be any increase in the Bank Base Rate until the end of 2011.

AAA rating – prior to the general election, credit rating agencies had issued repeated warnings that unless there was a major fiscal contraction, then the AAA sovereign rating was at significant risk of being downgraded. Sterling was also under major pressure during the first half of the year. However, after the Chancellor's Emergency Budget on 22nd June 2010, Sterling strengthened against the US dollar and confidence has returned that the UK will retain its AAA rating. In addition, international investors now view UK government gilts as being a safe haven from EU government debt. The consequent increase in demand for gilts helped to add downward pressure on gilt yields and PWLB rates.

1.3 Economic Forecast

It is currently difficult to have confidence as to exactly how strong the UK economic recovery is likely to be, and there are a range of views in the market. Sector Treasury Services has adopted a moderate view. There are huge uncertainties in all forecasts due to the major difficulties of forecasting the following areas:

- the speed of economic recovery in our major trading partners - the US and EU
- the danger of a currency war and a resort to protectionism and tariff barriers if China does not address the issue of its huge trade surplus due to its undervalued currency
- the degree to which government austerity programmes will dampen economic growth and undermine consumer confidence
- changes in the consumer savings ratio
- the speed of rebalancing of the UK economy towards exporting and substituting imports
- the potential for more quantitative easing, and the timing of this in both the UK and US, and its subsequent reversal
- the speed of recovery of banks' profitability and balance sheet imbalances and the consequent implications for the availability of credit to borrowers
- the potential for a major EU sovereign debt crisis which could have a significant impact on financial markets and the global and UK economy

The overall balance of risks is weighted to the downside and there is some risk of a double dip recession, creating a downward spiral of falling demand, falling jobs and falling prices, although this is currently viewed as being a small risk. Sector believes that the longer run trend is for gilt yields

ANNEX B

and PWLB rates to rise due to the high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries.

Lending List Criteria

ANNEXC

Counterparty Criteria

The Council takes into account not only the individual institution's credit ratings issued by all three credit rating agencies (Fitch, Moody's and Standard & Poor's), but also all available market data and intelligence, the level of government support and advice from its Treasury Management advisors.

Set out below are the criteria to be used in determining the level of funds that can be invested with each institution. Where an institution is rated differently by the rating agencies, the lowest rating will determine the level of investment.

Fitch / S&P's Long Term Rating	Fitch Short Term Rating	S&P's Short Term Rating	Moody's Long Term Rating	Moody's Short Term Rating	<u>Maximum Deposit £m</u>	<u>Maximum Duration</u>
AAA	F1+	A1+	Aaa	P-1	50	2 Years
AA+	F1+	A1+	Aa1	P-1	50	2 Years
AA	F1+	A1+	Aa2	P-1	40	364 days
AA-	F1+ / F1	A1+ / A-1	Aa3	P-1	20	364 days
A+	F1	A-1	A1	P-1	10	364 days
A	F1 / F2	A-1 / A-2	A2	P-1 / P-2	10	364 days
A-	F1 / F2	A-2	A3	P-1 / P-2	5	6 months
Local Authorities (limit for each local authority)					30	364 Days
Money Market Funds Maximum amount to be invested in Money Market Funds is £50 million with a maximum of £30 million in any one fund.					50	2 Years

Where the UK Government holds a shareholding in an institution the UK Government's credit rating of AAA will be applied to that institution to determine the amount the Council can place with that institution.

Where any banks / building societies are part of the UK Government's Credit Guarantee scheme (marked with * in the Approved Lending List), these counterparties will have an AA rating applied to them thus giving them a credit limit of £40 million for a maximum period of 364 days

The Code of Practice for Treasury Management in the Public Services recommends that consideration should also be given to country, sector, and group limits in addition to the individual limits set out above, these new limits are as follows:

ANNEX C

Country Limit

It is proposed that only countries with a minimum sovereign credit rating of AA+ by all three rating agencies will be considered for inclusion on the Approved Lending List.

It is also proposed to set a total limit of £40 million which can be invested in other countries provided they meet the above criteria. A separate limit of £300 million will be applied to the United Kingdom and is based on the fact that the government has done and is willing to take action to protect the UK banking system.

Country	Limit £m
UK	300
Non UK	40

Sector Limit

The Code recommends a limit be set for each sector in which the Council can place investments. These limits are set out below:

Sector	Limit £m
Central Government	300
Local Government	300
UK Banks	300
UK Building Societies	150
Foreign Banks	40

Group Limit

Where institutions are part of a group of companies e.g. Lloyds Banking Group, Santander and RBS, then total limit of investments that can be placed with that group of companies will be determined by the highest credit rating of a counterparty within that group, unless the government rating has been applied. This will apply provided that:

- the government's guarantee scheme is still in place;
- the UK continues to have a sovereign credit rating of AAA; and
- that market intelligence and professional advice is taken into account.

Proposed group limits are set out in Annex D

Approved Lending List

ANNEX D

	Fitch				Moody's			Standard & Poor's		Limit £m	Max Deposit Period
	L Term	S Term	Individual	Support	L Term	S Term	Fin Strength	L Term	S Term		
UK	AAA	F1+			Aaa			AAA		300	364 days
Lloyds Banking Group (see Note 1)										Group Limit 50	
Lloyds Banking Group plc	AA-	F1+	C	1	Aa3	-	-	A	A-1	50	364 days
Lloyds TSB Bank Plc	AA-	F1+	C	1	Aa3	P-1	C-	A+	A-1	50	364 days
Bank of Scotland Plc	AA-	F1+	C	1	Aa3	P-1	D+	A+	A-1	50	364 days
Royal Bank of Scotland Group (See Note 1)										Group Limit 50	
Royal Bank of Scotland Group plc	AA-	F1+	C/D	1	A1	P-1	-	A	A-1	50	364 days
The Royal Bank of Scotland Plc	AA-	F1+	C/D	1	Aa3	P-1	C-	A+	A-1	50	364 days
National Westminster Bank Plc	AA-	F1+	-	1	Aa3	P-1	C-	A+	A-1	50	364 days
Ulster Bank Ltd	A+	F1+	E	1	A2	P-1	D-	A	A-1	50	364 days
Santander Group *										Group Limit 40	
Santander UK plc	AA-	F1+	B	1	Aa3	P-1	C-	AA	A-1+	40	364 days
Cater Allen	AA-	F1+	B	1	Aa3	P-1	C-	AA	A-1+	40	364 days
Barclays Bank plc *	AA-	F1+	B	1	Aa3	P-1	C	AA-	A-1+	40	364 days
HSBC Bank plc *	AA	F1+	B	1	Aa2	P-1	C+	AA	A-1+	40	364 days

ANNEX D											
	Fitch			Moody's				Standard & Poor's			
	L Term	S Term	Individual	Support	L Term	S Term	Fin Strength	L Term	S Term	Limit £m	Max Deposit Period
Nationwide BS *	AA-	F1+	B	1	Aa3	P-1	C-	A+	A-1	40	364 days
Standard Chartered Bank *	AA-	F1+	B	1	A2	P-1	C+	A+	A-1	40	364 days
Clydesdale Bank / Yorkshire Bank **	AA-	F1+	C	1	A1	P-1	C-	A+	A-1	10	364 days
Co-Operative Bank Plc	A-	F2	B/C	3	A2	P-1	D+	-	-	5	6 months
Northern Rock ***	BBB+	F2	C	2	-	-	-	A-	A-2	0	
Top 10 Building Societies (by asset value)											
Nationwide BS (see above)											
Yorkshire BS	A-	F2	B/C	5	Baa1	P-2	D+	A-	A-2	0	
Coventry BS	A	F1	B	5	A3	P-2	C-	-	-	5	6 Months
Skipton BS	A-	F2	B/C	5	Baa1	P-2	D+	-	-	0	
Leeds BS	A	F1	B/C	5	A2	P-1	C+	-	-	10	364 Days
West Bromwich BS ***	BBB-	F3	C/D	5	Baa3	P-3	E+	-	-	0	
Principality BS ***	BBB+	F2	C	5	Baa2	P-2	D-	-	-	0	
Newcastle BS ***	BBB-	F3	C/D	5	Baa2	P-2	D-	-	-	0	
Norwich and Peterborough BS ***	BBB+	F2	C	5	Baa2	P-2	D	-	-	0	
Nottingham BS	-	-	-	-	A3	P-2	C-	-	-	5	6 Months
Foreign Banks have a combined total limit of £40m											
Australia	AA+	-	-	-	Aaa	-	-	AAA		40	364 Days
National Australia Bank	AA	F1+	B	1	Aa1	P-1	B	AA	A-1+	40	364 Days
Australia and New Zealand Banking Group Ltd	AA-	F1+	B	1	Aa1	P-1	B	AA	A-1+	20	364 Days

Appendix 6

ANNEX D											
	Fitch				Moody's			Standard & Poor's			
	L Term	S Term	Individual	Support	L Term	S Term	Fin Strength	L Term	S Term	Limit £m	Max Deposit Period
Commonwealth Bank of Australia	AA	F1+	A/B	1	Aa1	P-1	B	AA	A-1+	40	364 Days
Westpac Banking Corporation	AA	F1+	A/B	1	Aa1	P-1	B	AA	A-1+	40	364 Days
Canada	AAA				Aaa			AAA		40	364 Days
Bank of Nova Scotia	AA-	F1+	B	1	Aa1	P-1	B	AA-	A-1+	20	364 Days
Royal Bank of Canada	AA	F1+	A/B	1	Aa1	P-1	B+	AA-	A-1+	20	364 Days
Toronto Dominion Bank	AA-	F1+	B	1	Aaa	P-1	B+	AA-	A-1+	20	364 Days
Money Market Funds										50	2 Years
Prime Rate Stirling Liquidity	AAA MMF							AAA m		30	2 Years
Insight Liquidity Fund					AAA MR1			AAA m		30	2 Years
Ignis Sterling Liquidity	AAA MMF							AAA m		30	2 Years

Notes

Note 1

Nationalised / Part Nationalised

The counterparties in this section will have the UK Government's AAA rating applied to them thus giving them a revised credit limit of £50 million for a maximum period of 364 days

* Banks / Building Societies which are part of the UK Government's Credit Guarantee scheme

The counterparties in this section will have an AA rating applied to them thus giving them a revised credit limit of £40 million for a maximum period of 364 days

** The Clydesdale Bank (under the UK section) is owned by National Australia Bank

*** These will be revisited and used only if they meet the minimum criteria (ratings of A- and above)

Any bank which is incorporated in the United Kingdom and controlled by the FSA is classed as a UK bank for the purposes of the Approved Lending List.

<p>CABINET MEETING – 16TH FEBRUARY 2011</p> <p>EXECUTIVE SUMMARY SHEET – PART I</p>
<p>Title of Report: Revenue Budget and Proposed Council Tax for 2011/2012</p>
<p>Authors: Chief Executive and Executive Director of Commercial and Corporate Services</p>
<p>Purpose of Report: To report:</p> <ul style="list-style-type: none"> - the overall revenue budget position for 2011/2012; - the projected balances position as at 31st March, 2011 and 31st March, 2012 and advise on their level; - a risk analysis of the Revenue Budget 2011/2012; - a summary of the emerging medium term financial position facing the Council from 2012/2013 to 2014/2015; - any views received from the North East Chamber of Commerce and Trade Unions.
<p>Description of Decision: Members are requested to:</p> <ul style="list-style-type: none"> - recommend to Council the proposed Revenue Budget for 2011/2012 set out at Appendix H; - recommend to Council the proposed Council Tax for 2011/2012 (paper to be tabled); - note the views, if any, expressed by the North East Chamber of Commerce and Trade Unions.
<p>Is the decision consistent with the Budget/Policy Framework? No – this report is integral in reviewing and amending the Budget and Policy Framework. If not, Council approval is required to change the Budget/Policy Framework</p>
<p>Suggested reason(s) for Decision: To comply with statutory requirements.</p>
<p>Alternative options to be considered and recommended to be rejected: There are no alternative options recommended for approval as the budget has been developed on the basis of an agreed framework with consultation carried out throughout the process.</p>

Is this a “Key Decision” as defined in the Constitution? Yes	Relevant Scrutiny Committee: Management
Is it included in the Forward Plan? Yes	

Revenue Budget and Proposed Council Tax for 2011/2012

Report of the Chief Executive and Executive Director of Commercial and Corporate Services

1. Purpose of Report

1.1 To report:

- the overall revenue budget position for 2011/2012;
- the projected balances position as at 31st March, 2011 and 31st March, 2012 and advise on their level;
- a risk analysis of the Revenue Budget 2011/2012;
- a summary of the emerging medium term financial position facing the Council from 2012/2013 to 2014/2015;
- any views received from the North East Chamber of Commerce and Trade Unions.

2. Description of Decision

2.1 Members are requested to:

- recommend to Council the proposed Revenue Budget for 2011/2012 set out at Appendix H;
- recommend to Council the proposed Council Tax for 2011/2012 at Appendix D (paper to be tabled);
- note the views, expressed by the North East Chamber of Commerce and Trade Unions.

3. Introduction

3.1 Cabinet will be aware that it approved budget proposals for the purposes of ongoing budget consultation at its January 2011 meeting. At that stage there were a number of uncertainties and outstanding issues primarily;

- finalisation of additional savings from service reviews and other options to meet the funding gap;
- the outcome of the Final Local Government Revenue Support Grant Settlement for 2011/2012 and related grant announcements;
- the final Collection Fund position;
- the outcome of budget consultation which is to be taken into account in the final budget proposals.

3.2 In presenting the Revenue Budget 2011/2012 this report covers the following areas

- Current Overall Position 2011/2012 and 2012/2013;
- Adjustments/Final position February 2011;
- Key Strategic funding Issues;

- Outcome of Budget Consultation;
- Spending Pressures and Commitments
- Additional Proposed Investments
- Proposals To Meet Funding Reductions
- Detailed budget pages
- Medium Term Financial Position
- Overall Outlook
- Balances and Reserves
- Presentation of the Revenue Budget

3.3 Taking account of the above Cabinet is asked to consider the final budget proposals and detailed revenue budget as set out in Appendix H, including the proposed use of balances and the position in relation to major reserves, for recommendation to Council.

4. Current Overall Position 2011/2012 and 2012/2013

4.1 The January Cabinet report set out the provisional settlement for the Authority and confirmed that when cost pressures were taken into account reductions to service budgets amounting to £38.7million in 2011/2012 and £23million in 2012/2013 were required. The report also referred to progress at that stage in relation to proposals to address the position. This included the need to develop further proposals to meet the £13.8 million gap arising primarily as a result of front loading of Formula grant reductions.

4.2 In addition to the above the report also outlined the changes regarding other grants which in overall terms had reduced by a further £19.1 million to primarily reflect the cessation of Area Based grants funding of £15.6m and reductions in grants of £3.5m. Also highlighted were the significant changes in respect of the schools funding position. The report outlined the steps that were being taken by Portfolio holders in addressing the position.

4.3 Details have emerged since the provisional settlement which have enabled the full impact of all of the grant reductions to be understood. In overall terms taking formula grant reductions, ability to access Council tax freeze grant, cost pressures and other grant reductions into account the total reductions required for 2011/2012 are £57.8m. In accordance with the budget planning framework:

- reductions in formula grant, ability to access Council tax freeze grant and cost pressures amounting to £38.7m have been addressed through business transformation savings and other proposals as set out in section 10.2.
- reductions to area based and specific grants amounting to £19.1million were passported to relevant services and are being addressed as set out in section 6.4.

5. Adjustments /Final Position February 2011

Collection Fund

- 5.1 The Collection Fund position is reported elsewhere on this agenda. The Collection Fund position is positive and the surplus available to the Council to be taken into account in the budget and council tax calculations has been estimated at £500,000.

Council Tax Base

- 5.2 The Council, at its meeting on 26th January, 2011, approved the Council Tax Base for the area covered by Hetton Town Council (£4,017) and the City Council area (£80,167).

6.0 Key Strategic Funding Issues

- 6.1 In terms of key strategic funding issues the following are covered in detail:

- Final Local Government Finance Settlement;
- Changes to the Area Based and Specific Grants Regime;
- Impact of grant reductions;
- Schools funding position.

6.2 Final Local Government Finance Settlement

- 6.2.1 The final position on the Local Government Finance Settlement for 2011/2012 was announced on 31st January 2011.

- 6.2.2 Details of the changes at a national and local level are set out at Appendix A with the key issues affecting Sunderland set out below:

- The Council's final formula grant entitlement for 2011/2012 has reduced by £0.030m from that announced in December 2010 to £158.102m. For 2012/2013 the entitlement has reduced by £0.028m to £145.809m.
- The threshold for the reduction in Revenue Spending Power over which Transition Grant will be paid has reduced by 0.1% to 8.8%. Those Councils whose spending power has been reduced by more than 8.8% will receive Transition Grant. As Sunderland's Revenue Spending Power has reduced by 8.88% the Council will now receive Transition Grant of £0.267m in 2011/2012. The Council does not qualify for any Transition Grant in 2012/2013.
- An updated position in respect of changes to all area, specific and core grants is set out at section 6.3.
- The schools funding resources will reduce by £8.088m.

6.2.3 The Government has not yet released details of its Council Tax capping criteria but has indicated it will use these powers if necessary and has also indicated that a council tax veto for council tax payers will form part of the localism bill.

6.3 Overall Summary of Changes to All Grants

6.3.1 The table below sets out the impact of cuts to all grants following the final settlement which shows that latest notified cuts to grants will be £39.197m in 2011/2012 (£20.1m Formula grant and £19.1m Other grants).

	2010/11	2011/12	Change	Change
	Adjusted	(£m)	(£m)	(%)
	£m			
Formula Grant	178.243	158.102	-20.141	-11.3
Learning & Disabilities	10.834	11.056	0.222	2.05
Early Intervention Grant	17.968	15.651	-2.317	-12.9
New Deal for Communities	2.366	0	-2.366	-100
Cohesion	0.107	0	-0.107	-100
Working Neighbourhood Fund	9.940	0	-9.940	-100
Prevent	0.116	0	-0.116	-100
Housing and Council Tax Benefit	3.682	3.383	-0.299	-8.12
Preventing Homelessness	0.181	0.216	0.035	19.34
Children's Grants	4.555	-	-4.555	-100
Flood and Water Management	-	0.120	0.120	100
Transitional Grant	-	0.267	0.267	100
Grant Changes *	227.992	188.795	-39.197	-17.2

*Before Council Tax freeze grant of £2.376m and inclusion of NHS funding £4.339m which will be channelled through the Health Authority for Supporting Social Care

6.3.2 The table reflects the following:

- changes in formula grant and transitional grant;
- an additional core grant allocation £0.120m to cover the costs for local authorities in putting in place and carrying out new responsibilities under the Flood and Water Management Act 2010 such as flood mapping, producing risk management plans

and supporting community flood awareness groups.

6.3.3 In addition to changes in the grants set out above the following should be noted

- Latest guidance in relation to Council Tax Freeze grant indicates grant would be £2.376m;
- Notification of allocations remain outstanding in relation to:
 - PFI core grant - the allocation for the council is not expected to change from the previous year's allocation;
 - New Homes Bonus Grant - proposals for use of the funding will be considered once firm allocations are known;
 - Music Services grant and Rights to Free Transport grants are expected to be announced in March 2011;
 - Community Safety Fund and Stronger Safer Communities Fund– the Government has announced the total grants but has yet to notify councils of their allocation. At this stage the budget proposals assume that funding will be maintained at a similar level to 2010/2011. Should final allocations be less than the 2010/2011 allocation this position will need to be revisited.

6.3.3 No further changes to Area Based Grant have been announced. Sunderland previously received £35.9m through this mechanism in 2010/2011. These funds have either ceased or have been redirected through other funding streams:

- Working Neighbourhoods Fund (£9.9m), Cohesion (£0.1m) and Prevent (£0.1m) grants have ended (£10.1m in total);
- £17.4m worth of grants have transferred into Formula Grant;
- Grants totalling £3.3m have transferred into the Early Intervention Grant;
- Education related Grants totalling £4.5m have ended and are being used to fund the new Pupil Premium;
- Grants still unknown £0.6m

6.4 Impact of Cuts to Specific and Special /Core Grant

6.4.1 As set out in 6.3.1 of the overall grant reductions of £39.2million, £19.1million relates to area based and specific grants. In accordance with the budget planning framework this reduction has been passported to relevant activities as set out in the report to Cabinet in January:

- Grant reductions were to be passported to the areas of relevant expenditure in accordance with actions taken in relation to the in year grant reductions for 2010/2011 and the agreed approach set out within the Budget Planning Framework;
- Expenditure relevant to the core grants that increased were frozen at their 2010/2011 level of funding, with the increased funding available in 2011/2012 of £0.257m made available to meet the overall

6.4.2 In considering the reductions Portfolio Holders in conjunction with Directors, have considered the impact of all of the changes on a holistic basis. This has involved reviewing all services to ensure that resources are targeted to the highest priority areas and front line service impact minimised. The following should also be noted;

- A fundamental review of the children’s services budget has been undertaken in light of the level of cuts in Children’s Area Based Grants and Core grants in addition to Formula grant reductions. The overall approach has been to enable key service delivery to be continued particularly the core youth offer, current and enhanced levels of service for children with disabilities, and Connexions service statutory responsibilities.
- Support to Community Cohesion projects of £0.107m will be retained because of the priority attached to these projects. Projects associated with the Prevent grant will be delivered in a different way to ensure the impact of cuts are mitigated. Further examples of this approach are outlined in the report.
- The other significant cut to Area Based grants relates to the cessation of Working Neighbourhoods funding of £9.940 million which was targeted on the parts of the country suffering from the highest levels of worklessness. As Members will be aware Working Neighbourhood Funds have been used in Sunderland to support growth in jobs and employment in the growth of new and small enterprises. The Fund has also been used to support and develop existing businesses in the city. All measures intended to strengthen the local economy and local opportunity. The termination of this fund without any transitional arrangements has meant the cessation of this critical investment in the local economy.

6.5 Department of Education Grants Position

6.5.1 Final notifications of the outcome of Department for Education grant funding changes of £8.088 million are set out below:

	Local Authority Funding	Individual Schools Budget	Total Department for Education Grants
	£m	£m	£m
Funding DSG	(1.100)	1.100	-
Reduction in Pupil Numbers		(3.916)	(3.916)
Area Based and Specific Grants	(4.555)		(4.555)
Harnessing Technology Grant		(0.700)	(0.700)
Early Intervention Grant	(2.317)		(2.317)
Pupil Premium		3.400	3.400
	(7.972)	(0.116)	(8.088)

- 6.5.2 As in previous years schools were already planning to deal with a £3.9m reduction as a result of changes in pupil numbers. In order to fund the new Pupil Premium the Department for Education has ended £4.5 million of Area Based Grants. These are grants that supported targeted intervention and development needs in schools. In addition the Harnessing Technology Grant is to end. This currently pays for Broadband connectivity and a managed internet service in all schools. Schools will now be required to fund this connectivity at an additional cost of £0.7m.
- 6.5.3 The pupil premium grant must be passed on in its entirety to schools based on known eligibility for free school meals as at 20th January 2011. As a consequence, the changes to grant funding mean that Children's Services are required to reduce expenditure in respect of those areas previously funded from the specific grant i.e. Area Based Grants and Early Intervention Grant. The impact of Government in year grant changes mean that the reduction in grants is 24.3% compared to 2010/2011 for services such as Children's Centres supported through Early Intervention grant. The Early Intervention and prevention offer is being reviewed to reflect universal and targeted need.
- 6.5.4 As part of a strategy to minimise the impact of loss of grant and overall funding on service delivery to schools and therefore children and young people, Children's Services are working with schools to develop a school centred model for the delivery of particular services. This reflects the Government's "The Importance of Teaching" White Paper and is factored into the budget over the four year period of the spending review.

7. Outcome of Budget Consultation

- 7.1 The Budget and Policy Framework procedure rules contained within the Constitution of the Council requires consultation on budget proposals to take place. In September 2010 Cabinet approved proposals regarding the consultation strategy and framework for the budget for 2011/2012 and proposed briefings to the following stakeholders:
- Trade Unions;
 - North East Chamber of Commerce / Representatives of Business Ratepayers;
 - Voluntary Sector;
 - Youth Parliament;
 - Schools Forum, Head Teachers and Governors.
- 7.2 Presentations have been made to the stakeholder groups at each stage in the budget preparation process and reports are referred to the Management Scrutiny Committee for review.

7.3 In addition to the above stakeholder consultation, a survey was undertaken with the citizen's panel - Community Spirit - on nine service priority areas for 2011/2012. The survey was also available to the general public to complete online. The survey asked respondents to indicate the extent to which they agreed that the areas identified should be a priority for 2011/2012 and the survey confirmed that each area remained a high priority. Respondents were also asked whether they think the priority areas have got better, worse or stayed the same over the last 12 months and perceptions.

The results are summarised below;

	Priority	% Better	% Stayed the same	% Worse
1	Community safety	19.3	65.5	15.2
2	Refuse collection	67.4	30.2	2.4
3	Road and footpath maintenance	9.5	37.8	52.7
4	Clean streets	18.8	64.8	16.4
5	City Centre	17.5	43.2	39.3
6	Facilities for young people	44.6	42.3	13.1
7	Affordable decent housing	27.4	48.5	24.1
8	Enabling people with a disability, illness or health condition to live independently through access to services and facilities	31.2	58.9	9.9
9	Community integration	15.7	71.5	12.8

7.4 In addition the survey also asked respondents the extent to which they agreed with the Council's approach to meeting the impact of the Government funding cuts through its improvement programme. 79% of respondents either strongly agreed or tended to agree with the Council's approach.

7.5 To supplement the survey, workshops were held, with Community Spirit panel members and representatives from the voluntary and community sector, in different locations throughout the city. The workshops also focused on the nine priority service areas and provided participants with an opportunity to talk to council officers about what is important to them in relation to the priority areas. These findings are considered together with the qualitative feedback from the survey.

7.6 More details of the findings of the consultation are included in Appendix B.

7.7 All of the feedback from the various consultations has been considered. The budget proposals in this report, taken together with the necessary proposals for reductions in spending, fully recognise the priorities identified and the need to prioritise resource allocation accordingly.

7.8 The Revenue Budget Report to January Cabinet formed the basis for second stage consultation. The notes of the meetings with the representatives of business ratepayers and trades unions to meet statutory obligations to consult on the proposed budget will be tabled at the meeting as Appendix C.

8. Spending Pressures and Commitments

8.1 Resources

Port

The Port continues to be affected by the global economic downturn and continued difficult trading conditions, resulting in reduced income levels continuing to be experienced. The Port Director continues to seek new business and commercial opportunities in order to mitigate the deficit position. However at this stage it is considered prudent to include provision of £750,000 to address this shortfall in income.

Debt Charges

Provision of £1m is included to meet the debt charges arising from the existing Capital Programme Scheme approvals and in recognition of the impact of the increase in new prudential borrowing costs announced in the Spending Review.

Pensions Deficiency and Employers Superannuation Contribution

The council has received provisional notification of the outcome of 2010 Actuarial review of the LGPS Fund Valuation. This has advised of an increase in the Deficiency Fund requirement for 2011/2012 of £0.208m. However the Employers superannuation contribution rate is to reduce by 0.1% to 14.4% which reduces the net impact on the Council budget for 2011/2012 to an additional cost of £0.102m. Provision is included within the budget proposals for this amount.

8.2 Healthy City

The following proposals are made:

Fees for Independent Care Providers

An additional £1.064m is provided to assist in funding fees for independent care providers for children's social care in 2011/2012.

In addition there are a number of other proposals for investment that are outlined later in the report to enable services to be reconfigured in accordance with the 15 year modernisation plan for adult social care.

8.3 Children and Learning City

The proposals include the following:

Fees for Independent Care Providers

An additional £0.394m is provided to assist in funding fees for independent care providers for children's social care in 2011/2012.

Safeguarding

A sum of £1.5m is provided to fund the following:

- The safeguarding service continues to experience a high number of referrals in Case Management. In order to respond to these additional safeguarding needs, additional and more costly agency social workers have been appointed to ensure the Council has been able to respond appropriately to need and demand. Children's Services implemented a strategy to address the underlying workforce issues.
- A planned Recruitment and Retention strategy is beginning to have an impact on recruitment, including recruitment of experienced social workers from the United States. The ongoing implication of maintaining the established number of social workers and having plans in place to reduce reliance on external agency staff is £350,000.
- Sunderland still has relatively few looked after children placed in external placements in comparison with most other local authorities nationally and regionally. However, the cost of these placements results in a significant budget pressure. Based on the outturn position over the past 3 years for external placements there is an inherent budget deficit within Children's Services of £1.150m. Whilst strategies are in place to recruit additional foster carers to meet current and projected demands it is important to address this shortfall. The impact of the implementation of the Children's Placement Strategy and in particular the Foster Care Strategy will be closely monitored to ensure savings are realised in the medium term.

8.4 Prosperous City

The following proposals are made:

- **Working Neighbourhoods Fund**
When Working Neighbourhoods Fund was introduced in 2008/2009 the Council agreed that £1.070m of the fund be

utilised to support mainstream Council Business Investment Activity and job creation schemes on a temporary basis for each of the three years of the life of the fund through to 2010/2011. As the Working Neighbourhoods funding is to cease from 2011/2012, it is necessary to replace the use of the grant with mainstream Council resource. A sum of £1.070m is therefore included within the budget.

- **Economic Downturn**

The Council continues to experience a downturn in income in relation to a number of services including car parking, rents from the property portfolio, planning application fees, and income in respect of leisure activities. Whilst it is planned that all services will be subject to service review, it is considered prudent to include a sum of £0.750m in the budget planning proposals.

8.5 Sustainable Communities

The following proposal is made:

- **Waste Disposal**

In accordance with the policy of gradually building up provision within the Council's base budget to fund the eventual affordability gap associated with the Waste Disposal Solution, it is proposed to make provision of £1.2million for 2011/2012, taking into account the landfill tax that will be saved when the Waste Disposal Strategic Solution comes on stream.

8.6 Attractive and Inclusive City

The following proposal is made:

- **'Kerb It' Replacement Scheme**

A sum of £124,000 is proposed to meet the additional costs of leasing vehicles to support the 'blue bin' scheme which is replacing the existing 'kerb it' scheme. This will allow for the provision of rear end loading vehicles to accommodate the new bin.

9. Additional Proposed Investments

9.1 Revenue Budget Position 2010/2011

As referred to in the January 2011 Cabinet report some savings are being generated in 2010/2011 from actions to meet the 2010/2011 in year Government Grant Reductions as well as from Interest on Balances, Debt Charges, and unutilised contingency provisions. However, any savings generated will be required to fund the following significant spending pressures as a result of implementing the savings proposals.

9.2 Invest to Save Transitional Costs

- SWITCH Team

To enable transition to revised operational arrangements reflecting the Sunderland Way of Working the Council has established the SWITCH team. This will enable people who are displaced as new organisational structures are established, to be given the opportunity of alternative employment in priority projects until they are accommodated in a permanent position within the council's new operating arrangements. During this period of transition, the temporary costs associated with these staff in transition will need to be met. These costs include salaries, retraining, and placement.

A sum of £8.3m has been provided within the budget. This will be reviewed on an ongoing basis together with the impact of any other transitional costs related to the implementation of savings proposals which will be reported to Cabinet as appropriate.

9.3 Invest to Save Directorate Modernisation Programmes

There are a number of significant pressures in Adult Services arising from demographic changes and implementation of Government policy. In accordance with the Budget Planning framework policy of identification of actions to contain pressures, Health Housing and Adult Services have identified £4.509 million of additional savings proposals in order to reinvest in the following areas:

- **Home care services (£1.709m)**

Investment in low level preventative services such as Home Care, in line with Government and Council policy to support more people to live at home for longer should they choose this, thereby helping prevent more costly admissions to residential and nursing care.

- **Extra care facilities (£0.629m)**

Investment in Extra Care facilities (Cherrytree Gardens) and additional new schemes helps prevent admissions to residential and nursing care and provides people with their own independence.

- **Accommodation solutions (£2.105m)**

Investment in new accommodation solutions for:

- Clients with Learning disabilities, including the provision of community living schemes and provision of care support teams within these facilities. This assists in meeting increasing demand for these services as people with significant disabilities are living longer. This in turn prevents admissions to Residential and Nursing care and promotes independence – £1.888m
- Clients with Mental Health needs, including the provision of Residential and Nursing care facilities and other accommodation solutions. This helps to meet an increasing

demand for the service and promotes independence -
£0.217m

- **Home Improvement Agency services (£0.066m)**

Investment in the Home Improvement Agency which delivers Disabled Facility Grants and assists home owners to achieve Decent Homes Standards, together with providing minor alterations and the Handyperson service. These services all help to maintain people within their own homes for longer, thus preventing more costly forms of support and admission to residential care. In addition it ensures that people live in homes which are of a decent standard.

9.4 In addition to the above there is a need for additional investment which enables economic regeneration in the city at this time of economic restraint. It is proposed that a specific sum be included to support Festivals and Events that can demonstrate strong value for money in terms of impact on the local economy.

10. Proposals to Meet Funding Reductions

10.1 Impact of the Settlement on Budget Planning

- Cabinet agreed in October 2010 that taking into account the Sunderland Way of Working and existing initiatives, Directors should bring forward savings, based on 10% targets, to be reviewed and reassessed as confirmed changes in Government funding were announced and as the Business Transformation Programme progresses.
- The impact of the Comprehensive Spending Review announced on 20th October 2010 was reported to Cabinet in December 2010, and Cabinet agreed at that time that the work set out above, together with a much increased focus on Service Reviews would enable the Council to address the anticipated overall funding gap.
- The Final Settlement has confirmed the need to make ongoing reductions of £38.7m in 2011/2012 and a further £23m in 2012/2013 (excluding Area and specific grant reductions being passported as set out in 6.4.1).

10.2 Summary of Budget Reduction Actions

The table overleaf shows the financial impact of efficiency savings proposed to be taken into account in the budget for 2012/2012 and 2012/2013. It reflects plans fully in place to deliver the 2011/2012 efficiencies, The table reflects the latest position in respect of Business Transformation savings and Service reviews amounting to £26.382million which were reported in detail to January Cabinet.

Following final adjustments the residual funding gap of £12.3m is to be met from additional proposals as set out in section 10.4.

Plans are in development to deliver the full 2012/2013 savings.

Summary of Proposals

	2011/12		2012/13	
	£m	£m	£m	£m
Savings Proposals				
Business Transformation Programme	17.416		8.086	
Service Reviews	8.966	26.382	6.453	14.539
Additional Savings Proposals				
Directorate Improvement Programmes		0.573		0.181
One off Use of Surpluses, Reserves, Capital Grant Flexibilities		5.450		
Back Office Services		0.753		0.520
Overheads/General Efficiencies		2.771		0.083
Additional or Alternative Sources of Income		2.781		0.181
TOTAL		38.710		15.504

10.3 Business Transformation Programme (£26.382m)

10.3.1 One of the key ways the Council has been planning to address the anticipated reduction in public spending has been through the Business Transformation Programme. The programme is examining every aspect of the way we work by looking at the organisation in a different way with two main objectives:

- To challenge what we are doing, how we are doing it and how effective it is;
- To organise in a way that maximises value for money and releases resources to protect front line services.

The net effect of the programme is to make savings from non-front line services in order to protect front line service delivery wherever possible

The table below sets out the summary position in respect of savings anticipated from the Business Transformation Programme.

	2010/11	2011/12	2012/13
	£m	£m	£m
Gross Project Savings			
Strategic and Shared Services	3.323	7.923	3.778
Customer Services	0.124	1.013	0.794
ICT	0	0.639	0.494
Property Rationalisation / Smarter Working	0	0.766	0.522
Service Assessment and Commissioning			
- Procurement	0.664	5.011	1.561
- Service Reviews Phase 1	0	2.064	0.937
- Service Reviews Phase 2	0	8.966	6.453
Programme Savings	4.111	26.382	14.539

10.3.2 The reviews in respect of each element of the programme are will provide significant savings which are to be taken into account in the 2011/2012 budget and over the next three years. Plans are being implemented in respect of the following key strands of business;

- Strategic and Shared Services**

This review is implementing new standardised ways of delivering support services by bringing staff together within their own area of expertise, introducing standardised consistent practices, redesigning processes and using ICT to maximise efficiencies.
- Customer Services**

All customer contact to be undertaken through the Customer Services Network in order to:

 - maximise resolution at the first point of contact,
 - avoiding unnecessary contact,
 - further develop transactional website functionality.
- ICT**

The pooling of ICT software and Hardware will enable the most efficient and effective way to meet the needs of the business and reduce costs. The use of ICT will be maximised with additional investment where there is a sound business case to do so.
- Property Rationalisation and Smarter Working**

Maximisation of the use of space available and utilisation of the lowest number of locations will save on running costs. In addition the use of ICT will enable alternative forms of working for example, home working, hot desking or use of hand held devices to deliver speedier services.

- **Service Commissioning and Review and Procurement**

- Procurement
Centralising procurement activity and ensuring all purchasing goes through expert procurement officers will enable significant savings to be made from bulk purchases.
- Service Commissioning and Review
The reviews seek to gain a comprehensive understanding of customer need and how best that need can be delivered in respect of front line and other services in the most productive manner. This includes involving communities and people who use services in the design of outcomes based services.

The budget for 2011/2012 takes into account savings arising from service reviews in relation to:

- Facilities Management,
- Health Inequalities
- Planning Services
- Services for Over 65s
- Information, Advice and Guidance
- Transport and Fleet Management
- Neighbourhood Services
- Sport, Leisure & Wellness
- Housing Related Support

These latter areas of service review relate to front line services however, whilst inevitably it is likely that there will be changes to the current services provided in order to deliver the required savings, the intention of all service reviews will be to ensure that as far as possible the same outcomes can be achieved for less. The key intention will be to safeguard priority services and ensure resources are targeted appropriately by clearly focusing service standards on front facing service delivery and increasing productivity. Proposals developed for 2011/2012 savings accord with these principles.

10.4 Additional Proposals

In order to meet the 2011/2012 funding gap and to enable a balanced budget to be set Directorates have identified additional proposals including:

- Directorate improvement programmes
- use of delegated surpluses, reserves and other one off reductions in spending which will be replaced with permanent ongoing savings for 2012/2013.
- back office savings in addition to those arising through the BTP;
- general efficiencies in relation to overhead costs;
- opportunities for additional or alternative sources of income.

The detailed Revenue Budget Pages included at Appendix H include a commentary of the proposals by Portfolio holders in conjunction with Directorates to address the budget reductions. The commentary makes reference to the business transformation programme proposals as well as the additional proposals. A summary of the main areas are set out below.

10.4.1 Directorate Improvement Programmes (0.573m)

In accordance with the budget planning framework Directorates have brought forward proposals for services through the Sunderland Way of Working in addition to the larger service reviews. The savings are primarily as a result of more focus on modernisation of services through integrated working across the Council and with partners to improve working arrangements and outcomes for citizens.

10.4.2 Use of Delegated Surpluses, Other Reserves and Stopping spend on a One Off Basis - £5.450m

Given the level of front loading of reductions and recognising the time taken for service reviews to be considered robustly to ensure redesigned services deliver community needs a further review of all reserves and delegated surpluses has been undertaken. This review has led to:

- resources being released which were earmarked to support capital or revenue projects, which have either been stopped or delayed or funded through a different route. For example use of commuted sums capital reserves which will now be supported through the revenue budget and redirection of capital grants using grant flexibilities.
- Directorates reviewing budgets to consider where spending can be temporarily stopped. This includes proposals to implement a managed delay and cessation of lower priority revenue and capital projects including in relation to highways capital schemes but ensure the focus still remains on key priority areas relating to potholes.

The savings realised are being replaced with permanent savings in 2012/2013 through the development of the Business Transformation Programme projects.

10.4.2 Back Office Services - £0.753m

In light of the level of grant changes in addition to strategic and shared services savings, additional savings have been identified through a review of management staffing structures within Directorates.

10.4.3 Overheads /General Efficiencies - £2.771m

A full review of all budgets has been undertaken across Directorates to

reduce as far as possible equipment and supplies and services but also to introduce new processes and stop activity. This has led to a significant number of small reductions to budgets which can be made on a permanent basis. In addition savings in respect of changes to terms and conditions relating to non staffing costs have also been taken into account. Finally matched funding to grants of circa £0.400m that have ceased have also be taken into account as programmes have ended.

10.4.4 Opportunities for Additional or Alternative Sources of Income - £2.781m

A review of potential income sources has been undertaken and the following can now be taken into account

- Grant income through health to support investment in reablement and other community health services required to support the delivery of the three year delivery plan for adults social care and other one off grant funding released to support the BTP programme
- Increased income generation including additional bays in the central car park

11. Detailed Budget Pages

- 11.1 As set out above since the initial budget proposals were formulated, consideration has been given to the outcome of the budget consultation, the final settlement, the collection fund position, the council tax base, and government guidance in relation to council tax levels.
- 11.2 The Net Budget Requirement to be approved by the Council is funded through:
- the grant received from government (the Council's share of Revenue Support Grant and National Non – Domestic Rates);
 - any projected surplus on the Collection Fund and
 - Council Tax.
- 11.3 The General Summary page of the Revenue Budget together with details of the proposed contingency and allocations proposed for investment in strategic priorities will be circulated separately at the meeting of Cabinet on the 16th February, 2011.
- 11.4 The formal decisions of the major precepting bodies are awaited regarding their precept proposals for 2011/2012. Consequently, the Proposed Council Tax for 2011/2012 will be tabled as Appendix D to this report at the Cabinet meeting on 16th February 2011.

12. Medium Term Financial Position

12.1 In considering the Revenue Budget for 2011/2012 it is more important than ever, given the reductions to public spending, to have regard to the medium term position, covering 2012/2013 through to 2014/2015. There are a number of assumptions included in the Medium Term Financial Strategy and a range of scenarios, which may emerge. Those particularly significant commitments, which have been considered when estimating the resources position for future years are set out below.

12.2 Impact of the 2012/2013 Provisional Settlement and the outlook for 2013/2014 to 2014/2015 under the SR10

The provisional settlement for 2012/2013 as announced in December 2010 and updated on 31st January 2011 includes indicative further reductions to formula grant in 2012/2013 of £11.654m.

The position beyond 2012/2013 can only be estimated using the headline details from the Spending Review 2010 which set out the government's overall spending plans for the period 2011/12 to 2014/15. The Provisional Grant Settlement provided the details of the impact of these proposals for each council for the first 2 years of the Spending Review period. The position for the latter 2 years will however be impacted by a review the Government has commenced to find a different and simpler method to distribute formula grant. This is to be reported in the autumn for consultation.

Initial and broad estimates from the details released in the Spending Review indicate that the Council could face further cuts to its grant funding in 2013/2014 of £3.0 million and in 2014/2015 a further £11.0 million. Whilst these can only be estimated at the current time they are the best indications available. The overall revenue grant reductions position may become worse if the trend in reductions to other revenue core grant funding streams continue into these 2 years (years 3 and 4).

12.3 Pay and Pensions

The Government has built its assumptions of a two year pay freeze for public sector workers (2011/2012 and 2012/2013) into its SR10 spending plans, except for those workers earning less than £21,000 a year, who will receive an increase of £250 per year. Local government pay remains a matter for free collective bargaining between the national employers and trade unions through the National Joint Council.

Prudent provision continues to be made for the implementation of Phase 2 of the Single Status Agreement and adjustments necessary to arrangements covered by Single Status Phase 1.

With regard to pensions, the provisional results of the Actuarial review of the Local Government Pension Scheme 2010, which will be implemented in 2011/2012 have been taken into account within the medium term position.

The Independent Public Service Pensions Commission (IPSPC) led by John Hutton published an interim report on 7 October 2011. The report highlighted the importance of providing good quality pensions to public servants and rejected 'the race to the bottom in pension provision'. It concluded however that there was a clear need for public sector workers to make a greater contribution if their pensions were to remain fair and affordable. The Government has accepted these conclusions, however, awaits Lord Hutton's final recommendation before determining the nature of that benefit and the precise level of progressive contributions required. The report is expected in the Summer 2011.

12.4 Debt Charges and Revenue Consequences of Capital Expenditure

The prudential framework for the control of local authority capital expenditure provides flexibility to borrow to fund capital expenditure. Prudential borrowing has been provided for within the medium term financial position in relation to known investments over that period, together with a provision to provide future flexibility at this stage to enable strategic priorities of the Council to proceed, in the future.

With regard to the revenue consequences of capital expenditure, other than financing costs, the medium term planning assumption is that these will be met from within Directorate cash limits. For major corporate developments additional provision may be included in the Medium Term Financial Strategy in due course.

12.5 Integrated Transport Levy

The position relating to the ITA levy in future years is based on a prudent view of the position in future years and agreed plans.

12.6 Waste Disposal

The impact of cost variations in relation to waste disposal have been factored into the Medium Term Financial Strategy including landfill tax, volume of waste, recycling implications, and the provision for the Waste Disposal Strategic Solution.

12.7 Adult Services Demand Issues

The increasing longevity of the national and specifically, the city's, population continues to place pressure on Adult Social Services budgets and indeed health budgets generally. In addition, client

expectations and increasing demand to support clients with complex cases to enable clients to maintain independent living, is requiring reconfigured services and additional investment. Emphasis is increasingly being placed on the need for joint working between Health and Local Authorities in order to achieve health benefits and therefore ultimately reduce Healthcare and Social Care costs. With these pressures in mind the Government has announced additional funding for Primary Care Trust's over the coming four years, with an expectation that the funding is passported to Local Authorities for investment within Social Care services such as telecare, community directed prevention (including falls prevention), community equipment and adaptations, and crisis response services. Investment should take into account the Joint Strategic Needs Assessment for the local population. The impact of additional cost pressures and necessary investment have been factored into plans on an initial basis.

12.8 Equal Pay

In respect of equal pay legal action the Council continues to mount a strenuous and robust defence to the equal pay claims and challenges which are before the Newcastle Employment Tribunal. Funds have previously been provided for and approved to meet compensation payments necessary to settle equal pay claims or the outcome of Employment Tribunal proceedings. The position will be kept under review and the Medium Term Financial Strategy adjusted if necessary.

12.9 Developments in Local Government Finance

Following the outcome of the General Election in May 2010 various announcements have been made which may impact on Local Government Finance if approved. In the majority of areas the financial impact will only be known once specific details of the proposals have been finalised and will be reported in due course.

12.10 Proposals to Meet the Funding Gap and Maximising Efficiency Savings

The Council's Productivity and Efficiency Strategy 2011/2012 to 2014/2015 provides the framework for developing plans for future service delivery, ensuring that the main priorities are to support the most vulnerable residents in the city and enable economic regeneration to attract new businesses to invest in the city, despite the prevailing economic conditions. The strategy supports the aim of ensuring the most productive use of resources is maintained during this period of financial restraint.

The identification of savings for the medium term will continue through a combined approach of:

- Specific efficiency savings arising from the Business Transformation Programme;

- Reviewing services to gain a comprehensive understanding of customer need and the most cost effective way of meeting that need through service reviews, including through modernising and improving services across the Council and the Sunderland Way of Working;
- Seeking opportunities through new financial models
- Directorate cash limits being tightly drawn and prompting the identification and reinvestment of efficiency savings.

13 Overall Outlook

13.1 The table below sets out the potential budget reduction for each of the next three years. They are based on a range of assumptions. However, it is difficult to estimate beyond 2012/2013 because of the Review of Local Government Finance the outcome of which will not be known until the end of next year.

		2012/2013	2013/2014	2014/2015
Potential Budget reduction		£21m- £25m	£12m- £15m	£20m - £23m

There are a wide range of budget requirements for 2012/2013 and future years. These uncertainties include:

- the level of government funding through formula grant beyond 2012/2013;
- the performance of the economy;
- the level of inflation both in relation to specific goods, services, commodities and generally;
- the level of pay awards;
- the future changes which may be made to pension arrangements.

Plans will be updated as further information is released.

14 General Fund Balances and Position in Relation to Major Reserves

14.1 In considering the level of general balances as part of budget preparation decisions, regard is given to:

- known commitments against balances in future years;
- financial risks faced by the Council and the measures in place to mitigate them or meet them financially.

14.2 The estimated level of general balances as at 31st March, 2010 and 31st March, 2011 is set out at Appendix E. This takes into account savings arising in 2010/2011 in relation to:

- actions to meet the 2010/2011 in year Government Grant Grant reductions;
- Interest on Balances and Debt Charges.

As agreed previously these will be transferred to the Strategic Investment reserve to fund the one off spending pressures in respect of invest to save and transitional costs associated with the Improvement Programme. Any further savings arising from contingency underspendings and further cost containment measures will also be earmarked for this purpose and reported to Cabinet as appropriate.

- 14.3 In addition the position reflects the release of directorate delegated surpluses and other balances for use on a one off basis to meet the funding reductions in 2011/2012
- 14.4 In accordance with best practice an analysis of the major financial risks has been undertaken in order to inform the level of balances deemed necessary. These are detailed at Appendix F.
- 14.5 In addition the Council has a range of earmarked reserves e.g. the Strategic Investment Reserve. The major earmarked reserves are also set out at Appendix G.

In accordance with Part 2 of the Local Government Act 2003 there is a requirement for the Chief Financial Officer (CFO) to report upon the robustness of the estimates and the level of reserves. In making the statement, the CFO places reliance on information provided to him by other officers of the Council as part of the budget setting process. This process involves reasonable checks and other verification, which is undertaken in accordance with the overall system of internal control to validate the information provided.

Based upon the information used in determining this Revenue Budget 2011/2012 report, including specifically:

- the Medium Term Financial Position ;
- the outcome of budget consultation set out at Appendix B;
- the Statement of General Balances set out in Appendix E;
- the Risk Analysis set out in Appendix F;
- the Major Reserves set out in Appendix G;

The Revenue Budget is considered robust and the level of reserves considered to be adequate for 2011/2012 after an assessment of the financial risks and future plans of the Council have been taken into account. The underlying level of General Fund Balances at £7.570m to the end of 2011/2012 are in accordance with the existing policy and are considered prudent and robust given the overall level of reserves.

15. Presentation of the Revenue Budget General

- 15.1 Appendix H sets out the detailed Revenue Budget 2011/2012 for each Portfolio. All changes with the exception of the adjustments relating to final considerations of council tax levels, have been incorporated into the Budget.

Best Value Accounting Code of Practice

- 15.2 The presentation of the budget reflects the requirements of the Best Value Accounting Code of Practice, published by CIPFA. The purpose of the Code is to standardise the way Local Authorities account for expenditure so that comparisons can be made with other Authorities and external providers. The Code constitutes a 'proper practice' for the purposes of financial reporting and therefore assumes the status of statutory guidance. Compliance with the requirements of the Code is therefore mandatory.
- 15.3 It should be noted that:
- variations between budget for 2010/2011 and 2011/2012 arise as a result of the implementation of the new business operating model and the associated realignment of budgets to the new service providers;
 - variations between 2010/2011 and 2011/2012 arise as a result of the implementation of the budget reductions referred to in the report;
 - variations arise between 2010/2011 and 2011/2012 as a result of technical adjustments in relation to FRS17 pensions accounting and the impact of revaluation of assets.

Members will appreciate that these changes, where applied, do not enable a valid year on year comparison, and some significant variations between years may be apparent during this period of transition to the new Business Operating model.

Revised Estimates

- 15.4 Quarterly budget reports have been reported to Cabinet during the year. The revised estimates reflect changes notified within those reports. In addition the revised estimate reflects variations in asset charges arising from revaluation of assets and a number of technical adjustments e.g. contingency transfers.

Background Papers

Local Authority Finance (England) Revenue Support Grant 2011/2012 and related Matters

Cabinet Reports 17th January 2011

- Provisional Revenue Support Grant Settlement for 2011/2012
- Revenue Budget 2011/2012

Cabinet Reports 16th February 2011

- Collection Fund 2010/2011

Council Reports 26th January 2011

- Calculation of Council Tax Base 2011/2012

Final Settlement 2011/2012 and Provisional Settlement for 2012/2013

1. National position

A summary of changes affecting the National Final Settlement is set out below:

- Total Government Revenue Grant known as Aggregate External Finance (AEF) is £72.7 billion to Local Authorities in 2011/12. The government has only released elements of the AEF for 2012/13 mainly in respect of Formula grant totals and limited core grant details (Dedicated Schools Grant and Pupil Premium figures). Total AEF for 2011/12 increased by approximately £114 million in the final settlement due to:
 - the increase of £10 million in Formula Grant (detailed below)
 - additional core revenue grant funding of £104 million (set out below).

The changes in the 2012/13 settlement showed that Formula Grant has been reduced in total by £10 million which is being used to finance the additional grant in 2011/12. Additional core revenue grants of £72 million were also announced.

- Of this Formula Grant is £29.4 billion in 2011/12 and £27.1 billion in 2012/13 – with an additional £10 million included in 2011/2012 as compared to the provisional settlement to compensate Shire Districts for losses of concessionary travel funding and this is ongoing into 2012/2013.
- The threshold for the reduction in Revenue Spending Power over which Transition Grant will be paid has reduced by 0.1% to 8.8%. Those Councils whose spending power has been reduced by more than 8.8% will receive Transition Grant. The total Transition grant available has been increased from £85 million to £96 million in 2011/2012 and from £14 million to £21 million in 2012/2013.
- Council Tax must be a strictly zero increase in order to qualify for the Council Tax Freeze Grant in 2011/2012.
- The government has provided an extra £5 million to encourage the newly formed Local Enterprise Partnerships (LEP's) and new Local Authority partnerships to work together across boundaries to deliver large scale housing and regeneration schemes in key growth and housing market renewal areas.

- Additional Core Revenue grants have been confirmed / announced in respect of :

Grant	2011/2012 £m	2012/2013 £m
Fire Revenue	31.4	34.4
Community Safety Fund	56.8	28.8
Stronger Safer Communities Fund	3.9	0.00
Housing Growth / housing Market	+0.3	2.0
Renewal Transition	(now £3m)	
Transition Grant	+11.6	+6.8
	(now £96m)	(now £21m)
Totals	104.0	72.0

2. Impact on the Council

A summary of the impact of the Final Settlement on Sunderland is set out below:

- The Formula Grant allocation has reduced by £0.030 million to £158.102 million for 2011/2012 with a further reduction of £0.028 million to £145.809 million for 2012/2013 in cash terms.
- The change in the threshold for eligibility for Transition Grant to 8.8% means that the Council now qualifies for Transition Grant in 2011/2012 of £0.267 million as the Council is facing an overall grant reduction of 8.88% without this grant support. The Council does not qualify for any Transition grant in 2012/2013.

Budget Consultation Results

The Budget Consultation for 2011/2012 was undertaken within the context of the need to significantly reduce spending in light of the Government funding reductions. The Budget Consultation process has therefore combined

- assessing support to the Councils approach to meeting those funding cuts through implementation of the Councils Business Transformation programme in order to release resources as set out in the Budget Planning Framework;
- with the identification of priority areas for service delivery for 2011/2012.

Presentations on the budget planning framework were made to a range of stakeholder groups in accordance with the approach to Budget Consultation agreed by Cabinet in September 2010, and feedback was noted.

The following stakeholder groups were consulted:

- Trade Unions;
- North East Chamber of Commerce;
- Youth Parliament;
- Schools Forum, Head Teachers and Governors; and

In addition to the presentations, members of Sunderland's citizens' panel and the voluntary and community sector were invited to take part in a self completion survey to ascertain residents' views on nine service priority areas for 2011/2012. The survey was also available online for completion by the general public.

In addition the survey also asked respondents the extent to which they agreed with the Councils approach to meeting the impact of the Government funding cuts through its improvement programme. 79% of respondents either strongly agreed or tended to agree with the Council's approach.

The nine service priority areas on which views were sought are set out below together with the extent to which respondents either agreed or strongly agreed that the service area should be a priority for 2011/2012:

A summary of the position is set out below

	Priority	% Better	% Stayed the same	% Worse
1	Community safety	19.3	65.5	15.2
2	Refuse collection	67.4	30.2	2.4
3	Road and footpath maintenance	9.5	37.8	52.7
4	Clean streets	18.8	64.8	16.4
5	City Centre	17.5	43.2	39.3
6	Facilities for young people	44.6	42.3	13.1
7	Affordable decent housing	27.4	48.5	24.1
8	Enabling people with a disability, illness or health condition to live independently through access to services and facilities	31.2	58.9	9.9
9	Community integration	15.7	71.5	12.8

Workshops were held, with Community Spirit panel members and representatives from the voluntary and community sector (including the Independent Advisory Groups), in different locations throughout the city. This provided participant with the opportunity to discuss with council officers what is important to them in relation to each of the priority areas.

A total of 62 panel members attended the Community Spirit workshops and there were a further 7 attendees at the workshop for the voluntary and community sector and Independent Advisory Groups. Following presentations on the budget context and Big Society participants were organised into small groups to discuss with council officers what is important to them in relation to the priority areas. A total of 15 small groups took part across the workshops.

With regard to the workshops, participant feedback was excellent in terms of the steps the Council had taken to engage people as evidenced below.

Of the 46 respondents who expressed an opinion, 93% were very/fairly satisfied overall and more specifically:

- 94% of the 47 respondents who expressed an opinion rated the presentation on the Budget Overview as being very good / good;
- 85% of the 46 respondents who expressed an opinion rated the question and answer sessions with officers as being very good / good;
- 93% of the 44 respondents who expressed an opinion rated the break-out group sessions as being very good / good.

The workshops enable participants to gain a better understanding of the complexities and the specific issues that have to be addressed in the budget setting process and to understand the views of other participants. This is achieved through the combination of the presentation, question and answer sessions and constructive discussion and debate during the group discussions.

It needs to be recognised however that the manner in which participants were chosen - they volunteered - means that workshop attendees cannot be regarded as being statistically representative of Sunderland citizens although the involvement of the voluntary and community sector, and the availability of the questionnaire online to the general public this year helped to better represent the interests of the wider public.

By taking cognisance of the feedback obtained through the whole consultation process and Members own knowledge and feedback from constituents, the budget setting process becomes more informed. In addition, in considering the results of the consultation and its impact on the mainstream budget decisions of the Council, regard should be had to past investments which are still being implemented.

Within that overall context each of the priorities identified has been considered within the preparation of the Revenue budget and Capital Programme 2011/2012 and in light of the Improvement Programme activity which is being undertaken:

1. *Creating safer communities*

The Council is reviewing its frontline anti-social behaviour services and exploring ways that a more joined up service can be delivered alongside partners in local areas.

More effective identification of high risk victims are being identified and the council continues to develop services for victims of domestic violence.

We continue to develop an approach to managing high crime causers in the City reducing crime and reoffending rates.

We are reviewing partnership arrangements to streamline our working which will free up capacity to develop and improve service delivery.

A review of drug services led by the PCT and Safer Communities Team has assisted in achieving a £200,000 saving in adult substance misuse delivery costs in 2010 whilst retaining performance levels.

2. *Refuse Collection*

As part of the Streetscene Transformation project the recycling and refuse collection management structure has been redesigned, resulting in a flatter less costly structure which has been aligned with the five city areas.

In addition, collection service route planning through route optimisation technology will be used to further improve assisted collections, general efficiency and safety.

3. *Road and Footpath Maintenance*

The transformation of the operational arrangements of the Street Scene Service has involved streamlining arrangements including removing an

historical internal client and contractor split of highways service delivery. The result is a more responsive and cost effective maintenance programme. A comprehensive Highways Asset Management Plan will be produced in 2011 that will help direct resources more intelligently, and the information network created through Responsive Local Services will help ensure that local priorities are identified.

A review of the priorities within the service has been undertaken and provision of additional investment of £300,000 for 2011/2012 is being provided through the Capital Programme to address high priority maintenance requirements.

4. *Clean streets*

January 2011 will see the introduction of the new Responsive Local Services. This will provide a direct link for customers and ward members with resources better aligned to meet the specific needs within in the five regeneration areas.

5. *City Centre*

In October the Council launched its Economic Master Plan for the City which places improving the City Centre and its role in driving the economy and prosperity of Sunderland as a key aim.

The proposed Capital Programme for 2011/2012 to 2015/2016 includes a number of proposals to support economic regeneration of the City Centre in accordance with strategic priorities

A new Economic Leadership Board is being established involving key partners in both the public and private sector. The Board will focus on focus on delivering our key projects and to respond to the current economic climate and emerging priorities of the Coalition Government.

For both 2009/2010 and 2010/2011 the City Council provided an additional £1million for initiatives to support City Centre businesses through the economic downturn. The aims were to increase footfall and dwell time within the City Centre, and to bring an enhanced sense of vibrancy to the area.

Overall, the programme of projects is considered to have been a success. An independent survey carried out by Explain Research stated that 72% of residents interviewed found that the events in Sunderland were considered either good or very good.

Following the success and benefits of making this investment, the council is proposing to provide a further £1 million for 2011/12 to continue this programme.

6. *Facilities for Young People*

The Council continues to improve the ways in which we deliver services to young people in areas where there is little or no provision through the

mobile youth buses and XL village events. These have led to significant reductions in anti-social behaviour, attracted national positive interest, and have been very well received by young people.

Youth provision is more equitable across the City by commissioning the voluntary sector to deliver a core youth offer of a minimum of 3 youth sessions in every ward. This is better value as the voluntary sector is able to draw down matched funding and, as partners we are able to make the best use of existing resources such as buildings and staff without duplication.

7. Affordable Decent Housing

The City Council has developed its Housing Priorities plan in partnership with the Homes and Communities Agency (HCA) to provide much needed new homes and deliver upon the cities renewal priorities over the next 15-years. A key element being to develop affordable homes on appropriate sites across the city.

This approach is being supported by the Council and its partners through:-

- Continued development and implementation of Council mortgages to allow individuals who cannot otherwise secure a commercial mortgage to progress onto the property ladder,
- Continued development, support and implementation of shared equity schemes,
- Investing in the current housing stock – especially for vulnerable people through the implementation of the Financial Assistance Policy (FAP),
- Developing new innovative housing schemes - especially in relation to mixed tenure extra care housing for older people,
- Working with private sector developers to utilise 'land banked' sites,
- Continue to work with Registered Providers (Housing Associations) to discuss and agree their priorities for investment in Sunderland.

8. Enabling People with a disability, illness or health condition to live independently through access to services and facilities

The Health Housing and Adult Services Directorate continues to ensure people with disabilities are able to access a range of services not just Council provided by focussing on the further development of brokerage services. Brokerage will be key to enabling people to look beyond traditionally provided care and support services and accessing universal services by providing the necessary support for vulnerable people to do this. The Health, Housing and Adult Services Directorate is also accelerating its approach to reablement by ensuring everyone has access to an reablement approach, focussing on people doing things for themselves; challenging the dependency that can be created on services.

Health Housing and Adult Services have identified £4.509 million additional savings proposals in order to reinvest in the home care services, extra care facilities, and accommodation solutions. Further details are included at paragraph 9.3 of the main report.

9. *Community Integration*

The Council will extend pilot projects which involve young people in working together for the benefit of themselves and the wider communities they live in, developing initiatives such as community gardens, community spaces in parks and renovating community facilities.

These projects are led by young people themselves who take the lead in identifying and delivering actions which then benefit the wider community. This in turn breaks down issues connected with intergenerational tensions and also leads to visible improvements for communities.

The Council will continue to work with community members and partners to identify issues of concern about community tensions and vulnerabilities and respond to these, for instance addressing instances of bullying and hate through the ARCH reporting system, increasing the number of places where such instances can be reported and the availability of various kinds of support for victims.

Notes of a Budget Consultation meeting between representatives of the Council and the Chamber of Commerce held at Sunderland Civic Centre on Wednesday 2 February 2011 at 10.00am

Present:

Council Representatives

Councillor Paul Watson	-	Leader of the Council
Councillor Florence Anderson	-	Deputy Leader of the Council
Councillor Dave Allan	-	Resources Portfolio Holder
Dave Smith	-	Chief Executive
Malcolm Page	-	Executive Director of Commercial and Corporate Services

Chamber of Commerce Representatives

Jonathan Walker
Dave Crompton

The Leader of the Council welcomed representatives from the North East Chamber of Commerce and asked Malcolm Page, Executive Director of Commercial and Corporate Services to outline the current position with regard to the Council's budget for 2011/2012.

The Executive Director of Commercial and Corporate Services advised that following the emergency budget in June 2010, the Council had begun planning for the future in the context of estimated 10% year on year reductions over 4 years, totalling £80m. This budget planning framework was not just aimed at addressing the necessary budget reductions but was also linked to the strategic development of the authority.

The Local Government settlement was received on 31 January 2011 and the key issues for Sunderland were identified as:-

- front loading of cuts;
- dismantling of grants including £35.856m of Area Based Grants, the end of Working neighbourhoods Fund and Children's Services Grants totalling £14,638m, £20,686m being transferred into formula or core grants and then reduced;
- schools funding surprises including £8m reduction in resources, pupil premium additional funding negated by Area Based Grants reduction and 27% reduction in Early Intervention Grant;

- the settlement was only for two years and there was uncertainty around years three and four and particularly the formula review.

The Executive Director stated that although the Council had planned for potential cuts, additional work had been required in order to respond to the frontloading of these into years one and two and the impact of changes to specific grants. He also described how the Business Transformation Programme was designed to streamline the Council's support services and create efficiencies through that process. However, the following areas had been identified for continuing investment:-

- Reinvestment in Adult Social Care solutions;
- Economic Development;
- City Centre Regeneration;
- Highways Maintenance;
- Invest to Save – Improvement Agenda.

Finally, the timetable and next steps for the budget were outlined.

The Leader of the Council stated that the situation was difficult but had to be managed in the best way possible. He emphasised that the Council was committed to looking after the most vulnerable people in the City and protecting jobs as much as possible. The Leader then invited views and comments from the Chamber of Commerce representatives.

Jonathan Walker noted the Council had stated it would not make mass redundancies and asked how achievable this would be in relation to current workforce costs and levels of natural wastage.

The Leader confirmed that the Council was committed to avoiding compulsory redundancies as much as possible and that it recognised the need to value its staff. However, at the end of the Business Transformation process, the Council workforce would be much reduced. Rates of movement of staff had dropped but the natural 'churn' was still there.

The Chief Executive advised that there were approximately 20 different measures running which were intended to support natural wastage. Schemes were running around helping employees who want to set up their own business, early retirement options, reducing working hours and buying more annual leave. Through these initiatives it was intended to reduce the staff head count over a period of time. He also reported that the resources required to operate these schemes would be one third of the cost of a mass redundancy programme and although it is a higher risk strategy, initial indications were positive. A clearer picture would emerge after the first two quarters of the new financial year.

Dave Crompton commented on the transparency of the Authority's plans to generate efficiencies and congratulated the leadership on this. He felt there was a big element of support from local people on this. He highlighted that as part of his work, he carried out surveys with local businesses which found that 50% felt they were struggling. He wanted to emphasise to the Council the knock on effect local authority spending restrictions would have on traders in Sunderland.

The Leader agreed and emphasised that businesses themselves rather than premises should be targeted for help from the council.

Councillor Allan made reference to the 'Buy Sunderland First' campaign to promote local businesses and that the city had been ahead of the game in this respect. The Chief Executive added that 'Buy Sunderland First' had been running for a year for Council procurements of less than £75,000 and now 60% of those contracts had been awarded to local businesses. Of these local contractors, 40% were new to doing business with the Council.

The City Centre Quick Wins Project would continue to improve and the closer the Council worked with local businesses, the bigger the impact. It has been recognised that big events taking place during the year are not always made the most of by local businesses. It was hoped this could be developed this year and it was highlighted that NECC were doing work around the concerts taking place in the summer so that business could achieve maximum benefits.

Dave Crompton highlighted that the message on advertising events was getting through and progress was being made on establishing a Sunderland Trade Association. He noted that larger companies were getting their act together and dealing with the tough economic conditions but smaller companies needed to be supported in upskilling their workforce to work through the recession.

Jonathan Walker queried how making savings on procurement through aggregation would impact on local businesses. The Chief Executive acknowledged that this would have to be a balance between the need to make savings against investing in the local economy. Efforts were being made to encourage small businesses to work together to bid for contracts. The Leader agreed that the point raised was valid and needed to be borne in mind during the procurement process. He highlighted that the possibility of including clauses in larger contracts to source sub-contractors and materials locally was being explored.

The Executive Director of Commercial and Corporate Services commented that the buying power of the Council was such that it should be able to strike the right balance between saving money and supporting local business.

Dave Crompton also drew attention to the complicated nature of bidding for tenders through the North East Purchasing Organisation (NEPO) and the difficulties in finding out which smaller contracts were available. He suggested that notifications could be sent to a database of local traders when contracts were due to go out to tender.

Councillor Allan replied that NEPO was changing and was trying to be more user friendly for businesses. He also commented that a database of businesses had been established as part of Buy Sunderland First and the possibility of sending alerts would be looked into.

Dave Crompton also stated that the fledging Trade Association would promote partnerships between smaller businesses so they could bid for contracts together.

Jonathan Walker added that NECC would be happy to use their network to help establish bidding partnerships.

It was queried if the Council had explored ways in which to raise more revenue and the Leader responded that although the Council wanted to maximise potential revenue sources, it would be unfair to ask people to contribute to the deficit in this way. A balanced view would be taken. The Council would consider providing services which would be unique and not competitive with local businesses but could generate revenue under the power of 'General Competence'. Through the establishment of the new Commercial and Corporate Services Directorate, the Council would over time be taking a more commercial approach to aspects of its operations.

With regard to the Council's assets, the Executive Director of Commercial and Corporate Services advised that in the past, the asset base had been under-used and this was being addressed. In response to a question about the impact of the spending cuts on the Capital Programme, it was explained that spending commitments from the previous year would be carried forward. Some programmes would be smaller than in the past but the Council would aim to be creative and innovative in order to unlock investment in a different way.

The Leader thanked the Chamber's representatives for their attendance and for their comments which would be taken into consideration by the Cabinet. The Leader then closed the meeting.

Notes of a Budget Consultation meeting between representatives of the Council and the Trade Unions held at Sunderland Civic Centre on Wednesday 2 February 2011 at 11.00am

Present:-

Council Representatives

Councillor Paul Watson	-	Leader of the Council
Councillor Florence Anderson	-	Deputy Leader of the Council
Councillor Dave Allan	-	Resources Portfolio Holder
Dave Smith	-	Chief Executive
Malcolm Page	-	Executive Director, Commercial and Corporate Services
Sue Stanhope	-	Director of Human Resources and Organisational Development

Trade Union Representatives

Alyson Bryan	-	GMB
Paul Owens	-	GMB
Helen Finkill	-	UNISON
Howard Brown	-	NUT
Bryan Wilson	-	NASUWT
Nancy Wakeham	-	NASUWT
Gillian Mitchell	-	NAHT
Kay Charlton	-	UNITE

The Leader of the Council welcomed representatives from the Trade Unions and asked Malcolm Page, Executive Director of Commercial and Corporate Services to outline the current position with regard to the Council's budget for 2011/2012.

The Executive Director of Commercial and Corporate Services advised that following the emergency budget in June 2010, the Council had begun planning for the future in the context of estimated 10% year on year reductions over 4 years, totalling £80m. This budget planning framework was not just aimed at addressing the necessary budget reductions but was also linked to the strategic development of the authority.

The Local Government settlement was received on 31 January 2011 and the key issues for Sunderland were identified as:-

- front loading of cuts;
- dismantling of grants including £35.856m of Area Based Grants, the end of Working Neighbourhoods Fund and Children's Services Grants totalling £14,638m, £20,686m being transferred into formula or core grants and then reduced;

- schools funding surprises including £8m reduction in resources, pupil premium additional funding negated by Area Based Grants reduction and 27% reduction in Early Intervention Grant;
- the settlement was only for two years and there was uncertainty around years three and four and particularly the formula review.

The Executive Director stated that although the Council had planned for potential cuts, additional work had been required in order to respond to the frontloading of these into years one and two and the impact of changes to specific grants. He also described how the Business Transformation Programme was designed to streamline the Council's support services and create efficiencies through that process. However, the following areas had been identified for continuing investment:-

- Reinvestment in Adult Social Care solutions;
- Economic Development;
- City Centre Regeneration;
- Highways Maintenance;
- Invest to Save – Improvement Agenda.

Finally, the timetable and next steps for the budget were outlined.

The Leader of the Council stated that the situation was difficult but had to be managed in the best way possible. He emphasised that the Council was committed to looking after the most vulnerable people in the City and protecting jobs as much as possible. The Leader then invited views and comments from the Trade Unions representatives.

Gillian Mitchell expressed concerns about the potential loss of frontline services and was interested to know the Council's priorities around education, children's centres and early years.

The Leader of the Council stated that from a policy point of view, the importance of early years was paramount. The Children's Centres had been targeted at deprived areas initially and then had become universal. Whereas everything would be done to protect services, rationalisation of services could not be ruled out. Levels of deprivation would be considered and it was understood that Children's Centres did provide essential services for hard to reach and vulnerable groups.

The Director of Human Resources and Organisational Development gave a brief description of the Council's operating model established through the Sunderland Way of Working (SWOW). Staffing proposals had been considered in December and January to make the Strategic and Shared Services (SSS) element of the Council more efficient. The gross project savings for 2011-2013 were outlined. It was highlighted that Government had only given figures for years one and two and therefore any further savings up till 2015 were indicative and subject to change.

In response to a query from Howard Brown, it was explained that within SSS, the savings made would be mainly salaries. ICT and Customer Services would

generate efficiencies through rationalisation in the main but would also achieve savings from salaries.

With regard to the Service Reviews, the Chief Executive advised that these were reviews within individual directorates and the second phase would start in the new financial year, but the scope had not been fully defined as yet. Alyson Bryan enquired if the Council could give an indication of the areas which might be part of the review.

The Chief Executive agreed that the thinking on this could be shared, but the Unions would have to be aware that the final scope may well be different.

Gillian Mitchell commented that Sunderland had always managed its budgets very well in the past but was concerned that some expertise may be lost through the transformation process and the quality of support would not be maintained.

The Leader re-iterated the Council's commitment to vulnerable children and adults and to protecting jobs. It was hoped that working smarter would generate efficiencies and protect services. Where quality had to be ensured, the Council would do all in its power to ensure that it was achieved.

The Chief Executive described how the Business Transformation Programme sought to maximise the unique contribution of individuals within the authority. It recognised that those with professional skills should be freed up to do those things which only they could do, rather than answering calls or dealing with straightforward queries. These sort of changes would not be applied without intelligence or without involving employees directly in the service review. He acknowledged that not everything would be perfect, but as long as the Council adjusted and learned from experience, it would continue to move in the right direction.

In considering how the Council could increase its revenue streams, Howard Brown queried if it was possible to raise money by selling equipment which would ordinarily be scrapped. He suggested that the Authority could think outside the box on this issue.

The Leader stated that the Government were intending to bring in a 'Power of General Competency' which would give local authorities more flexibility on a range of issues and the Executive Director of Commercial and Corporate Services advised that he would look into the specific issues raised.

Helen Finkill asked if figures were available on the savings already made through the SWOW. The Executive Director of Commercial and Corporate Services stated that the information could be made available although it was still emerging in some areas, and the Leader added that the general principle would be to take this to the relevant Joint Consultative Forum or the Joint Consultative Committee.

The Leader thanked the Trade Union representatives for their comments and informed them that they would be taken into consideration by the Cabinet. He also thanked those present for their attendance and their support of the Council.

CABINET – 16TH FEBRUARY, 2011

EXECUTIVE SUMMARY SHEET- PART 1

Title of Report:

Item 9(ii) – Appendix D – Revenue Budget and Proposed Council Tax 2011/2012

Author(s):

Executive Director of Commercial and Corporate Services

Purpose of Report:

To advise Cabinet of the final General Summary for the Revenue Estimates and the proposed Contingencies and Provisions for Strategic Priorities for 2011/2012 set out at Annex 1.

To enable recommendations to be made to Council with respect to Council Tax levels for 2011/2012, subject to the approval of the Revenue Budget 2011/2012. The Council Tax is calculated using the tax bases for the areas of the City Council and Hetton Town Council as confirmed by Council on 26th January 2011. There are a number of resolutions required to be made to determine the Council Tax including precepts from the Major Precepting Authorities and the Parish of Hetton Town Council.

Description of Decision:

Cabinet is requested to recommend to Council the Council Tax levels for 2011/2012 in accordance with statutory requirements. The recommendations are:

- a) To note the Council Tax base applicable to the Council and to the Parish of Hetton Town Council.
- b) To recommend the estimated amount of the Council's aggregate gross revenue expenditure.
- c) To recommend the estimated amount of the Council's aggregate gross revenue income.
- d) To recommend the estimated amount of the Council's net revenue budget requirement.
- e) To note the aggregate of the sums estimated to be payable into the General Fund.
- f) To note the precept notified by Hetton Town Council.
- g) To note the Council Tax bands applicable to the Council and to the Parish of Hetton Town Council based on the above financial information.
- h) To note the provisional precept of the Tyne and Wear Fire and Rescue Authority.
- i) To note the provisional precept of the Northumbria Police Authority.
- j) To recommend the draft total Council Tax levels for 2011/2012 applicable to the Council and to the Parish of Hetton Town Council including all relevant precepts.

Is the decision consistent with the Budget/Policy Framework? Yes	
If not, Council approval is required to change the Budget/Policy Framework	
Suggested reason(s) for Decision: To comply with all legal requirements and the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2003 in Sections 32, 33, 43 and 44 of the Local Government Finance Act 1992 and Sections 85, 86, 88 and 89 of the Greater London Authority Act 1999 which applied from 1 st April 2003, in order to determine the Council Tax applicable for 2011/2012.	
Alternative options to be considered and recommended to be rejected: There are no alternative options recommended for approval.	
Is this a “Key Decision” as defined in the Constitution? Yes	Scrutiny Review Committee:
Is it included in the Forward Plan? Yes	Management

Cabinet - 16th February 2011

Proposed Council Tax 2011/2012

Report of the Executive Director of Commercial and Corporate Services

1. Purpose of Report

- 1.1 To advise Cabinet of the final General Summary for the Revenue Estimates and the proposed Contingencies and Provisions for Strategic Priorities for 2011/2012 set out at Annex 1.
- 1.2 To enable recommendations to be made to Council with respect to Council Tax levels for 2011/2012, subject to the approval of the Revenue Budget 2011/2012. The Council Tax is calculated using the tax bases for the areas of the City Council and Hetton Town Council as confirmed by Council on 26th January 2011. There are a number of resolutions required to be made to determine the Council Tax including precepts from the Major Precepting Authorities and the Parish of Hetton Town Council.

2. Description of Decision

It is recommended that Cabinet recommend to Council:

That it be noted that at its meeting on 26th January 2011 the Council approved the following amounts for the year 2011/2012 in accordance with regulations made under Section 33 (5) of the Local Government Finance Act 1992:

- a) £80,167 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as it's Council Tax Base for the year
- b) £ 4,017 being the amount calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amount of it's Council Tax Base for the year for dwellings in the area of the Parish of Hetton Town Council.

3. It is also recommended that Cabinet recommend to Council:

That the following amounts be now calculated by the Council for the year 2011/2012 in accordance with Sections 32 to 36 of the Local Government and Finance Act 1992:

- a) £744,664,552 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act
- b) £649,537,034 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act

- c) £253,729,352 being the amount by which the aggregate at 3 (a) above, exceeds the aggregate at 3 (b) above calculated by the Council, in accordance with Section 32 (4) of the Act, as its budget requirement for the year
- d) £158,601,834 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed Non-Domestic Rates, Revenue Support Grant, and the amount of the sum which the Council has estimated will be transferred from its Collection Fund to its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax Surplus)
- e) £1,186.6169 being the amount at 3 (c) above less the amount at 3 (d) above, all divided by the amount at 2 (a) above, calculated by the Council, in accordance with Section 33 (1) of the Act, as the basic amount of its Council Tax for the year
- f) £52,663 being the precept notified by Hetton Town Council as a special item under Section 34 (1) of the Act
- g) £1,185.9600 being the amount at 3 (e) above less the result given by dividing the amount at 3 (f) above by the amount at 2 (a) above, calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates
- h) £1,199.0700 being the amount given by adding to the amount at 3 (g) above the amount 3 (f) divided by the amount at 2 (b) above, calculated by the Council in accordance with Section 34 (3) of the Act as the basic amounts of its Council Tax for the year for dwellings in the area of the Parish of Hetton Town Council

Parts of the Council's Area

(i) Valuation Bands	Hetton Town Council	All other parts of the Council's Area
A	£ 799.38	£ 790.64
B	£ 932.61	£ 922.41
C	£ 1,065.84	£ 1,054.19
D	£ 1,199.07	£ 1,185.96
E	£ 1,465.53	£ 1,449.51
F	£ 1,731.99	£ 1,713.05
G	£ 1,998.45	£ 1,976.60
H	£ 2,398.14	£ 2,371.92

being the amounts given by multiplying the amounts at 3 (g) and 3 (h) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. It is also recommended that Cabinet recommend to Council:

That it be noted that for the year 2011/2012, Tyne and Wear Fire and Rescue Authority and Northumbria Police Authority have supplied their best estimate of their proposed precepts, which have still to be approved by their respective Authorities. Consequently, the following amounts for both the Tyne and Wear Fire and Rescue Authority and the Northumbria Police Authority represent the provisional precepts for 2011/2012, which may be issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings as follows:

Precepting Authority

Valuation Bands	Northumbria Police Authority	Tyne & Wear Fire and Rescue Authority
A	£ 55.79	£ 48.77
B	£ 65.09	£ 56.90
C	£ 74.38	£ 65.03
D	£ 83.68	£ 73.16
E	£102.28	£ 89.42
F	£120.87	£105.68
G	£139.47	£121.93
H	£167.36	£146.32

5. It is also recommended that Cabinet recommend to Council:

That having calculated the aggregate in each case of the amounts at 3 (i) and 4 above but not having received confirmation of the precept in paragraph 4, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, estimate the following amounts as the amounts of Council Tax for the year 2010/2011 for each of the categories of dwellings shown below at this point in time. The exact levels will only become known once formal notification of the precepts from the Tyne and Wear Fire and Rescue Authority and Northumbria Police Authority are received.

Parts of the Council's Area

Valuation Bands	Hetton Town Council	All other parts of the Council's Area
A	£ 903.94	£ 895.20
B	£ 1,054.60	£ 1,044.40
C	£ 1,205.25	£ 1,193.60
D	£ 1,355.91	£ 1,342.80
E	£ 1,657.23	£ 1,641.21
F	£ 1,958.54	£ 1,939.60
G	£ 2,259.85	£ 2,238.00
H	£ 2,711.82	£ 2,685.60

6. Suggested Reason for Decision

To comply with all legal requirements and the Local Authorities (Alteration of requisite calculations) (England) Regulations 2003 on Sections 32, 33, 43 and 44 of the Local Government Finance Act 1992 and Sections 85, 86, 88 and 89 of the Greater London Authority Act 1999 which applied from 1st April 2003, in order to determine the Council Tax applicable for 2011/2012.

7. Alternative options to be considered and recommended to be rejected

There are no alternative options recommended for approval.

Background Papers

Local Government Finance Settlement 2011/2012 (Final).

Calculation of Council Tax Base Report (Cabinet – 17th January 2011 and Council – 26th January 2011).

Revenue Budget 2011/2012 and Capital Programme 2011/2012 to 2013/2014.

Best estimate available of the Precept from Tyne and Wear Fire and Rescue Authority.

Best estimate available of the Precept from Northumbria Police Authority.

Notification of Hetton Town Council Precept.

Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2003.

Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2008.

REVENUE ESTIMATES 2011/2012
General Summary

Original Estimate 2010/11	Revised Estimate 2010/11		Estimate 2011/12
£	£		£
5,522,367	5,138,637	Leader and Deputy Leader	5,299,245
4,900,620	5,331,318	Resources	5,651,536
66,549,172	69,774,845	Children and Learning City	60,082,249
16,654,145	15,645,582	Prosperous City	6,297,070
78,305,495	81,866,087	Healthy City	74,804,303
16,193,685	16,705,447	Safer City and Culture	15,725,546
41,899,494	43,025,255	Attractive and Inclusive City	44,749,439
12,244,354	12,364,745	Sustainable Communities	11,286,347
4,276,876	4,299,461	Responsive Local Services and Customer Care	3,991,735
5,523,000	5,362,536	Provision for Contingencies	10,443,000
14,291,000	9,499,138	Provision for Strategic Priorities	7,013,000
		Capital Financing Costs	
6,242,000	6,242,000	- Revenue Contributions to Capital Programme	2,570,000
19,095,682	16,095,682	- Debt Charges	20,096,000
(1,600,000)	(2,600,000)	- Interest on balances	(1,600,000)
(110,000)	(110,000)	- Interest on Airport long term loan notes	(75,000)
0	2,618,000	Transfer to Reserves	0
(9,213,136)	(18,512,026)	Technical Adjustments: FRS17 and Reversal of Capital Charges	(24,169,382)
280,774,754	272,746,707		242,165,088
		LEVIES	
18,382,210	18,382,210	Tyne and Wear Integrated Transport Authority	18,759,000
191,000	191,000	Environment Agency	196,315
49,576	49,576	North East Inshore Fisheries Conservation Authority	63,357
18,622,786	18,622,786		19,018,672
		Less Core Grants	
(39,521,567)	(36,342,520)	Area Based Grant	0
0	0	Transition Grant	(267,419)
0	0	Council Tax Freeze Grant	(2,376,871)
0	0	Inshore Fisheries Conservation Authority New Burdens	(13,781)
259,875,973	255,026,973	TOTAL NET EXPENDITURE	258,525,689
(7,179,000)	(2,330,000)	Less: (Use of)/Addition to Balances	(4,849,000)
252,696,973	252,696,973	LOCAL BUDGET REQUIREMENT	253,676,689
53,000	53,000	Hetton Town Council	52,663
252,749,973	252,749,973	TOTAL BUDGET REQUIREMENT	253,729,352
		Deduct Grants etc.	
19,965,712	19,965,712	Revenue Support Grant	37,330,705
137,496,111	137,496,111	National Non Domestic Rates	120,771,129
50,000	50,000	Collection Fund Surplus - Council Tax	500,000
157,511,823	157,511,823		158,601,834
95,238,150	95,238,150	LOCAL COUNCIL TAX REQUIREMENT	95,127,518

Contingencies 2011/2012

	£'000s
Pay, Cost Pressures and Single Status	6,803
General Contingency	900
Improvement Programme Efficiencies	(5,560)
SWITCH Budget	8,300
Total Contingency	10,443

Provision for Strategic Priorities

Strategic Investment Plan	100
Adult Social Care - Provision for Care and Preventative Services	591
Independent Care Services	394
Independent Safeguarding Authority Responsibilities	150
Waste Disposal - Provision for Strategic Solution and Preparatory Costs	3526
Kerb It Vehicle Leasing	124
Inward Investments - International Strategy	50
Summer Events	175
Repairs and Maintenance	250
Port	750
Economic Downturn	903
Total Strategic Priorities	7013

Appendix E

Statement of General Balances

	£m	£m
Balances at 31st March 2010		14.749
Addition to Balances 2010/2011		
- Debt Charge Savings	4.000	
- 2010/2011 Revenue Savings Additional actions to meet Government Grant Reductions	3.467	
- Unutilised Directorate Delegated Surpluses and Reserve	3.385	
- Unutilised RCCO Reserve	<u>1.464</u>	12.316
Use of Balances 2010/2011		
- Contribution to Revenue Budget	(3.307)	
- Contribution to fund the Capital Programme	(3.872)	
- Transfer to Strategic Investment Reserve	<u>(7.467)</u>	(14.646)
Estimated Balances 31st March 2011		12.419
Proposed Utilisation of Balances 2011/2012		
- Contribution to Revenue Budget		(4.849)
Estimated Balances 31st March 2012		7.570

General Balances – Financial Risk Analysis**Inflation**

Risk is that pay and price increases may exceed the levels provided for within the budget.

This is very unlikely to occur due to the realistic prudent provisions made:

- teacher's pay for the pay settlement of September 2010 was been settled at 2.3% which is factored into the 2011/2012 Revenue Budget and Medium Term Financial Strategy;
- the government proposed, in the June emergency budget, a two year pay freeze for public sector workers, except for those workers earning less than £21,000 a year, who will receive an increase of £250 per year. Local Government employers are expected to offer a zero pay increase for 2011/2012;
- currently RPI is 4.8%, RPIX is 4.7%, and the Consumer Price Index (CPI) is 3.3% and the average inflation outlook (CPI) for 2011 is within the 0.5% to 2.1% banding;
- Appropriate provision for price increases has been included in the budget including a prudent provision for increases in contract prices and additional provision for fees for independent providers of care services;
- expenditure in respect of most of the budget heads can be either influenced or controlled;
- separate provision has been made for fuel and utility costs, which have been subject to significant price variations over the last year. Council procurement officers are continuously monitoring price changes in order to take advantage of any purchasing opportunities that may arise.

Debt Charges

Risk is that Debt Charges will be greater than budgeted.

This is very unlikely to arise due to:

- a prudent estimate has been made for 'in year' ring fenced Supported Capital Expenditure' and a prudent provision has been made to enable potential borrowing under the prudential framework with some limited headroom for unplanned borrowing;
- the market consensus regarding the economic outlook for the year ahead is that base rates will increase from 0.5% to 1.00% by March 2012 and PWLB 50 year rates will remain around their current level of 5.40% for the whole of 2011/2012.
- a contingency exists for any additional new borrowing costing more than forecast.

Investment Interest

Risk is that income generated will not match budget provision.

This is unlikely to arise as the base budget has been adjusted and a prudent rate of return has been estimated and included in the budget, which reflects the investments made to date, the prevailing market conditions and the economic forecasts for the year ahead.

Contingencies

Risk is that the contingency provision will be insufficient to meet the needs identified.

This is unlikely to occur due to:

- prudent estimates being included in respect of each category of contingency provision and specific contingencies have been created for all known spending pressures in 2011/2012;
- the total contingency provision is deemed sufficient in the context of the net revenue budget;
- past experience suggests an underspending against contingency provision.

Risk Management

Risk is that all risks have not been identified and that major financial consequences may result.

This is very unlikely to occur due to:

- existence of Bellwin Scheme;
- the Council has a corporate risk profile in place, which is regularly and formally reviewed, and action is taken to mitigate and manage risks;
- corporate and directorate risk management action plans are maintained;
- comprehensive self and external insurance arrangements are in place;
- adequate self insurance funds including both provisions and reserves;
- risk management practices have been subject to external assessment and found to be robust and highly rated.

Financial Planning

Risk is that a major liability or commitment is currently known but has not been taken into account in the financial planning of the Council.

This is unlikely to arise due to:

- the existence of a comprehensive Medium Term Financial Strategy process with regular updates during the year;
- benchmarking and networking with other senior finance staff in other authorities who are likely to identify similar liabilities;

Revenue Budget - Budgetary Control

Risk is that the budget will be overspent in the year.

Whilst the scale of changes in the budget and levels of savings are much greater than previous years, enhanced actions are being put in place to deal with the increased risks associated with this to support the normal arrangements in place for financial management set out below including;

- monthly budget monitoring is in place in all Directorates;
- quarterly Council-wide Revenue Budget Budgetary Control reviews are undertaken, reported to Cabinet and corrective action agreed or set in train;
- Financial Procedure Rules relating to delegated budgets provide for virement and carry forward of under / over spending to be used / met the following financial year;
- clear budget management responsibilities are in place and recorded within the Revenue Budget and Capital Programme.

Capital Programme Implications

Risk is that funding will not be available as planned or that over spending may occur.

This is unlikely to happen due to:

- project sponsors are identified for each capital programme project and recorded within the Capital Programme;
- quarterly Council-wide Capital Programme Budgetary Control reviews are undertaken, reported to Cabinet and corrective action agreed or set in train;
- budgeted revenue contributions to fund capital expenditure and the Prudential Borrowing regime gives added flexibility in terms of financing the Capital Programme.

Reductions to the Revenue Budget

Risk is that planned reductions to the Revenue Budget will not occur or are unachievable.

This is unlikely to occur due to:

- the reductions to budgets planned have all been subject to due diligence and there are no significant barriers to implementation;
- the budgetary control processes that are in place will identify any shortfall and remedial action will be taken;
- contingencies exist to safeguard against the non - realisation of some of the efficiency reductions.

Availability of Other Funds

Risk is that the Council could not call on any other funds to meet unforeseen liabilities.

This is very unlikely as the Council has a range of other funds which whilst earmarked are not wholly committed in 2011/2012 e.g. Strategic Investment Reserve.

Appendix G

Major Earmarked Reserves - Position Statement

Title and Purpose of Earmarked Reserve	Opening Balance 1/4/2010 £'000	Estimated Movement in the Year £'000	Estimated Balance 31/3/2011 £'000
<p>Strategic Investment Reserve A reserve established with the proceeds of the Housing Stock Transfer and Airport Share Sale to address some of the Council's key developments, strategic priorities and address other major liabilities.</p>	51,186	2,145	53,331
<p>Council Directorates - Delegated Budget Surpluses The Council has approved the operation of a delegated budget scheme in accordance with Financial Procedure Rules which provides specific flexibility in the management of Directorate Budgets, for instance by allowing the carry forward of delegated budget under spend from one financial year to the next. There is a balance held by Directorates at the end of each financial year.</p>	9,920	(9,246)	674
<p>Schools Delegated Budget Surpluses These are the financial reserves held by schools under the Local Management of Schools/Fair Funding arrangements. The level of un-earmarked balances is limited to 8% for Primary, Nursery and Special Schools and 5% for Secondary Schools in accordance with a detailed scheme, with balances in excess of these thresholds requiring the approval of a licensed surplus application at individual school level. As part of the 2011/2012 Budget Planning with the Schools Forum schools will be allowed to carry forward above the 5% and 8%. This is to encourage in year efficiencies that will support the long term stability of the school.</p>	7,492	(2,722)	4,770
<p>Insurance Reserve This reserve has been established to provide for potential claims associated with the housing stock transfer, future claims increases and risk management funds.</p>	5,200	(0.465)	4,735
<p>Street Lighting PFI Smoothing Reserve The reserve was established in order to smooth the financial impact of the Street Lighting PFI contract across the 25 years of the contract life. In the early years of the contract surpluses are achieved as the full level of unitary charge is not incurred until the core investment programme for the installation of the new street lighting and highways signs is completed.</p>	7,448	(323)	7,125
<p>Unutilised RCCO Reserve - This reserve consists of unutilised direct revenue financing and is fully earmarked to fund capital projects previously approved.</p>	8,916	(2,972)	5,944
<p>Strategic Investment Plan Reserve A reserve to fund the Council's contribution to its Strategic Investment Plan approved by Council in April, 2008. CHRIS</p>	11,543	(2,294)	9,249



REVENUE BUDGET 2011/2012

**REVENUE BUDGET 2011/2012
LEADER AND DEPUTY LEADER**

ROLES AND RESPONSIBILITIES

The Leader and Deputy Leader Portfolio provides leadership to the council on all matters and particularly all major strategic, corporate and cross-cutting and commercially sensitive issues, and the Budget and Capital Programme. The Portfolio also provides community leadership for partners, residents and other interests in order to improve the quality of life and satisfaction in the City.

The Portfolio has specific responsibility for the following activities and functions:

- Strategic and policy overview
- Performance management overview
- Marketing, communications and City reputation
- Strategic developments and Inward Investment
- Regional and sub-regional governance, including strategic partnerships such as the North Eastern Economic Partnership; Local Enterprise Partnership, Sunderland Economic Leadership Board and Local Strategic Partnership
- Strategic improvement programmes and modernisation
- External and International Strategy and Programmes
- Services for elected members
- Diversity and Inclusion.

Strategic Objective: PEOPLE - Raising aspirations, creating confidence and promoting opportunity	
Activity	Strategic Outcome
Inward Investment: Supporting new employer investment and re-investment directed at a wide range of employment opportunities that enable local people to fulfil their economic potential.	<ul style="list-style-type: none"> ▪ Reducing worklessness and increasing access to employment ▪ Reducing poverty, inequality and deprivation
Diversity and Inclusion: Strengthening the 3 rd sector and its longer term capacity to work with the council and communities to achieve the changes that are needed and wanted.	<ul style="list-style-type: none"> ▪ Building and sustaining a sense of community ▪ Developing quality district and neighbourhood centres ▪ Promoting quality physical environments ▪ Ensuring a mix of community facilities that correspond with need ▪ Improving community cohesion ▪ Combining resources ▪ Sharing a view of success ▪ Shared outcomes
Strategic Objective: PLACE - Leading the investment in an attractive and inclusive city and its communities	
Activity	Strategic Outcome
Community Leadership Programme: Encouraging improved community intelligence in order to identify and promote speedy, effective action on main local quality of life issues.	<ul style="list-style-type: none"> ▪ Promoting quality physical environments ▪ Building and sustaining a sense of community ▪ Greater trust ▪ Improving health and wellbeing ▪ Reduced poverty, inequality and deprivation ▪ Improving community cohesion
Scrutiny and Localism: Strengthening area based working.	<ul style="list-style-type: none"> ▪ Targeted activity in priority neighbourhoods ▪ Strong community leadership ▪ Greater trust

**REVENUE BUDGET 2011/2012
LEADER AND DEPUTY LEADER**

Strategic Objective: ECONOMY - Creating a University City at the heart of the regional Low Carbon Economy	
Activity	Strategic Outcome
Inward Investment: Supporting the creation of new employment opportunities in existing and emerging sectors, such as Low Carbon Economy (including Software City) by working with businesses to provide an environment and the necessary infrastructure to support economic growth and create quality job opportunities for local people.	<ul style="list-style-type: none"> ▪ Develop a new kind of University City ▪ Position the City as a national hub for the low carbon economy ▪ Develop a prosperous, connected waterfront city ▪ Improve business performance ▪ Promote the city as the inward investment location of choice ▪ Support key growth sectors ▪ Reducing worklessness and increasing access to employment
Strategic Objective: ONE COUNCIL	
Activity	Strategic Outcome
Shared and Strategic Services: Implementing improvement arrangements across all Strategic and Shared Services.	<ul style="list-style-type: none"> ▪ Managing the impact of organisational and HR change ▪ Continuously improving VfM
Business Transformation Programme: - Delivering a full programme of Service Reviews.	<ul style="list-style-type: none"> ▪ Pooling services around need ▪ Continuously improving VfM
Strategic Objective: Business Transformation Programme - Delivering a full programme of Service Reviews	
Activity	Strategic Outcome
Community Leadership Programme: Promoting a more systematic approach to effective engagement between the council and partners, addressing role, clarity, infrastructural issues, and areas. Locking partners and council more closely together in an agenda which is about better local services delivered more efficiently.	<ul style="list-style-type: none"> ▪ Greater levels of engagement at a community level ▪ Integrated service delivery at a community level ▪ Sharing a view of success ▪ Shared outcomes ▪ Combining resources ▪ Sharing intelligence ▪ Unique contribution to partnership working
Partnership Working: Strengthening partnership arrangements and longer term city delivery plans and maximising opportunities from international activity.	<ul style="list-style-type: none"> ▪ Unique contribution to partnership working ▪ Combining resources ▪ Shared outcomes
Strategic Objective: TRANSFORMATION PROGRAMME	
Activity	Strategic Outcome
Community Leadership Programme: Improving the broad range of Officer, Member and partner development and support activity to strengthen our capacity for effective internal and external partnership. This will feature more targeted, individually customised development planning and action at all levels of the organisation.	<ul style="list-style-type: none"> ▪ Strong community leadership ▪ Greater trust ▪ Developing our workforce to improve services ▪ Sharing a view of success ▪ Shared outcomes
Business Transformation Programme: The delivery of the Business Transformation programme including the further improvement and efficiencies of strategic and shared services, procurement, ICT and customer services etc. Further consolidation of budgets with communications, training, property and ICT to further reduce non-staff costs.	<ul style="list-style-type: none"> ▪ Streamlined access ▪ Positive customer experience; ▪ Simplified customer journeys ▪ Continuously improving VfM

**REVENUE BUDGET 2011/2012
LEADER AND DEPUTY LEADER**

Strategic Objective: COMMUNITY LEADERSHIP PROGRAMME	
Activity	Strategic Outcome
<p>Community Leadership Programme: Strengthening the capacity of individuals to provide the most effective leadership and improving the effectiveness of the relationships between them.</p> <p>Responsive Services - strengthening the connection between the Council and the communities it serves and improving the use of community insight in focusing and shaping service activity.</p> <p>Area Policy - to support a more responsive and customised approach to service delivery.</p>	<ul style="list-style-type: none"> ▪ Positive customer experience ▪ Strong community leadership ▪ Greater trust ▪ Shared outcomes ▪ Greater levels of engagement at a community level ▪ Promoting engagement between communities ▪ Create a whole life inclusive city ▪ Utilising customer insight ▪ Improved access to services
Strategic Objective: REPUTATION AND INFLUENCING PROGRAMME	
Activity	Strategic Outcome
<p>Communications: Developing the Reputation and Influencing programme: to support the future development of the City by raising the profile of Sunderland; increasing reach and influence; and encouraging business and investors to “do business” in the city; developing and implementing a strong sense of economic place for the city</p> <p>The programme focuses on creating the best possible conditions for continued economic development in the city: supporting existing businesses to expand and be more successful and developing an ambitious investment marketing strategy to further attract new investment to the city.</p>	<ul style="list-style-type: none"> ▪ Strong community leadership ▪ Greater trust ▪ Develop a new kind of University City ▪ Position the city as a national hub for the low carbon economy ▪ Develop a prosperous, connected waterfront city centre ▪ Improving business performance ▪ Promoting the city as the inward investment location of choice ▪ Supporting key growth sectors ▪ Reducing worklessness and increasing access to employment ▪ Securing Investment Opportunities

**REVENUE BUDGET 2011/2012
LEADER AND DEPUTY LEADER**

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
				Commercial and Corporate Services Director	
1	HoLG	3,567,853	3,311,176	Democratic Process - Democratic Core	3,569,530
		3,567,853	3,311,176	Total Commercial and Corporate Services Director	3,569,530
				Office of the Chief Executive	
2	DC	0	0	Communications	0
3	HoCLP	0	0	Community Leadership Programme	0
4	ACE	0	0	Corporate Strategic Management	0
5	HS	449,912	445,432	Democratic Process - Overview and Scrutiny	417,504
6	HCC	0	0	Design and Print	0
7	ACE	369,851	296,440	Equality Issues	251,158
8	ACE	154,523	167,274	International	153,985
9	HCB&IT	980,228	918,315	Inward Investment	907,068
10	HoTPP	0	0	Transformation, Programme and Projects	0
11	HSPP	0	0	Strategy, Policy and Performance Management	0
		1,954,514	1,827,461	Total Office of the Chief Executive	1,729,715
		5,522,367	5,138,637	TOTAL BUDGET	5,299,245

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review. Significant savings have been achieved in this area however these are masked by the impact of recharging the net costs of these support services to service users. Savings arising in respect of these support services therefore are evidenced in other portfolio service areas
- Technical adjustments of £0.2m in respect of FRS 17 pensions accounting arrangements and revaluation of assets.

IMPROVEMENT AND EFFICIENCY

The Council has stated its ambition to change and improve its way of working in moving to a new operating model that secures effectiveness and efficiency benefits. The Business Transformation programme set out a programme of reform to deliver the new operating model in a climate of increased financial constraints.

The implementation of the Business Transformation Programme is the key way in which the Council is meeting the impact of the reductions in public sector funding. This examines every aspect of the way we work by looking at the organisation in a different way with two main objectives:

- To challenge what we are doing, how we are doing it and how effective it is;
- To organise in a way that maximises value for money.

These reviews are progressing and will provide significant savings in 2011/2012 and over the next three years. Plans are being implemented in respect of the following key strands of business:

Strategic and Shared Services

This review is implementing new standardised ways of delivering support services by bringing staff together within their own area of expertise, introducing standardised consistent practices, redesigning processes and using ICT to maximise efficiencies. As a key part of the Business Transformation Programme, the Strategic and Shared Services project is providing an opportunity to consolidate the existing delivery of strategic and support services into shared functions to ensure faster and more direct access to services for customers. Within the Leader and Deputy Leader portfolio single professional leads will be established and significant savings are being realised in 2011/12 in the following areas:

**REVENUE BUDGET 2011/2012
LEADER AND DEPUTY LEADER**

Strategy, Policy and Performance
Transformation, Programmes and Projects
Communications

Customer Services

All customer contact to be undertaken through the Customer Services Network in order to:

- maximise resolution at the first point of contact,
- avoiding unnecessary contact,
- further develop transactional website functionality.

ICT

The pooling of ICT software and hardware will enable the most efficient and effective way to meet the needs of the business and reduce costs. The use of ICT will be maximised with additional investment where there is a sound business case to do so.

Property Rationalisation and Smarter Working

Maximisation of the use of space available and utilisation of the lowest number of locations will save on running costs. In addition the use of ICT will enable alternative forms of working for example, home working, hot desking or use of hand held devices to deliver speedier services.

Service Commissioning and Review and Procurement

- Procurement - Centralising procurement activity and ensuring all purchasing goes through expert procurement officers will enable savings to be made from bulk purchases.
- Service Commissioning and Review - The reviews seek to gain a comprehensive understanding of customer need and how best that need can be delivered in respect of front line and other services in the most productive manner. This includes involving communities and people who use services in the design of outcomes based services.

Beyond the Business Transformation Programme, the realisation of efficiencies has focused on eliminating, where possible, non essential spending through reviewing back office processes and functions

PORTFOLIO GLOSSARY

ACE	Assistant Chief Executive
HCB&IT	Head of City Business and Investment Team
DC	Director of Communications
HoCLP	Head of Community Leadership Programme
HoTPP	Head of Transformation, Programmes and Projects
HS	Head of Scrutiny and Localism
HoLG	Head of Law and Governance
HSPP	Head of Strategy, Policy and Performance

**REVENUE BUDGET 2011/2012
RESOURCES**

ROLES AND RESPONSIBILITIES

The Resources Portfolio has overall responsibility for the efficient, coordinated management and use of all of the council's key resources and for maximising the capacity of the way in which the council's resources are managed to promote local prosperity and inclusion. The portfolio also provides leadership to partners in the effective use of resources in pursuit of these objectives.

The Portfolio has specific responsibility for the following activities and functions:

- Corporate Personnel matters
- Budgetary and financial affairs including driving value for money and commercial activity
- Strategic management of council land, buildings and other assets, including the Port of Sunderland
- Performance and Improvement matters
- Corporate ICT matters
- E-government Champion, Digital Challenge and e-inclusion
- Strategic Procurement Champion
- Efficiency Champion – driving organisational efficiency and VfM
- Risk Management Champion
- Legal and Democratic Services
- Elections.

Strategic Objective: ECONOMY - Creating a University City at the heart of the regional Low Carbon Economy	
Activity	Strategic Outcome
Medium Term Financial Planning: Developing the budget strategy and updating the Medium Term Financial Strategy to ensure resources are in place to deliver the Councils and City's priorities in the most cost effective manner. This will include the development of alternative financial models to support this. A key focus of this will be in connection with the delivery of the Economic Masterplan	<ul style="list-style-type: none"> ▪ Continuously improving VfM ▪ Delivery of significant efficiency savings ▪ Improving business performance
Strategic Objective: CUSTOMER FOCUS	
Activity	Strategic Outcome
Business Transformation Programme: Delivering the key work programmes relating to Shared and Strategic Service. Improvements to infrastructure and ICT integration that benefit direct delivery services and recipients of services. Delivering smarter working practices across the council and reducing the carbon footprint of services. Responding to the transparency agenda and providing greater choice of delivery through electronic channels.	<ul style="list-style-type: none"> ▪ Positive customer experience ▪ Continuously improving VfM ▪ Delivery of significant efficiency savings ▪ Streamlined access ▪ Simplified customer journeys
Strategic Objective: ONE COUNCIL	
Activity	Strategic Outcome
Financial Resources: The service will support the impact of organisational change upon budget management arrangements, including the provision of effective budgetary control, accounting and financial management as well as the provision of appropriate training.	<ul style="list-style-type: none"> ▪ Managing the impact of organisational and HR change
Internal Audit and Counter Fraud: The service will continue to provide assurance regarding the systems, governance and risk management arrangements of the authority and will develop and implement a corporate approach to counter fraud work (including the integration of the Benefit Fraud Team).	<ul style="list-style-type: none"> ▪ Continuously improving VfM ▪ Combining resources ▪ Sharing intelligence
Risk Management: The service will review the corporate risk management framework and ensure that it continues to support the Council in achieving the council's strategic objectives.	<ul style="list-style-type: none"> ▪ Continuously improving VfM ▪ Effective and appropriate performance management
Corporate Procurement: The service will deliver significant financial savings to the Council through a corporate Category Management approach and improve contract management through introducing a corporate framework.	<ul style="list-style-type: none"> ▪ Continuously improving VfM ▪ Delivery of significant efficiency savings
Asset Management: The service will develop a corporate approach to management of all Council land. The management of Council land and access to information will be improved in order to facilitate improvements in the environment at a neighbourhood level.	<ul style="list-style-type: none"> ▪ Better use of buildings and asset management

**REVENUE BUDGET 2011/2012
RESOURCES**

Strategic Objective: TRANSFORMATION PROGRAMME	
Activity	Strategic Outcome
<p>Financial Resources – Service activity will be re-focused to both support directorates business development and improvement activity whilst still safeguarding internal control arrangements necessary to secure sound financial management arrangements.</p> <ul style="list-style-type: none"> ▪ The level of reduction in resources available and associated resulting actions will require increased emphasis on Budget Management arrangements. The service will support Budget Managers to ensure the associated risks are closely managed to ensure required savings are delivered. ▪ Financial Resources will unify service provision across the council, pooling resources and re-engineering business processes to reduce significantly the cost of service provision. 	<ul style="list-style-type: none"> ▪ Managing the impact of organisational and HR change ▪ Effective and appropriate performance management. ▪ Pooling services around need ▪ Improving business performance ▪ Continuously improving VfM
<p>Administration and PA Support – By the use of business process re-engineering/pooling and sharing of resources this workstream will be responsible for the delivery of £4.6m of efficiency savings.</p>	<ul style="list-style-type: none"> ▪ Continuously improving VfM
<p>Internal Audit: Internal Audit will review and report upon the programme to provide assurance and recommendations for improvement to management.</p>	<ul style="list-style-type: none"> ▪ Managing the impact of organisational and HR change
<p>Risk Management: The level of change and reduction in resources across the Council will inevitably lead to a change in the risk profile of the Council. The service will support managers in ensuring that the risks within these changes are identified, assessed and appropriately managed, and provide assurance in this regard</p>	<ul style="list-style-type: none"> ▪ Managing the impact of organisational and HR change ▪ Effective and appropriate performance management
<p>Corporate Procurement: Corporate Procurement will support commissioners across the Council to achieve significant financial savings. In addition to delivering significant savings directly it will engage with a range of bodies to achieve this, including the North Eastern Purchasing Organisation.</p>	<ul style="list-style-type: none"> ▪ Procurement ▪ Continuously improving VfM

**REVENUE BUDGET 2011/2012
RESOURCES**

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
Office of the Chief Executive					
1	HoES	596,865	583,875	Democratic Process - Elections Team	605,763
2	DHR&OD	0	0	Strategic and Operational HR	0
3	HL&P	229,990	290,665	The Port	343,393
4	HL&P	(881,369)	(766,862)	Industrial Units	(838,340)
5	HL&P	(144,359)	(148,059)	Retail Market	(108,914)
6	HL&P	0	0	Asset Management	0
7	HL&P	(1,388,616)	(1,299,606)	Miscellaneous Land and Property	(1,159,051)
8	HL&P	628,615	667,383	Repairs and Renewals	648,080
9	HCICT	0	0	Corporate ICT	0
10	HCICT	(22,891)	(17,392)	ICT - Cabling	(36,410)
		(981,765)	(689,996)	Total Office of the Chief Executive	(545,479)
Executive Director of Commercial and Corporate Services					
11	HoFM	0	0	Financial Services - Operational Finance	0
12	HoTS	0	0	Financial Services - Transactional Finance	0
13	HoTS	0	0	Financial Services - Transactional HR	0
14	HoAR&P	0	0	Financial Services - Audit, Risk Management and Investigations	0
15	HoAR&P	0	0	Corporate Procurement	0
16	HoTS	1,799,382	1,878,014	Council Tax and Business Rates	2,121,647
17	HoTS	582,528	672,576	Benefits Administration	583,808
18	HoTS	1,181,511	1,181,511	Benefit Payments	1,294,061
19	DoC&CS	2,318,964	2,281,733	Corporate Management	2,173,922
20	HoLG	0	0	Legal Services	0
21	HoLG	0	0	Democratic Process - Democratic Services	0
22	HoLG	0	7,480	Land Charges	23,577
23	HL&P	0	0	Civic Centre Manager	0
24	HoTS	0	0	Admin and PA Support	0
		5,882,385	6,021,314	Total Executive Director of Commercial and Corporate Services	6,197,015
		4,900,620	5,331,318	TOTAL BUDGET	5,651,536

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review. Significant savings have been achieved in this area however these are masked by the impact of recharging the net costs of these support services to service users. Savings arising in respect of these support services therefore are evidenced in other portfolio service areas
- Increased cost pressures in respect Pensions Deficiency payments
- Technical adjustments of £1.1m in respect of FRS 17 pensions accounting arrangements and revaluation of assets.

REVENUE BUDGET 2011/2012 RESOURCES

IMPROVEMENT AND EFFICIENCY

The Council's Productivity and Efficiency Strategy 2011/2012 to 2014/2015 provides the framework for developing plans for future service delivery, ensuring that the main priorities are to support the most vulnerable residents in the city and enable economic regeneration to attract new businesses to invest in the city, despite the prevailing economic conditions. The strategy supports the aim of ensuring the most productive use of resources is maintained during this period of financial restraint.

Given the anticipated significant long term pressure on public finances the strategy's efficiency targets and planning cover a four year period in order to ensure timely action is taken as necessary to assist to maximise efficiency savings.

The identification of efficiency savings in the medium term will continue through a combined approach of:

- Specific efficiency savings arising from the Business Transformation Programme;
- Efficiency savings arising from policy and service reviews, including through modernising and improving services across the Council and the Sunderland Way of Working;
- Directorate cash limits being tightly drawn and prompting the identification and reinvestment of efficiency savings.

The Council has stated its ambition to change and improve its way of working in moving to a new operating model that secures effectiveness and efficiency benefits. The Business Transformation programme set out a programme of reform to deliver the new operating model in a climate of increased financial constraints, almost £27million of savings from the programme will be delivered in 2011/12.

As a key part of the Business Transformation Programme, the Strategic and Shared Services project is providing an opportunity to consolidate the existing delivery of strategic and support services into shared functions to ensure faster and more direct access to services for customers.

Services are being streamlined with recognised service standards, performance indicators and service level agreements and will be supported by redesigning processes and maximising the use of ICT. Responsible to a single professional lead, significant savings are being realised in 2011/12 in the following areas:

Legal Services and the Democratic process;
Operational and Transactional Finance;
Human resources;
Administration and PA Support;
Strategic Asset management;

In relation to the Business Transformation Programme the success of the Council's new operating model is reliant on the adoption of systemised business processes and where necessary, the ability to deliver the right ICT system. Specifically, the project is delivering efficiencies through more effective service management and ensuring a consistent approach to core business processes.

The Property Rationalisation and Smarter Working project is aiming to maximise the use of space available and utilisation of the lowest number of locations to save on running costs. In addition the use of ICT will enable alternative forms of working for example, home working, hot desking or use of hand held devices to deliver speedier services.

The Procurement project is centralising procurement activity and ensuring all purchasing goes through expert procurement officers will enable savings to be made from bulk purchases.

**REVENUE BUDGET 2011/2012
RESOURCES**

PORTFOLIO GLOSSARY

HoLG	Head of Law and Governance
DoC&CS	Executive Director of Commercial and Corporate Services
HCICT	Head of Corporate ICT
HL&P	Head of Land and Property
HoAR&P	Head of Audit Risk and Procurement
HoES	Head of Electoral Services
HoFM	Head of Financial Management
HoTS	Head of Transactional Services
DHR&OD	Director of Human Resources and Organisational Development

REVENUE BUDGET 2011/2012

**REVENUE BUDGET 2011/2012
CHILDREN AND LEARNING CITY**

ROLES AND RESPONSIBILITIES

The Children and Learning City portfolio provides leadership to improve the life chances of children and young people in the City. The portfolio is responsible for leading the City's response to education, skills and training issues and opportunities in order to promote economic and social regeneration.

The portfolio has specific responsibility for the following activities and functions:

- Children's Trust
- Corporate Parenting
- Protecting children and young people from harm
- Promoting good health and health awareness in children and young people
- Reduction of child poverty
- Safeguarding and securing the well being of children and young people
- Schools and school meals
- Developing the potential of children and young people through education, training, personal development and preparation for working life
- Promoting the development of skills and capacity which will enable children and young people to support and benefit from the City's continuing economic development.

Strategic Objective: PEOPLE - Raising aspirations, creating confidence and promoting opportunity	
Activity	Strategic Outcome
<p>Health Improvement: Establishment of joint working relationships.</p> <p>Establishment of a healthy settings approach within the health improvement service, with a focus on early years, schools and further education.</p> <p>Improve resilience to help children make informed and healthy/safe choices and develop coping strategies including in the four key health priorities identified in CYPP – childhood obesity, teenage pregnancy, emotional health and wellbeing and drugs including alcohol and smoking.</p>	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Reducing poverty, inequality and deprivation ▪ Supporting and challenging communities, families and individuals
<p>Schools and Learning: Create effective partnerships which re-engineer the relationship between schools and with the LA. Establish support for a school to school model of improvement.</p> <p>Improve attainment for all children and young people including for vulnerable and under performing groups.</p>	<ul style="list-style-type: none"> ▪ Reducing worklessness and increasing access to employment ▪ Reducing poverty, inequality and deprivation ▪ Improving skills and attainment levels for all ▪ Supporting and challenging communities, families and individuals
<p>Safeguarding: Increase the number of children looked after in Sunderland provided foster care.</p>	<ul style="list-style-type: none"> ▪ Reducing poverty, inequality and deprivation ▪ Improving community cohesion ▪ Supporting and challenging communities, families and individuals
<p>Safeguarding: Increase the number of children looked after in Sunderland provided foster care.</p>	<ul style="list-style-type: none"> ▪ Reducing poverty, inequality and deprivation ▪ Improving community cohesion ▪ Supporting and challenging communities, families and individuals
Strategic Objective: PLACE - Leading the investment in an attractive and inclusive city and its communities	
Activity	Strategic Outcome
<p>Early Intervention and Locality Working: Increase multi-agency service delivery in localities through a range of community facilities.</p>	<ul style="list-style-type: none"> ▪ Building and sustaining a sense of community ▪ Ensuring a mix of community facilities that correspond with need
<p>Safeguarding: Create a city where children and young people feel, and are, safe and secure at home, at school and in their local community by tackling the impact of domestic violence, reducing bullying and reducing the number of children who are victims of crime and have a fear of crime.</p>	<ul style="list-style-type: none"> ▪ Building and sustaining a sense of community ▪ Supporting and challenging communities, families and individuals ▪ Improving community cohesion

**REVENUE BUDGET 2011/2012
CHILDREN AND LEARNING CITY**

<p>Reduce levels of offending and anti-social behaviour and improve the public perception of young people.</p>	
<p>Early Intervention and Locality Working: Increase multi-agency service delivery in localities through a range of community facilities.</p>	<ul style="list-style-type: none"> ▪ Building and sustaining a sense of community ▪ Ensuring a mix of community facilities that correspond with need
<p>Safeguarding: Create a city where children and young people feel, and are, safe and secure at home, at school and in their local community by tackling the impact of domestic violence, reducing bullying and reducing the number of children who are victims of crime and have a fear of crime.</p> <p>Reduce levels of offending and anti-social behaviour and improve the public perception of young people.</p>	<ul style="list-style-type: none"> ▪ Building and sustaining a sense of community ▪ Supporting and challenging communities, families and individuals ▪ Improving community cohesion
<p>Strategic Objective: CUSTOMER FOCUS</p>	
<p>Activity</p>	<p>Strategic Outcome</p>
<p>Commissioning and Change Management: Increase on-line admissions (improved and streamlined access to services).</p> <p>Early Intervention and Locality Services: Increase multi-agency service delivery in localities and streamline access to service routes through the use of Common Assessment Framework (CAF).</p>	<ul style="list-style-type: none"> ▪ Improved access to services ▪ Streamlined access ▪ Positive customer experience ▪ Simplified customer journeys
<p>Strategic Objective: DIRECTORATE IMPROVEMENT/ MODERNISATION AND SERVICE REVIEW PROGRAMMES</p>	
<p>Activity</p>	<p>Strategic Outcome</p>
<p>Safeguarding: Review of service delivery to fit with the move to locality based and family intervention models of working, including the 5 child protection teams. Key focus within the service redesign will be the improvement in outcomes facilitated by early intervention.</p>	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Reducing poverty, inequality and deprivation ▪ Supporting and challenging communities, families and individuals
<p>Early Intervention and Locality Services: Service redesign for locality working will promote early intervention and prevention models including through Children's Centres.</p> <p>Early intervention with families with additional needs at a universal level, including parents with learning difficulties and their carers. Supporting families where children are at risk of becoming looked after or where there are safeguarding concerns. Supporting families with mental health and substance misuse problems.</p> <p>Adopt a family centred approach to service delivery.</p> <p>Deliver a targeted youth offer for the most excluded and disaffected young people, including those who are NEET, young offenders, those misusing drugs and/or alcohol, and those who are young parents, and aims to reframe their views and choices through intensive training and coaching.</p>	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Reducing worklessness and increasing access to employment ▪ Reducing poverty, inequality and deprivation ▪ Supporting and challenging communities, families and individuals ▪ Targeted activity in priority neighbourhoods ▪ Improved access to services ▪ Streamlined access ▪ Positive customer experience ▪ Simplified customer journeys ▪ Locality/neighbourhood working ▪ Create a whole life inclusive city ▪ Improving skills and attainment levels for all

**REVENUE BUDGET 2011/2012
CHILDREN AND LEARNING CITY**

<p>Commissioning and Change Management: Introduce a more effective commissioning culture and practices within Children’s Services in order to deliver better outcomes for children young people and their families</p>	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Reducing worklessness and increasing access to employment ▪ Reducing poverty, inequality and deprivation ▪ Supporting and challenging communities, families and individuals ▪ Targeted activity in priority neighbourhoods ▪ Improved access to services ▪ Streamlined access ▪ Positive customer experience ▪ Simplified customer journeys ▪ Locality/neighbourhood working ▪ Improving skills and attainment levels for all
<p>Standards: Tackling child and family poverty – a neighbourhood model. The overall vision of this project is to:</p> <ul style="list-style-type: none"> ▪ Help eradicate Child Poverty in a targeted locality in Sunderland ▪ Implement new and innovative ways of working between partners through the joint commissioning of services ▪ Making child and family poverty everybody’s business through adopting an approach to ‘child and family poverty proof’ Strategic Plans of all Partners as routine practice. 	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Reducing worklessness and increasing access to employment ▪ Reducing poverty, inequality and deprivation ▪ Improving skills and attainment levels for all ▪ Supporting and challenging communities, families and individuals ▪ Create a whole life inclusive city
<p>Schools and Learning: Fundamental review and restructure of all areas of schools and learning to manage the implications of the White Paper: “The Importance of Teaching”.</p> <p>Establish new and innovative ways of working with partners through school to school support, links with national agencies (National College for School Leadership, National and Local Leaders of Education) and the LA who will broker and commission support.</p> <p>Focus strategically on specific early intervention programmes to tackle the effects of deprivation.</p>	<ul style="list-style-type: none"> ▪ Reducing poverty, inequality and deprivation ▪ Supporting and challenging communities, families and individuals ▪ Improving skills and attainment levels for all ▪ Reducing worklessness and increasing access to employment
<p>Safeguarding: Realigning and consolidating services for disabled children and their families, providing integrated support and increased personalisation. Focused on meeting new statutory short break duty.</p> <p>Supporting care leavers into education, training and/or employment, ensuring they are fully engaged with an action plan to improve their employability and to complement mainstream Jobcentre Plus provision. The project consists of four strands:</p> <ol style="list-style-type: none"> 1. Ensure a strong focus on increasing employment and building skills for the workplace 2. Offer intensive support to re-engage young people who are not participating 3. Provide a Progression Adviser <p>Preventative support for looked after children within the Behaviour Partnership.</p>	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Helping people exercise choice ▪ Supporting and challenging communities, families and individuals ▪ Create a whole life inclusive city ▪ Improved access to services ▪ Streamlined access ▪ Simplified customer journeys ▪ Personalisation ▪ Equalities and community cohesion ▪ Reducing worklessness and increasing access to employment ▪ Reducing poverty, inequality and deprivation ▪ Improving skills and attainment levels for all

**REVENUE BUDGET 2011/2012
CHILDREN AND LEARNING CITY**

FINANCIAL

OBJECTIVE SUMMARY

Ref Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
Executive Director of Children's Services				
Schools and Learning				
1 DEDoCS	196,108,094	196,167,079	Individual Schools Budget	193,272,988
2 DEDoCS	(193,357,219)	(193,468,086)	Dedicated Schools Grant and Young Person Learning Agency	(188,451,151)
3 DEDoCS	170,397	177,069	Education Safeguarding Service	202,663
4 DEDoCS	9,795,933	9,608,575	Partnership and Planning	9,043,344
5 DEDoCS	4,095,368	3,738,590	School Improvement	2,055,846
6 DEDoCS	240,828	271,618	Trading Operations - Derwent Hill	338,648
	17,053,401	16,494,845	Total Schools and Learning	16,462,338
Safeguarding				
7 HoS	8,935,192	9,309,143	Case Management	9,095,004
8 HoS	1,685,149	1,783,927	Central Budget and External Placements	2,434,346
9 HoS	1,194,285	1,283,610	Safeguarding	1,016,139
10 HoS	12,027,073	12,161,136	Services for Looked After Children	11,987,459
11 HoS	2,192,389	2,283,532	Services for Disabled Children	2,260,142
12 HoS	2,011,716	2,172,925	Services for Young People	1,965,225
13 HoS	1,981,653	2,120,787	Youth Offending Service	1,468,180
	30,027,457	31,115,060	Total Safeguarding	30,226,495
14 HoH&W	506,457	426,029	Health	134,221
Early Intervention and Locality Services				
15 HoEI&LS	3,751,616	3,607,410	Locality Based Working and Extended Services	2,635,192
16 HoEI&LS	174,771	153,984	Parenting	98,514
17 HoEI&LS	3,301,512	3,261,171	Youth Service	2,521,594
18 HoEI&LS	2,919,717	2,843,552	Connexions Delivery	520,331
	10,147,616	9,866,117	Total Early Intervention and Locality Services	5,775,631
Commissioning and Change				
19 HoC&C	114,967	144,542	Governor Development	49,162
20 HoC&C	1,075,237	1,030,677	Admissions and Capital	512,666
21 HoC&C	7,658,947	10,518,245	Resources, Policy and Performance Improvement	6,507,916
22 HoC&C	0	0	Sandhill Centre	0
23 HoC&C	(51,831)	102,392	Trading Operations - Connexions Hub	218,690
	8,797,320	11,795,856	Total Commissioning and Change	7,288,434
	66,532,251	69,697,907	Total Executive Director of Children's Services	59,887,119
Executive Director of City Services				
24 HCS	16,921	25,595	School Meals Client	(8,736)
25 HCS	0	51,343	School Meals Trading Service	203,866
	16,921	76,938	Total Executive Director of City Services	195,130
	66,549,172	69,774,845	TOTAL BUDGET	60,082,249

REVENUE BUDGET 2011/2012 CHILDREN AND LEARNING CITY

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review
- Reductions arising from the ending of Government Grants totalling £4.5m and reductions to the Early Intervention Grant of £5m
- Provision for increased cost pressures of £1.5m in respect Children's safeguarding and external placements
- Technical adjustments of £8.8m in respect of FRS 17 pensions accounting arrangements and asset charges.

IMPROVEMENT AND EFFICIENCY

Children's Services have considered the implications of all key funding pressures to develop a strategic approach to future models of service delivery and have used the flexibilities that come through non-ringfenced budgets to meet Council priorities.

The level of grant funding has reduced significantly. Grants totalling £4.5m have ceased and there is a reduction of £5.02m (24.4%) on the 2010/2011 value of grants transferred into the Early Intervention Grant (EIG).

As part of a strategy to minimise the impact of loss of grant and overall funding on service delivery to schools and therefore children and young people, we are working with schools to develop a school centred model for the delivery of particular services. This reflects the Government's "The Importance of Teaching" White Paper and is factored into the budget over the four year period of the spending review.

Realisation of efficiencies has focused on maintaining front-line service delivery. As such, all identified savings in 2010/2011 have been continued into 2011/2012. A full scale re engineering of the Directorate, linked to the implementation of the business operating model, will realise over £2m above the savings identified through the SWOW and will require significant savings in management structures and increased service integration.

As part of the Joint Commissioning Board a Service Review of Safeguarding Case Management and services for Looked after Children will be carried out as a priority in 2011/2012. In addition to this service assessment, there will be a range of "internal" service assessments designed to review delivery and informed by a comprehensive needs assessment. This will include opportunities for more joined up delivery both within the Council and with partners and other local authorities as well as a review of externally commissioned activities. It will also include efficiencies from the integration of Children's Centres and other services with locality working as part of an Early Intervention and Prevention offer and how these services are delivered at a universal and targeted level.

Efficiencies described above will enable key service delivery to be continued particularly the core funded youth offer, current enhanced service levels for children with disabilities, Connexions Service statutory obligations and the core business objectives, and ensuring that safeguarding remains a fundamental priority for Children's Services for 2011/2012 and beyond.

Funding for Sunderland schools continues to be influenced by reductions in pupil numbers although no school will receive a per pupil reduction compared to its 2010/2011 level, greater than 1.5 % per pupil prior to receipt of the pupil premium. The pupil premium will be implemented from April 2011 and paid to the local authority as a ringfenced grant at the level of £430 per eligible pupil. It is anticipated that the value of this grant will be approximately £3.4m which will be passported directly to schools.

Devolved Formula Capital to schools which supports building maintenance and ICT equipment upgrades has reduced by 75% from the 2010/2011 level.

A review of Facilities Management arrangements has focused on opportunities to increase the level of partnership working, a refocus of service standards on front facing service delivery and increase service productivity. Through this, efficiencies will be achieved in the school meals service where a city wide staffing scale (to measure meals per hour within the service) will be formally introduced. This arrangement also reflects a partnership approach undertaken with the Consortium Board to realising efficiencies.

**REVENUE BUDGET 2011/2012
CHILDREN AND LEARNING CITY**

PORTFOLIO GLOSSARY

DEDoCS	Deputy Executive Director of Childrens Services
HoS	Head of Safeguarding
HoH&W	Head of Health and Wellbeing
HoEI&LS	Head of Early Intervention and Locality Services
HoC&C	Head of Commissioning and Change
HCS	Head of Community Services

**REVENUE BUDGET 2011/2012
PROSPEROUS CITY**

ROLES AND RESPONSIBILITIES

The Prosperous City portfolio has responsibility to ensure that the council's approach to economic, social and physical regeneration of the city is integrated, enabling and effective, and provides leadership for the strategic engagement of partners in this area. order to achieve economic, social and physical regeneration objectives.

The portfolio has specific responsibility for the following activities and functions:

- Economic strategy
- Regeneration
- Economic development and employment initiatives
- Business investment
- Planning, land use and strategic transport
- Building control
- City centre
- Domestic and European regeneration
- Liaison with business interest groups
- Support for the Leadership on all relevant local, sub-regional or regional partnerships and governance arrangements.

Strategic Objective: PEOPLE - Raising aspirations, creating confidence and promoting opportunity	
Activity	Strategic Outcome
Regeneration Programmes: Reducing worklessness and increasing access to employment by supporting the delivery of key employment sites and workforce initiatives identified in the Economic Master Plan (EMP), and supporting the creation of a whole life inclusive city through encouraging festivals and events aimed at increasing footfall in the City Centre.	<ul style="list-style-type: none"> ▪ Reducing worklessness and increasing access to employment ▪ Create a whole life inclusive city
Business Investment: Promoting access to jobs and careers in Sunderland for Sunderland people.	<ul style="list-style-type: none"> ▪ Reducing worklessness and increasing access to employment
Strategic Objective: PLACE - Leading the investment in an attractive and inclusive city and its communities	
Activity	Strategic Outcome
Regeneration Programmes: Deliver the development of key strategic sites that are integral to the future prosperity of Sunderland in line with the Economic Masterplan Plan priorities e.g: <ul style="list-style-type: none"> ▪ Former Vaux site ▪ Farringdon Row ▪ Holmeside ▪ Minster Quarter ▪ Land North of Nissan ▪ Port 	<ul style="list-style-type: none"> ▪ Develop a prosperous, connected waterfront City ▪ Promoting the city as the inward investment location of choice ▪ Unique contribution to partnership working
Regeneration Programmes: Promoting quality physical environment through encouraging high quality design, incorporating low carbon principles, of key development sites	<ul style="list-style-type: none"> ▪ Promoting quality physical environments ▪ Ensuring a mix of community facilities that correspond with need
Planning and Environment: Regeneration of the Roker/Seaburn seafront area including the commencement on site of the Marine Walk Sea Change improvement scheme. including the new Pier Gates and Roker Pods. Rolling forward City Centre quick wins projects into Fawcett Street following the completion of the Sunnyside Partnership public realm improvements on St Thomas Street and the council's ongoing works In High Street West and Market Square.	<ul style="list-style-type: none"> ▪ Promoting quality physical environments

**REVENUE BUDGET 2011/2012
PROSPEROUS CITY**

Strategic Objective: ECONOMY - Creating a University City at the heart of the regional Low Carbon Economy	
Activity	Strategic Outcome
Business Investment: Inward Investment - Develop and attract new job and career opportunities for local people and increased collaborative working around Software City, Low Carbon sector development and other priority activities. including the maximisation of the Port in relation to offshore developments.	<ul style="list-style-type: none"> ▪ Reducing worklessness and increasing access to employment ▪ Position the city as a national hub for the low carbon economy ▪ Promoting the city as the inward investment location of choice
Business Investment: Develop a strong and vibrant City Centre through increased business development to ensure private sector engagement and participation.	<ul style="list-style-type: none"> ▪ Develop a prosperous, connected waterfront city centre ▪ Improving business performance ▪ Promoting the city as the inward investment location of choice
Strategic Objective: ONE COUNCIL	
Activity	Strategic Outcome
Regeneration Programmes: Success of Economic Regeneration Programme has direct dependencies on a clear One Council understanding and focus on key economic priorities and outcomes linking all Corporate and Directorate Improvement Programmes. Individual projects required for delivery are contained in these programmes. A full list of dependencies is being developed as part of ERPB Programme/Project Register.	<ul style="list-style-type: none"> ▪ Combining resources ▪ Developing our workforce to improve services ▪ Sharing a view of success ▪ Shared outcomes
Strategic Objective: PARTNERSHIP WORKING	
Activity	Strategic Outcome
Planning and Environment: Partnership working with neighbouring coastal authorities, specifically South Tyneside, on the seafront regeneration project and Durham County Council on the East Durham Coast and Limestone Landscape initiatives to share intelligence on specific projects as appropriate and to avoid duplication of activity and ensure complementary regeneration activity.	<ul style="list-style-type: none"> ▪ Sharing a view of success ▪ Shared outcomes ▪ Combined resources ▪ Sharing intelligence
Regeneration Programmes: A new focus to be provided for the Economic Regeneration Programme and City Centre through enhanced governance and delivery arrangements to provide greater clarity on priority of projects and resources required e.g: <ul style="list-style-type: none"> ▪ Better management of the city centre ▪ Improved relationships with local businesses ▪ Continue to support local businesses and increase footfall through the city centre “quick wins” programme, including: street scene improvements; festivals and events; marketing and promotion; specialist retail support etc ▪ Play leading role in regional and local enterprise partnerships NEEP and LEP ▪ Create Economic Leadership Board for the City of Sunderland Council ▪ Develop innovative funding packages ▪ Contribute to the Reputational and Influencing Programme to engage with potential investors and developers ▪ Improved relationships with local businesses 	<ul style="list-style-type: none"> ▪ Supporting key growth sectors ▪ Promoting the city as the inward investment location of choice ▪ Develop a prosperous, connected waterfront city centre
International Work: Increased integration of international activity with economic development supporting private sector growth e.g. business partnerships between Sunderland companies in Washington DC and China.	<ul style="list-style-type: none"> ▪ Position the city as a national hub for the low carbon economy ▪ Promoting the city as the inward investment location of choice ▪ Supporting key growth sectors ▪ Unique contribution to partnership working

**REVENUE BUDGET 2011/2012
PROSPEROUS CITY**

Strategic Objective: ONE COUNCIL	
Activity	Strategic Outcome
Regeneration Programmes: Stronger community leadership and greater trust through the development and support for new emerging governance arrangements especially Sunderland Economic Leadership Board.	<ul style="list-style-type: none"> ▪ Strong community leadership ▪ Greater trust ▪ Unique contribution to partnership working
Strategic Objective: ECONOMIC DEVELOPMENT PROGRAMME	
Activity	Strategic Outcome
Business Investment Team: Directly contributing to achieving the Economic Development Programme Outcomes by: <ul style="list-style-type: none"> ▪ Increasing Economic Prosperity by promoting new business investment and re-investment ▪ Increasing Investment, and promoting Sunderland as a global location for business ▪ Attracting and retaining Young People by promoting employment choice, particularly in new emerging sectors, such as Software and Low Carbon ▪ Creating quality sustainable jobs 	<ul style="list-style-type: none"> ▪ Develop a new kind of University City ▪ Position the city as a national hub for the low carbon economy ▪ Develop a prosperous, connected waterfront city centre ▪ Improving business performance ▪ Promoting the city as the inward investment location of choice ▪ Supporting key growth sectors ▪ Implementing other priorities from the Economic Masterplan
Strategic Objective: REPUTATION AND INFLUENCING PROGRAMME	
Activity	Strategic Outcome
Business Investment: The service will contribute to achieving the Reputation and Influencing programme outcomes by: <ul style="list-style-type: none"> ▪ Developing strategic relationships with private sector representatives to enhance and build the city's reputation ▪ Promote local business on a global platform to enhance the international connections and relationships ▪ Promote positive and strong images of the city to change perceptions and improve reputation ▪ Develop and promote appropriate sub-regional links through the TyneWear Employment partnership or its successor in the LEP. 	<ul style="list-style-type: none"> ▪ Greater trust ▪ Sharing a view of success ▪ Promoting the city as the inward investment location of choice
Strategic Objective: DIRECTORATE IMPROVEMENT/ MODERNISATION AND SERVICE REVIEW PROGRAMMES	
Activity	Strategic Outcome
Regeneration Programmes: Success of Economic Regeneration Programme has direct dependencies on aspects of all Corporate and Directorate Improvement Programmes, as many individual projects required for delivery are contained in these programmes (e.g. SSTC, Festivals and Events). A full list of dependencies is being developed as part of ERPB Programme/Project Register.	

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
Office of the Chief Executive					
1	HP&E	24,225	53,329	Building Control	264,858
2	HP&E	523,634	860,333	Development Control	936,553
3	HCB&IT	1,434,705	1,672,271	Economic Development	1,273,586
4	HCB&IT	10,026,406	8,023,079	Employment and Training	102,743
5	HSPP	179,357	237,689	Strategic Programmes and European Team	200,342
6	HP&E	3,207,741	3,315,459	Planning Implementation	2,753,042
7	HSPP	1,235,732	1,337,395	Planning Policy	785,000
8	HCB&IT	22,345	146,027	Training Centres	(19,054)
		16,654,145	15,645,582	Total Office of the Chief Executive	6,297,070

**REVENUE BUDGET 2011/2012
PROSPEROUS CITY**

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review
- Reductions arising from the ending of Working Neighbourhoods Area Based Grant Funding of £9.9m
- Transfers to base budget of previously agreed resources in respect of fee income pressures arising from the impact of the economic downturn £0.5m
- Technical adjustments of £0.5m in respect of FRS 17 pensions accounting arrangements.

IMPROVEMENT AND EFFICIENCY

In the light of the Council's Business Transformation programmes the portfolio is reviewing the provision of services in order to achieve savings.

A Service review of the current planning and environment service is being progressed in order to consider its value for money and effectiveness. The review will examine current performance and assess available options to deliver improvements in conjunction with delivering savings.

The Business Investment Service will be expanded to cover promotion of property development as well as inward investment and sector growth, by bringing together activities into a single place providing a greater focus to deliver improvements. The launch of the economic masterplan has provided the framework for additional capital investment being made available for key city sites.

PORTFOLIO GLOSSARY

HCB&IT	Head of City Business and Investment Team
HP&E	Head of Planning and Environment
HSPP	Head of Strategy, Policy and Performance Management

**REVENUE BUDGET 2011/12
HEALTHY CITY**

ROLES AND RESPONSIBILITIES

The Healthy City portfolio provides leadership and support for the council and its partners in securing the social and health care of all adults. The portfolio has responsibility for leading partners to achieve improvements to public health and health awareness in the city.

The Portfolio has specific responsibility for the following activities and functions:

- Adult social care services
- Mental health commissioning
- Housing Related Support including people with disabilities
- Supporting carers
- Strategic partnership with the TPCT and other partners to promote public health and wellness
- WHO EuroHealthyCity Network
- Health awareness
- Healthy lifestyles
- Healthy environment
- Promotion of Decent Homes and good housing standards in private sector housing
- Specialist housing support services and provision.

Strategic Objective: PEOPLE - Raising aspirations, creating confidence and promoting opportunity	
Activity	Strategic Outcome
Health Housing and Adult Services: Deliver a range of reablement solutions that focus on learning or relearning skills that assist daily living, improving individual's quality of life and reducing the need for ongoing interventions.	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Helping people exercise choice ▪ Create a whole life inclusive city ▪ Positive customer experience ▪ Personalisation
Health Housing and Adult Services: Improve care support and daily living solutions to support people at home or in supported accommodation through the development of personalised services including, smarter working with Registered Social Landlords, commissioned care providers, better support for carers and tailored accommodation solutions such as extra care.	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Helping people exercise choice ▪ Create a whole life inclusive city ▪ Positive customer experience ▪ Personalisation
Health Housing and Adult Services: Review and commission improved supported living pathways for people with mental health needs and learning disabilities to promote independent living. Complete the review of Housing Related Support and recommission services that meet the agreed outcomes.	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Helping people exercise choice ▪ Create a whole life inclusive city ▪ Positive customer experience ▪ Personalisation
City Services: Develop and deliver a range of commissioned lifestyle intervention programmes to support improvements in life expectancy, promote healthier lifestyles and contribute to the aims of the Healthy City Partnership.	<ul style="list-style-type: none"> ▪ Improved access to services ▪ Positive customer experience ▪ Improving health and wellbeing
Strategic Objective: CUSTOMER SERVICES	
Activity	Strategic Outcome
Health Housing and Adult Services: Work with communities and local agencies such as GP surgeries, to further develop the principles of 'community in reach' to ensure a range of easily accessible preventative advice and support interventions exist that maximise individuals independence and health and well being.	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Helping people exercise choice ▪ Create a whole life inclusive city ▪ Positive customer experience ▪ Personalisation ▪ Improved access to services ▪ Locality/neighbourhood working
Health Housing and Adult Services: To continue to work in partnership with Childrens Services to ensure a smooth transition for clients from Childrens Services to Adult Services.	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Improved access to services ▪ Streamlined access ▪ Helping people exercise choice ▪ Create a whole life inclusive city ▪ Positive customer experience
Strategic Objective: ONE COUNCIL	
Activity	Strategic Outcome
Health Housing and Adult Services: Work with the wider council to identify and progress opportunities to make better use of assets such as buildings, to best support vulnerable people and achieve value for money.	<ul style="list-style-type: none"> ▪ Continuously improving VfM ▪ Better use of buildings and asset management

**REVENUE BUDGET 2011/12
HEALTHY CITY**

Strategic Objective: PARTNERSHIP WORKING	
Activity	Strategic Outcome
Health Housing and Adult Services: Further development of the Home Improvement Agency and improve housing partnership arrangements to better deliver a range of options to enable vulnerable people to improve their homes and achieve decent homes standards.	<ul style="list-style-type: none"> ▪ Promoting Quality Physical environments ▪ Ensuring Housing Quality and Choice ▪ Improving Health and Wellbeing ▪ Continuously Improving VfM
Health Housing and Adult Services: To work alongside partners in the NHS, particularly GP's to implement the Health and Social Care Bill 2011, including the transfer of responsibility for public health to the Local Authority.	<ul style="list-style-type: none"> ▪ Improving Health and Wellbeing ▪ Continuously improving VfM ▪ Sharing a view of success
Health Housing and Adult Services: To enhance the role of the Tyne and Wear Care Alliance to maximise opportunities for joint working with the independent care sector.	<ul style="list-style-type: none"> ▪ Improving Health and Wellbeing ▪ Continuously improving VfM ▪ Sharing a view of success
Health Housing and Adult Services: Work with partners, including health and housing partners, to identify and progress opportunities to jointly make better use of resources, through commissioning, to best support vulnerable people and achieve value for money.	<ul style="list-style-type: none"> ▪ Sharing a view of success ▪ Continuously improving VfM
Strategic Objective: TRANSFORMATION PROGRAMME	
Activity	Strategic Outcome
Health Housing and Adult Services – Re-engineering Adult Services in light of the transition to the Business Operating Model and the Directorates 15 year plan. The organisational redesign work that is required as a result of the creation of Strategic and Shared Support Functions, the centralised customer support function and specific service delivery functions must be managed and supported in a consistent way.	<ul style="list-style-type: none"> ▪ Pooling services around need ▪ Continuously improving VfM ▪ Effective and appropriate performance management
Strategic Objective: DIRECTORATE IMPROVEMENT/ MODERNISATION AND SERVICE REVIEW PROGRAMMES	
Activity	Strategic Outcome
Health Housing and Adult Services: continue with the Directorates 15 year plan to modernise services and deliver Choice and Control, Independent Living, Equal Access for all, Improved Health and Wellbeing, Better Commissioning, Increasing the number of Homes and Homes are of High Quality and Sustainability.	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Helping people exercise choice ▪ Create a whole life inclusive city

**REVENUE BUDGET 2011/12
HEALTHY CITY**

FINANCIAL

**REVENUE BUDGET 2011/2012
OBJECTIVE SUMMARY**

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
Executive Director of City Services					
1	HCS	13,865	24,417	Meals at Home Trading Service	22,528
		13,865	24,417	Total Executive Director of City Services	22,528
Executive Director of Health, Housing and Adults					
2	HOP	23,910,890	24,974,961	Disability Services	25,637,656
3	HOC&S	1,026,482	1,014,047	Home Improvement Agency/Warm Homes Initiative	1,176,368
4	HOP	4,599,180	4,833,165	Mental Health	4,666,778
5	HOP	36,470,833	38,939,799	Older People Over 65	33,358,875
6	HOSC	550,996	617,966	Performance, Commissioning and Change	308,366
7	HOC&S	0	0	Provider Services	0
8	HOSH	11,733,249	11,461,732	Supporting People	9,633,732
9	HOP&CA	0	0	Business Support and Workforce Development	0
		78,291,630	81,841,670	Total Executive Director of Health, Housing and Adults	74,781,775
		78,305,495	81,866,087	TOTAL BUDGET	74,804,303

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review
- Transfers to base budget of £2.7m of previously agreed resources in respect of Health Housing and Adults 15 year modernisation plan
- Technical adjustments of £4.4m in respect of FRS 17 pensions accounting arrangements.

IMPROVEMENT AND EFFICIENCY

The continued modernisation of services within the portfolio is ensuring value for money and efficiency savings are being achieved. This includes implementation of actions arising through directorate efficiency initiatives, the Council's Business Transformation programmes and Service Reviews.

Significant efficiencies will be realised following a redesign and recommissioning of services and contracts including those for Advocacy, Home Care, Companionship, Housing Related Support, Welfare Rights, Benefits and Assessments and Residential and Nursing Care. This will ensure that services better support the needs of individuals and are delivered as efficiently as possible.

The ongoing modernisation of care services will improve opportunities for people to continue to live at home through investment in preventative services such as reablement and other equipment.

Smarter working, including the automation of processes and procedures using Information Technology, will result in more flexible working opportunities such as home and mobile working. This supports the Council's approach to property rationalisation.

A review of staffing resources and general running costs will deliver more efficient and streamlined service delivery. This will be achieved by redesigning and restructuring existing services, most significantly the Care Management and Assessment process, which will ensure the approach and services are tailored to individual client needs.

Efficiencies will be realised by maximising opportunities to work with partners including Health, the Third Sector and the Private sector. Opportunities to maximise external funding available will also be taken forward, including through working with Health partners to secure access to new Government funding streams.

**REVENUE BUDGET 2011/12
HEALTHY CITY**

Additional one-off savings will arise following a managed delay and cessation of lower priority revenue and capital projects.

PORTFOLIO GLOSSARY

HCS	Head of Community Services
HOP	Head of Personalisation
HOSC	Head of Strategic Commissioning
HOC&S	Head of Care and Support
HOSH	Head of Strategic Housing
HOP&CA	Head of Partnership & Corporate Affairs

**REVENUE BUDGET 2011/2012
SAFER CITY AND CULTURE**

ROLES AND RESPONSIBILITIES

The Safer City and Culture Portfolio provides leadership for the council and its partners in order to make Sunderland a safe city.

The Portfolio has specific responsibility for the following activities and functions:

- Section 17 of the Crime and Disorder Act 1998 responsibilities
- Safer Sunderland Partnership
- Anti-social behaviour
- Drugs awareness, prevention and treatment
- Local Multi-Agency Problem-Solving Groups (LMAPS)
- Emergency planning and local resilience
- Licensing, licensing regulation and controlled drinking zones
- Trading standards
- Public and environmental health
- Cultural strategy and initiatives
- Heritage and design champion
- Libraries
- Museums
- Coroner
- Registrars
- Events.

Strategic Objective: PEOPLE - Raising aspirations, creating confidence and promoting opportunity	
Activity	Strategic Outcome
Complete council wide Anti Social Behaviour Review and implement recommendations to better target resources across council and partners to maximise impact of ASB strategies.	<ul style="list-style-type: none"> ▪ Supporting and challenging communities, families and individuals ▪ Ensuring safe communities
Achieving Independence: Create a Social Inclusion gateway for Young people, single people with complex needs, families experiencing homelessness, and Families experiencing domestic violence.	<ul style="list-style-type: none"> ▪ Supporting and challenging communities, families and individuals
Strategic Objective: PLACE - Leading the investment in an attractive and inclusive city and its communities	
Activity	Strategic Outcome
Undertake a review of Regulatory Services.	
Developing capacity in the contact centre systems to deliver against the recording of anti social behaviour incidents against individuals.	<ul style="list-style-type: none"> ▪ Ensuring safe communities
Heritage: Identify additional resources to support increased activity these may includes Area Committees, Heritage Lottery Fund and English Heritage	<ul style="list-style-type: none"> ▪ Promoting quality physical environments ▪ Building and sustaining a sense of Community
Strategic Objective: ONE COUNCIL	
Activity	Strategic Outcome
Improved security measures in more public buildings.	<ul style="list-style-type: none"> ▪ Better use of buildings and asset management
Strategic Objective: PARTNERSHIP WORKING	
Activity	Strategic Outcome
Provide an improved greater level of support to area based working and problem solving.	<ul style="list-style-type: none"> ▪ Ensuring safe communities ▪ Locality/neighbourhood working
Strategic Objective: DIRECTORATE IMPROVEMENT/ MODERNISATION AND SERVICE REVIEW PROGRAMMES	
Activity	Strategic Outcome
Undertake a Neighbourhood Services Review that includes: <ul style="list-style-type: none"> ▪ Tourism and Library Service ▪ Core events programme ▪ Arts & Creative Development 	<ul style="list-style-type: none"> ▪ Improved access to services ▪ Streamlined access ▪ Positive customer experience ▪ Continuously improving VfM

**REVENUE BUDGET 2011/2012
SAFER CITY AND CULTURE**

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
Office of the Chief Executive					
1	HL&P	0	(36,177)	Cash In Transit	(23,272)
2	HL&P	290,935	295,453	Civil Contingencies	266,698
3	HL&P	1,011,340	818,558	Safer Communities	904,370
4	HL&P	116,426	81,521	Security Services	190,725
		1,418,701	1,159,355	Total Office of the Chief Executive	1,338,521
Executive Director of City Services					
5	HSS	642,426	649,047	Coroners Court	619,016
6	HSS	642,745	656,178	Environmental Health	791,184
7	HSS	0	0	Environmental Health Support	0
8	HSS	644,865	666,875	Food and Health and Safety	671,884
9	HSS	(130,299)	(114,286)	Licensing	(108,761)
10	HSS	639,542	722,051	Pest Control and Enforcement	989,963
11	HSS	297,595	313,819	Registrars	243,102
12	HSS	651,326	672,908	Trading Standards	679,460
13	HCT	973,377	1,057,201	Arts and Creative Development	774,280
14	HCT	0	0	Culture and Tourism Support	0
15	HCT	766,659	1,095,434	Events	728,760
16	HCT	111,996	111,996	Grants to Community Projects and Miscellaneous Contributions	86,996
17	HCT	167,804	163,164	Heritage (including Fulwell Mill)	174,417
18	HCT	5,383,202	5,426,795	Libraries	5,180,510
19	HCT	1,602,460	1,598,362	Museums and Archives Service	1,467,990
20	HCT	784,802	800,183	Resorts	716,307
21	HCT	757,036	757,036	Theatre	786,147
22	HCT	510,119	525,827	Tourism	309,714
		14,445,655	15,102,590	Total Executive Director of City Services	14,110,969
Executive Director of Health, Housing and Adults					
23	HOSH	94,853	181,432	Anti Social Behaviour	86,055
24	HOP	234,476	262,070	Drug Awareness	190,001
		329,329	443,502	Total Executive Director of Health, Housing and Adults	276,056
		16,193,685	16,705,447	TOTAL BUDGET	15,725,546

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review
- Transfers to base budget of previously agreed resources in respect of Environmental Enforcement Officers and the Family Intervention Project £0.3m
- Technical adjustments of £1.2m in respect of FRS 17 pensions accounting arrangements.

**REVENUE BUDGET 2011/2012
SAFER CITY AND CULTURE**

IMPROVEMENT AND EFFICIENCY

Savings have been achieved through the modernisation of services within the portfolio, the Council's Business Transformation projects and Service Reviews as outlined below.

Efficiencies are being delivered through service redesign where services are being reconfigured to better meet requirements whilst also delivering efficiency savings. The Neighbourhood Services Review is delivering a gradual move towards 2015/16 when a completely revised and reconsidered range of services and delivery mechanisms will be in place.

Efficiencies through service redesign are also being delivered in a number of other areas, including:

- The Resorts service.
- Arts and Creative Development.
- Tourism and Heritage services.
- Museums service.
- The Registrars and Coroners service will improve resource management to enable more flexible and efficient working arrangements be put in place.

Opportunities for joint and partnership working are being developed in a number of areas to improve working arrangements and outcomes. Examples include:

- Festivals and Events service working with partner agencies to maximise output.
- The National Glass Centre and the liaison with the University of Sunderland.
- Public Protection.

Across a number of services, a refocus on service priorities and outcomes has been undertaken that will deliver efficiency savings, including:

- Public Protection, where resources are being refocused on statutory health promotion.
- A refocused event programme and delivery budget.
- A review of grants.

PORTFOLIO GLOSSARY

HCT	Head of Culture and Tourism
HL&P	Head of Land and Property
HOP	Head of Personalisation
HOSH	Head of Strategic Housing
HSS	Head of Street Scene

REVENUE BUDGET 2011/2012

**REVENUE BUDGET 2011/2012
ATTRACTIVE AND INCULSIVE CITY**

ROLES AND RESPONSIBILITIES

The Attractive and Inclusive City portfolio has responsibility for ensuring that the council and its partners succeed in making the city attractive and accessible for all. The portfolio provides leadership for the council and its partners to ensure that the local environment is well managed and meets customer expectations.

The portfolio has specific responsibility for the following activities and functions:

- Neighbourhood environmental services and street scene
- Highways, traffic and transportation
- Highways maintenance
- Parking and road safety
- Facilities management
- Grounds and building maintenance
- Refuse collection
- Coastal protection
- Sport
- Wellness
- Aquatics
- Play.

Strategic Objective: PEOPLE - Raising aspirations, creating confidence and promoting opportunity	
Activity	Strategic Outcome
City Services - Street Scene: Prioritise traffic and road safety schemes using an effective evaluation system to ensure that interventions are targeted to where they will have the most positive impact on accident key performance indicators. The new structure increases capacity to undertake effective evaluation of road traffic accidents and other data.	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Targeted activity in priority neighbourhoods ▪ Ensuring safe communities ▪ Improving the transport network ▪ Pooling resources around need ▪ Improving the transport network
Strategic Objective: CUSTOMER FOCUS	
Activity	Strategic Outcome
City Services - Street Scene: Consolidation of the Bereavement Service and development of clear policy and standards of customer service in this area	<ul style="list-style-type: none"> ▪ Simplified customer journeys
City Services - Street Scene: Reorganise the refuse, recycling and garden waste collections into a fully integrated service, utilising intelligent route planning systems.	<ul style="list-style-type: none"> ▪ Improved access to services ▪ Streamlined access ▪ Positive customer experience ▪ Continuously improving VfM
Strategic Objective: PARTNERSHIP WORKING	
Activity	Strategic Outcome
City Services – Community Services: Implement the findings from the Facilities Management Review	<ul style="list-style-type: none"> ▪ Streamlined access ▪ Continuously improving VfM
City Services: Depending on the outcomes of Sport and Leisure's service assessment a range of significant, strategic and alternative improvement for Service delivery will be developed as below : <ul style="list-style-type: none"> ▪ Development of alternative management models to deliver enhanced services ▪ Further cross directorate working with HHAS and Children Services to ensure delivery of sport, leisure and physical activity opportunities meet customer needs. 	<ul style="list-style-type: none"> ▪ Sharing a view of success ▪ Continuously improving VfM ▪ Sharing a view of success ▪ Shared outcomes ▪ Combining resources ▪ Sharing intelligence ▪ Unique contribution to partnership working ▪ Consideration of alternative providers
Strategic Objective: DIRECTORATE IMPROVEMENT/ MODERNISATION AND SERVICE REVIEW PROGRAMMES	
Activity	Strategic Outcome
City Services - Street Scene: Sunderland Strategic Transport Corridor Phase 3 - St. Mary's Way/High Street West/West Wear Street Junction.	<ul style="list-style-type: none"> ▪ Improving the transport network ▪ Develop a prosperous, connected waterfront city
City Services: will work through a programme of improvement and modernisation to undertake changes associated with leisure facilities.	<ul style="list-style-type: none"> ▪ Streamlined access ▪ Strong community leadership ▪ Greater trust ▪ Greater levels of engagement at a community level

**REVENUE BUDGET 2011/2012
ATTRACTIVE AND INCULSIVE CITY**

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
Street Scene					
1	HSS	(170,941)	(157,247)	Bereavement	(9,582)
2	HSS	(65,000)	26,807	Building Maintenance Trading Service	(100,000)
3	HSS	0	0	Building Services Surveying	0
4	HSS	0	0	Fleet	0
5	HSS	0	0	Highways and Building Maintenance Overheads	0
6	HSS	5,829,551	6,253,662	Highways Asset Management	6,099,706
7	HSS	1,073,106	943,756	Highways Engineering	992,020
8	HSS	3,401,206	3,418,492	Highways Operations	2,591,662
9	HSS	(35,000)	10,453	Highways Trading Service	(50,000)
10	HSS	2,908,051	2,908,051	Highways Verges - Maintenance and Cleaning	2,693,857
11	HSS	2,778,728	2,837,385	Network Operations	3,286,389
12	HSS	633,775	658,729	Network Strategic	793,338
13	HSS	2,833	15,405	Network Technical Services	30,658
14	HSS	320,156	213,876	Parking Services Trading Service	277,840
15	HSS	4,858,869	4,907,106	Parks and Allotments	4,470,863
16	HSS	935,306	896,876	Recycling Collection	1,610,077
17	HSS	4,482,331	4,643,575	Refuse	4,980,590
18	HSS	361,886	366,025	RLS - Public Conveniences	345,396
19	HSS	4,748,040	4,877,594	RLS - Street Services	4,942,747
20	HSS	1,558,416	1,626,275	Transportation	1,972,529
		33,621,313	34,446,820	Total Street Scene	34,928,090
Community Services					
21	HCS	0	47,100	Cleaning Services to Schools and Civic Buildings	0
22	HCS	0	22,490	Commercial Catering Trading Service	13,429
23	HCS	0	0	Facilities Management Support	0
24	HCS	6,861,975	6,947,468	Sport and Leisure Facilities	7,798,184
25	HCS	971,618	1,046,893	Sports Development	1,295,897
26	HCS	444,588	514,484	Young Peoples Play and Urban Games	713,839
		8,278,181	8,578,435	Total Community Services	9,821,349
Support Services					
27	HoPSD	0	0	Central Support Services	0
		0	0	Total Support Services	0
		41,899,494	43,025,255	Total Executive Director of City Services	44,749,439

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review
- Transfers to base budget of £1.2m previously agreed resources, for example, in respect of the Blue Bin recycling service, Play Parks Strategy, fuel price increases and the Transport and Engineering review
- The inclusion of provision for additional cost pressures of £0.6m for 2011/2012 including the impact of the economic downturn on income generation and new responsibilities in respect of Local Transport Services

**REVENUE BUDGET 2011/2012
ATTRACTIVE AND INCULSIVE CITY**

- Technical adjustments of £5.1m in respect of FRS 17 pensions accounting arrangements and revaluation of assets.

IMPROVEMENT AND EFFICIENCY

Savings have been achieved through the modernisation of services within the portfolio, the Council's Business Transformation projects and Service Reviews as outlined below.

Efficiencies are being delivered through service redesign where services are being reconfigured to better meet requirements whilst also delivering efficiency savings. The Facilities Management Review has focused on opportunities to increase the level of partnership working, refocus service standards on front facing service delivery and increase service productivity. Specific efficiencies that will be delivered in 2011/12 arising from this review include:

- Implementation of new service standards across a range of disciplines.
- An organisation redesign of Responsive Local Services focusing on better alignment of service delivery to local priorities.
- An organisation redesign of the Building Maintenance service.

Efficiencies through service redesign are also being delivered in a number of other areas, including:

- Network Management and overnight security arrangements.
- Savings will be achieved in Support Services through a number of targeted cost reduction measures, including a review and an amalgamation of the Transport and Engineering administration arrangements.
- Revised Public and Bank Holiday operating arrangements introduced at Leisure Centres.
- Development of alternative management arrangements for the changing pavilions.

In partnership with the Corporate Procurement section, efficiencies arising from improved procurement arrangements are being delivered across a number of service areas. Some examples of this approach are reflected below:

- Carriageway reconstruction and surfacing
- Building maintenance contractor and materials
- Vehicle contract hire arrangements
- Reduced spend on verge cutting
- One-off savings are being realised in relation to the capital financing costs.

Smarter Working, including the automation of processes and procedures using Information Technology, will result in more flexible working opportunities such as home and mobile working. Savings are being realised by adopting and implementing a plan to use Council buildings more effectively.

In relation to IT developments, efficiencies are being realised by Responsive Local Services and Building Maintenance sections through the deployment of hand-held ICT equipment, piloted in the graffiti and refuse collection service.

Opportunities for joint and partnership working are being developed in a number of areas to develop improved working arrangements and outcomes and to facilitate the achievement of efficiency savings. Opportunities to maximise funding will also be taken forward, including reviewing charging arrangements and maximising external funding opportunities. This includes:

- A review of sub-regional partnership contributions.
- Increased income from third party trading to be achieved by marketing and pricing the service more effectively.
- Improved income generation arrangements within the Parking service, including additional parking bays in the central car park.

Across a number of services, a refocus on service priorities and outcomes has been undertaken that will deliver efficiency savings during 2011/12, including the rationalisation of the waste collection service and revised operating hours for leisure sites.

Additional one-off savings will be realised following a managed delay and cessation of low priority revenue and capital projects.

**REVENUE BUDGET 2011/2012
ATTRACTIVE AND INCULSIVE CITY**

PORTFOLIO GLOSSARY

HCS	Head of Community Services
HSS	Head of Street Scene
HoPSD	Head of Performance and Service Development

**REVENUE BUDGET 2011/2012
SUSTAINABLE COMMUNITIES**

ROLES AND RESPONSIBILITIES

The Sustainable Communities portfolio is responsible for promoting effective partnership action within a clear policy framework to build communities that are sustainable in every sense. The portfolio ensures that today's actions do not store up environmental issues for future generations.

The Portfolio has specific responsibility for the following activities and functions:

- Developing an integrated strategy in support of Sustainable Communities objectives
- Housing strategy
- Environmental policy
- Housing renewal
- Strategic relationships with Registered Social Landlords and private sector housing providers
- Homelessness and housing advice
- Recycling
- Strategic waste management
- Carbon management
- Cohesive and inclusive communities.

Strategic Objective: PLACE - Leading the investment in an attractive and inclusive city and its communities	
Activity	Strategic Outcome
<p>Strategic Waste: Effectively manage interim waste and recycling contracts to minimise costs.</p> <p>Secure the long term provision of Strategic Waste Management facilities to ensure service provision is appropriate for council needs and is located accordingly (development of facilities for PFI contract).</p> <p>Refine and improve kerbside recycling services to encourage residents' participation in the services and improve customer satisfaction.</p> <p>Review current operation and delivery model of Beach Street and related recycling services.</p>	<ul style="list-style-type: none"> ▪ Promoting quality physical environments ▪ Improving health and wellbeing ▪ Continuously improving VfM ▪ Better use of buildings and asset management ▪ Utilising customer insight ▪ Improved access to services ▪ Positive customer experience ▪ Sharing a view of success ▪ Shared outcomes ▪ Combining resources
Strategic Objective: PARTNERSHIP WORKING	
Activity	Strategic Outcome
<p>Health Housing and Adult Services: Ensure the council works with its partners to:</p> <ul style="list-style-type: none"> ▪ Improve the choice of type, location and price of housing to enable residents to access a home of their own based upon individual need, including fully embedding Choice Based Lettings across the city and development of affordable opportunities in new development sites. ▪ Intervene in areas that are showing symptoms of decline reversing housing market failure and supporting sustainable communities. This includes ensuring that housing stock in the city across all tenure types is fit for human habitation achieves decent home standards and is well managed and maintained through rolling out 'hot spot' locality management of housing not meeting these standards. ▪ To deliver the priorities set out in the Housing Priorities Plan and maximise investment in to housing in the city. 	<ul style="list-style-type: none"> ▪ Ensuring quality and choice of housing ▪ Improving health and wellbeing ▪ Helping people exercise choice ▪ Reducing poverty, inequality and deprivation ▪ Promoting quality physical environments ▪ Building and sustaining a sense of community ▪ Developing quality district and neighbourhood centres

**REVENUE BUDGET 2011/2012
SUSTAINABLE COMMUNITIES**

<p>Health Housing and Adult Services: Work with partners, including health, housing partners, Homes and Communities Agency, to identify and progress opportunities to jointly make better use of resources, to best support vulnerable people and achieve value for money.</p>	<ul style="list-style-type: none"> ▪ Sharing a view of success ▪ Continuously improving VfM ▪ Sharing intelligence
<p>Health Housing and Adult Services: Provide advice and information about homelessness prevention and Homelessness in line with advice services in the city. Develop a Strategic Tenancy Policy that will allow a better approach to the allocation of rented housing to be achieved</p>	<ul style="list-style-type: none"> ▪ Ensuring housing quality and choice ▪ Improving health and wellbeing ▪ Helping people exercise choice ▪ Continuously improving VfM
<p>Planning and Environment: Contributing to the Heritage Lottery funded Limestone Landscapes Partnership in a long-term and purposeful way to significantly enhance both the quality of the environment of the East Durham Limestone Plateau, and the quality of life of its communities.</p>	<ul style="list-style-type: none"> ▪ Sharing a view of success ▪ Shared outcomes ▪ Combining resources ▪ Sharing intelligence ▪ Unique contribution to partnership working
<p>Planning and Environment: Facilitate the delivery of the council's 5 year Carbon Plan.</p> <p>Manage delivery of the city's Climate Change Action Plan and produce annual progress reports.</p> <p>Develop a comprehensive adaptation strategy to tackle all weather and climate risk.</p> <p>Ensure that the council's key decisions reflect best practice in relation to the use of natural resources.</p>	<ul style="list-style-type: none"> ▪ Promoting quality physical environments ▪ Improving health and wellbeing ▪ Position the city as a national hub for the low carbon economy
<p align="center">Strategic Objective: DIRECTORATE IMPROVEMENT/ MODERNISATION AND SERVICE REVIEW PROGRAMMES</p>	
<p>Activity</p>	<p>Strategic Outcome</p>
<p>Health Housing and Adult Services: continue with the Directorates 15 year plan to modernise services and deliver Choice and Control, Independent Living, Equal Access for all, Improved Health and Wellbeing and Better Commissioning, Increasing the number of Homes and Homes are of High Quality and Sustainability.</p>	<ul style="list-style-type: none"> ▪ Improving health and wellbeing ▪ Helping people exercise choice ▪ Create a whole life inclusive city

**REVENUE BUDGET 2011/2012
SUSTAINABLE COMMUNITIES**

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
Office of the Chief Executive					
1	ACE	376,979	376,979	Cohesive and Inclusive Communities	260,774
2	ACE	179,435	175,598	Sustainability	125,000
		556,414	552,577	Total Office of the Chief Executive	385,774
Executive Director of City Services					
3	HSS	0	0	Centralised Depot	0
4	HSS	0	0	Depots	0
5	HSS	0	0	Performance	0
6	PDSW	92,580	142,395	Recycling	149,213
7	PDSW	9,045,319	9,053,337	Strategic Waste	7,864,835
		9,137,899	9,195,732	Total Executive Director of City Services	8,014,048
Executive Director of Health, Housing and Adults					
8	HOSH	1,043,632	1,122,655	Housing Renewal	1,300,189
9	HOSH	1,506,409	1,493,781	Housing Strategy / Advice and Homelessness	1,586,336
		2,550,041	2,616,436	Total Executive Director of Health, Housing and Adults	2,886,525
		12,244,354	12,364,745	TOTAL BUDGET	11,286,347

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from implementation of the Strategic and Shared Services Review, and savings arising on waste disposal costs of £0.9m as a result of reductions in disposal tonnages and revised ancillary waste management contracts
- Transfers to base budget of previously agreed resources, for example, in respect of Recycling Bring Sites and Empty Property Officer funding
- Technical adjustments of £0.3m in respect of FRS 17 pensions accounting arrangements and revaluation of assets.

IMPROVEMENT AND EFFICIENCY

The 2011/2012 budget has been set taking account of efficiency savings achieved through the continued modernisation of services within the portfolio, the Councils Business Transformation projects and Service Reviews. This includes a review of staffing resources and general running costs, which has been achieved by redesigning and restructuring existing services.

Additional one-off savings will arise following a managed delay and cessation of lower priority revenue and capital projects.

The successful renegotiation of ancillary waste management contracts has introduced savings in respect of recycling and composting schemes.

A reconfiguration of the Beach Street Waste Reception site will result in efficiencies being achieved through the replacement of containers with those that can be serviced by less specialised, multi-purpose vehicles.

A reconfiguration of Waste Disposal arrangements at South Hylton depot has rationalised the number of skips being used and has enabled better resource management at the site.

**REVENUE BUDGET 2011/2012
SUSTAINABLE COMMUNITIES**

PORTFOLIO GLOSSARY

ACE	Assistant Chief Executive
HSS	Head of Street Scene
PDSW	Project Director – Strategic Waste
HOSH	Head of Strategic Housing

**REVENUE BUDGET 2011/2012
RESPONSIVE LOCAL SERVICE AND CUSTOMER CARE**

ROLES AND RESPONSIBILITIES

The Responsive Local Services and Customer Care portfolio provides leadership for the continuing development of area arrangements as a principal means of improving the relevance of services to local communities and circumstances. The portfolio has responsibility for championing the continuing improvement of customer care policy and practice and improvements in the responsiveness of services to local needs and customer feedback. The portfolio is also responsible for developing the community's capacity to engage in the shaping, delivery and review of services.

The Portfolio has specific responsibility for the following activities and functions:

- Area Committees
- Area Partnerships
- Local Area Plans
- Area Budget policy framework
- Area Budgets including the community chest
- Customer care policy and practice
- Improving the responsiveness of neighbourhood services and facilities to local circumstances and customer feedback
- Improving the responsiveness of personal services to customer feedback
- Contact Centre and Customer Services Network
- Community development
- Adult and community learning
- Community Assets

Strategic Objective: CUSTOMER FOCUS	
Activity	Strategic Outcome
Transactional Services: Continue to engage in intelligent commissioning by further engagement with customers and reviewing in house functions to ensure this is the most efficient delivery model.	<ul style="list-style-type: none"> ▪ Utilising customer insight ▪ Streamlined access ▪ Simplified customer journeys
<p>City Services: Delivery of revised Customer Service Strategy to ensure a culture of excellent customer service.</p> <p>Using new technology to support customer services and improve customer access.</p> <p>Development of a city centre Customer Service Centre</p>	<ul style="list-style-type: none"> ▪ Positive customer experience ▪ Simplified customer journeys ▪ Improved access to services ▪ Streamlined access
Head of Project & Service Development: Undertake customer satisfaction surveys to provide insight to inform the delivery of Registration Services in communities and ensure that the outstation facilities continue to meet the needs of their local community.	<ul style="list-style-type: none"> ▪ Utilising customer insight
Head of Standards: Full integration of Education Psychology Service into locality based teams, with reduced requirement for central base for specialist equipment and resources and client information.	<ul style="list-style-type: none"> ▪ Locality/neighbourhood working
Safeguarding: Move Case Management to locality based working.	<ul style="list-style-type: none"> ▪ Locality/neighbourhood working
City Services: Community Services - Develop and agree a corporate approach to grants, supported by a single application form for all Council grants and a centralised information management system. Develop a single entry point into the Council / a single window for the Council to engage with VCS.	<ul style="list-style-type: none"> ▪ Improved access to services ▪ Simplified customer journeys ▪ Streamlined access ▪ Positive customer experience

**REVENUE BUDGET 2011/2012
RESPONSIVE LOCAL SERVICE AND CUSTOMER CARE**

Strategic Objective: ONE COUNCIL	
Activity	Strategic Outcome
City Services - Community Services: Continual review of catering service offer and the extension of vending provision.	<ul style="list-style-type: none"> ▪ Continuously improving VfM
Project and Service Development: Consider the impact of new legislation (national coronial service) on service delivery in Sunderland.	<ul style="list-style-type: none"> ▪ Effective and appropriate performance management
Community Leadership Programme: Implement agreed Area Policy: <ul style="list-style-type: none"> ▪ Increase number of community-engaged problem-solving exercises ▪ Review and develop Committee capacity 	<ul style="list-style-type: none"> ▪ Strong community leadership ▪ Greater Trust ▪ Greater levels of engagement at community level
Community Leadership Programme: Extend 1 st Wave Responsive Services: <ul style="list-style-type: none"> ▪ Fully functioning Intelligence Hub ▪ Expand range of RLS services 	<ul style="list-style-type: none"> ▪ Strong community leadership ▪ Greater Trust ▪ Greater levels of engagement at community level ▪ Positive customer experience
City Services - Street Scene: Embedding the new RLS way of working with Area Committees.	<ul style="list-style-type: none"> ▪ Strong community leadership ▪ Greater Trust ▪ Greater levels of engagement at community level
Positive Contribution and Economic Well Being: <ul style="list-style-type: none"> ▪ Integrating Youth and Adult Guidance Services ▪ Merging with neighbouring Local Authority Guidance Services ▪ Job Linkage outlets used to provide IAG service to 16-18 NEET young people 	<ul style="list-style-type: none"> ▪ Pooling Services around need
Area Co-ordination: <ul style="list-style-type: none"> ▪ Increased emphasis on role of team being developing and implementing Area Arrangements ▪ Improve linkages between LSP and Area Committees 	<ul style="list-style-type: none"> ▪ Strong community leadership
City Services <ul style="list-style-type: none"> ▪ Migration of all customer contact to the Customer Service Network 	<ul style="list-style-type: none"> ▪ Positive customer experience ▪ Simplified customer journeys ▪ Improved access to services
Strategic Objective: PARTNERSHIP WORKING	
Activity	Strategic Outcome
City Services - Community Services: At a geographic level, support more responsive services by bringing the Council closer to both the VCS and the community.	<ul style="list-style-type: none"> ▪ Greater levels of engagement at a community level
City Services - Community Services: Maximise the opportunity for community based facilities to deliver positive outcomes for the community.	<ul style="list-style-type: none"> ▪ Sharing a view of success ▪ Shared outcomes
City Services - Community Services: Support communities to engage with and shape solutions/ decision making processes by working in partnership with the VCS.	<ul style="list-style-type: none"> ▪ Sharing a view of success ▪ Unique contribution to partnership working
Strategic Objective: TRANSFORMATION PROGRAMME	
Activity	Strategic Outcome
Community Leadership Programme: The CLP supports key aspects of the BTP. The CLP Joint Leadership Project will include activity to re-fashion Officer and Member development activity with a curriculum supportive of the SWOW.	<ul style="list-style-type: none"> ▪ Developing our workforce to improve services
Strategic Objective: COMMUNITY LEADERSHIP PROGRAMME	
Activity	Strategic Outcome
Head of Project and Service Development: Develop and deliver tailored interventions (Responsive Local Services Project) that meet locally identified priorities: <ul style="list-style-type: none"> ▪ Further services added to the scope of the RLS project ▪ Extend the RLS model to people/facility based services 	<ul style="list-style-type: none"> ▪ Improved access to services ▪ Strong community leadership

**REVENUE BUDGET 2011/2012
RESPONSIVE LOCAL SERVICE AND CUSTOMER CARE**

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Original Estimate 2010/2011 £	Revised Estimate 2010/2011 £		Estimate 2011/2012 £
Office of the Chief Executive					
1	ACE	290,396	326,344	Democratic Process - Area Coordination	249,516
2	ACE	2,582,996	2,547,246	Strategic Initiatives Budget	2,530,009
		2,873,392	2,873,590	Total Office of the Chief Executive	2,779,525
Executive Director of City Services					
3	HCS	0	0	Area Facilities	0
4	HCS	1,354,270	1,351,011	Community Development	1,192,370
5	HoCSD	0	0	Customer Service Network	0
6	HoPSD	0	0	Project and Service Development	0
		1,354,270	1,351,011	Total Executive Director of City Services	1,192,370
Executive Director of Children's Services					
7	DEDoCS	49,214	74,860	Family, Adult & Community Learning	19,840
		49,214	74,860	Total Executive Director of Children's Services	19,840
		4,276,876	4,299,461	TOTAL BUDGET	3,991,735

The main reasons for the change in the net budget position from 2010/2011 to 2011/2012 are:

- Efficiency savings including back office savings arising from the implementation of the Strategic and Shared Services Review,
- Technical adjustments of £0.3m in respect of FRS 17 pensions accounting arrangements and revaluation of assets.

IMPROVEMENT AND EFFICIENCY

Savings have been achieved through the modernisation of services within the portfolio, the Council's Business Transformation projects and Service Reviews as outlined below.

Smarter Working, including the automation of processes and procedures using Information Technology, will result in more flexible working opportunities such as home and mobile working. This supports the Council's approach to property rationalisation.

Efficiencies will be achieved through the BTP Customer Services project, including:

- internal efficiencies in the Customer Services Network through transforming the way of working and making better use of technology and more flexible working arrangements.
- channel shift, which includes migrating customers from the more costly methods of customer contact, e.g. from face to face to telephony, whilst retaining customer choice.
- self service, where opportunities for web self service are developed.
- where appropriate, the migration of customer contact and some assess and decide activities to the Customer Services Network.

Efficiencies have also been realised following a redesign of the Community Development service.

PORTFOLIO GLOSSARY

ACE	Assistant Chief Executive
HSED	Head of Strategic Economic Development
HCS	Head of Community Services
HoCSD	Head of Customer Service and Development
HoPSD	Head of Project and Service Development
DEDoCS	Deputy Executive Director of Childrens Services

CABINET MEETING – 16th February 2011

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:	
Draft Council Tax Leaflet 2011/2012	
Author(s):	
Chief Executive and Executive Director of Commercial and Corporate Services	
Purpose of Report:	
The report submits for consideration the draft Council Tax Leaflet for 2011/2012.	
Description of Decision:	
Cabinet is requested to consider the draft Council Tax Leaflet and, subject to the inclusion of financial and other information once the Revenue Budget has been set, ask Council to approve it.	
Is the decision consistent with the Budget/Policy Framework? Yes	
If not, Council approval is required to change the Budget/Policy Framework	
Suggested reason(s) for Decision:	
The Local Government Finance Act 1992 requires Local Authorities to produce a Summary of Financial Information to accompany the annual Council Tax bill.	
Alternative options to be considered and recommended to be rejected:	
As the Local Government Act Finance Act 1992 requires local authorities to produce a Summary of Financial Information to accompany the annual Council Tax bill, no alternative options have been considered.	
Is this a “Key Decision” as defined in the Constitution? Yes/No	Relevant Scrutiny Committee: Management Scrutiny Committee
Is it included in the Forward Plan? Yes/No	

Draft Council Tax Leaflet 2011/2012

Report of the Chief Executive and Executive Director of Commercial and Corporate Services

1.0 Purpose of the Report

1.1 This report submits for consideration the draft Council Tax Leaflet for 2011/2012.

2.0 Description of Decision

2.1 Cabinet is requested to consider the contents of the draft Council Tax Leaflet and, subject to the inclusion of financial and other information once the Revenue Budget has been set, ask Council to approve it.

3.0 Background

3.1 The Local Government Finance Act 1992 requires all Local Authorities to produce a Summary of Financial Information to accompany the annual Council Tax bill.

3.2 Since approval at a Cabinet meeting in December 2003, the format of the Council Tax Leaflet to accompany the Council Tax Bill has been adapted to provide information on the progress the council is making in relation to its priorities and the council's finances. It was agreed that the chosen format represented a more effective and cost efficient method of communicating with local people and its circulation with the Council Tax bill was seen as an example of best practice.

3.3 A more detailed account of the council's performance in 2010/2011 and Budget information will be outlined in the Corporate Improvement Plan 2011/2012 and Revenue Budget 2011/2012, which are to be the subject of separate reports to Cabinet.

4.0 Proposal

4.1 The draft Council Tax Leaflet for 2011/2012 has been structured to reflect the Strategic Priorities of the Sunderland Strategy 2008-2025, a format that was identified as best practice by the Audit Commission and is comparable to the structure of previous years. The document focuses on demonstrable service improvements and developments that are planned to take place in 2011/2012 (and, as was the case last year, an Annual Report will be produced in the Summer which will communicate the council's achievements during 2010/2011 – this will be the subject of a further report to Cabinet in due course). The document takes account of the Communities and Local Government requirements regarding the inclusion of efficiencies information within Council Tax bills.

4.2 The document is in essence a summary of performance and financial information designed to be multi-purpose in that it can be posted to households, made available at public reception points and also be available on the council's website.

4.3 It is not possible to include the financial information and all of the related other performance information at this time. This will be incorporated into the document following Council approval at its Budget meeting in March 2011. Owing to the constraints of the production schedule a full copy of the document will not therefore be available for Cabinet prior to final printing taking place. The latest outline version of the document will be tabled at the meeting. Final sign off will be undertaken by the Leader of the Council in conjunction with the Chief Executive and the Executive Director of Commercial and Corporate Services.

5.0 Reasons for Decision

5.1 The Local Government Finance Act 1992 requires Local Authorities to produce a Summary of Financial Information to accompany the annual Council Tax bill.

6.0 Alternative Options

6.1 As the Local Government Act Finance Act 1992 requires local authorities to produce a Summary of Financial Information to accompany the annual Council Tax bill, no alternative options have been considered.

7.0 Financial Implications

7.1 The costs for printing and distributing the Summary of Financial Information 2011/2012 are provided for within the council's base budget.

Background Papers

Service Level Assessment Guide 2011/2012
Service Level Assessment Templates 2011/2012

CABINET MEETING – 16 FEBRUARY 2011

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:	
Annual Children's Services Assessment	
Author(s):	
Executive Director of Children's Services	
Purpose of Report:	
This report provides a summary of the outcomes from the Annual Children's Services Assessment published by Ofsted in December 2010.	
Description of Decision:	
Cabinet is asked to note the outcomes of the Annual Children's Services Assessment and to note the actions being taken to ensure that the key areas for further development are addressed.	
Is the decision consistent with the Budget/Policy Framework? Yes	
If not, Council approval is required to change the Budget/Policy Framework	
Suggested reason(s) for Decision:	
The report is presented to inform Cabinet of the inspection outcomes and to advise of the actions for improvement noted within the judgement.	
Alternative options to be considered and recommended to be rejected:	
This report is presented to Cabinet to provide an update on the outcomes from the Annual Children's Services Assessment, and as such there are no viable alternative options.	
Is this a "Key Decision" as defined in the Constitution?	Relevant Scrutiny Committee:
No	Children, Young People and Learning
Is it included in the Forward Plan?	
No	

REPORT OF THE EXECUTIVE DIRECTOR OF CHILDREN'S SERVICES

ANNUAL CHILDREN'S SERVICES ASSESSMENT

1 Purpose of the Report

- 1.1 This report provides a summary of the outcomes from the Annual Children's Services Assessment which was published by Ofsted in December 2010.

2 Description of the Decision

- 2.1 Cabinet is asked to note the outcomes of the Annual Children's Services Assessment and to note the actions being taken to ensure that the key areas for further development are addressed.

3 Background

- 3.1 The Education and Inspections Act 2006 charged Ofsted with the responsibility to assess annually the quality of children's services for each local authority. In 2009, Ofsted provided this assessment as one element of its contribution to the joint inspectorate's Comprehensive Area Assessment (CAA). In May 2010, as part of the new Coalition's programme for government, CAA was abolished. However, Ofsted's statutory duty to provide a children's services assessment remains.
- 3.2 In July 2010, Ofsted published guidance which set out the arrangements for the children's services assessment in 2010 in terms of performance profile and principles that would be applied in determining the assessment. The scope of the assessment includes the full range of services, from universal such as education through to specialist services, for example those for looked after children.
- 3.3 The assessment is also derived from Ofsted's performance profile, which reports on the quality of services and outcomes for children and young people. This data comes from Ofsted inspections and data provided by the local authority. The rating relates to all key areas of children's services, including education and safeguarding.
- 3.4 The reporting of outcomes is in the form of a letter from Ofsted, which is in two parts, firstly setting out the overall children's services assessment, including a short explanatory text explaining the assessment based on the performance profile.

3.5 Secondly, the letter includes a wider commentary on the quality of services provided by the local authority and its partners, outcomes achieved by children and young people and prospects for improvement.

4 Current Position

4.1 On 3 December 2010, Children's Services received confirmation from Ofsted of the outcome from the annual assessment of children's services (attached at Appendix 1). Using the measures noted above, Sunderland's Children's Services was judged as **Performs Well (3): an organisation that exceeds minimum requirements**.

4.2 It should also be noted that whilst the number of local authorities who perform excellently (4) has doubled, there has also been an increase in the number of local authorities whose rating has been downgraded (12), as shown below:

Assessment Outcome	LA's in 2009	LA's in 2010
Performing excellently (4)	10	20
Performing well (3)	93	77
Performing adequately (2)	40	37
Performing poorly (1)	9	12

4.3 Although this is the same outcome as in 2009, this does not mean that there have been no improvements within Children's Services.

4.4 Direct comparisons between 2009 and 2010 summary profiles is restricted due to changes to the profile format, however there are notable improvements in 2010. The percentage of inspection judgements classed as good or outstanding for child minders, childcare and primary schools have improved this year along with improved children's homes judgements. All special school judgements remain at least Good.

4.5 Overall, Sunderland's inspection judgements across services places Sunderland firmly within the Performing Well category. 87% of Sunderland national indicators reported in the profile are classed as Above or In Line with relevant comparators. Seven national indicators are classed as significantly below, although three of these indicators have subsequently been deleted (Tellus Survey), two relate to 2009 data and have shown significant improvement since (breastfeeding and first time entrants to youth justice system), and two indicators have remained static (Key Stage 2 results and hospital admissions caused by injuries to children).

4.6 The report in particular highlights:

- Majority of services, settings and institutions inspected by Ofsted are good or better (inspections of schools, children's homes, early years settings)
- Unannounced inspection found that front-line child protection services are strong with no areas for improvement. It also highlighted the strong commitment from Sunderland City Council to fund children's safeguarding services in response to the increasing demands on social care services.
- Performance of the very large majority of outcomes for attainment show that the very large majority are at least in line with averages for England or for similar areas.
- Improved arrangements to encourage children and young people to live healthier lives, including services to meet mental and emotional health.
- Almost all measures for keeping children and young people safe are at least as good as in similar areas or England.
- The majority of nurseries and schools are good at helping children and young people to do well and enjoy their learning.
- The views of children and young people are used well to inform the planning and reviewing of services, including *Citizenship Week*, which began in October 2008.
- The local authority and its partners have been successful in improving outcomes for 16-19 year olds, and young people in Sunderland do as well as those in similar areas or nationally on all measures of performance.

5. Prospects for Improvement

5.1 It was noted that the local authority's review of its Children and Young People's Plan (CYPP) (2009-2010) demonstrates a good understanding of what needs to improve, and that the 10 priorities take good account of the local context and resources are rightly directed where outcomes for children and young people are too low.

- 5.2 It was also noted that the CYPP is considered to reflect the local authority's key strategic issues well, particularly in tackling child poverty and unemployment over the next 10 years.
- 5.3 It was recognised that weaker schools were well supported by the local authority, to help them to develop the capacity to improve by themselves.

6. Key Areas for Further Development

- 6.1 Although the majority of the outcomes within the report were positive, there were a number of key areas for further development, as noted below. However, Cabinet are asked to note that the improvement of these areas is one of the core outcomes for Children's Services and as such, action plans are in place to ensure that outcomes for children and young people are continuously improved:
- Improve educational outcomes at age 11.
 - Improve educational outcomes for pupils with special educational needs.
 - Reduce the gap between the lowest achieving five year olds and all children at the end of reception year.
- 6.2 Detailed improvement plans were presented to the Children, Young People and Learning Scrutiny Committee at its meeting on 10 February 2011.

7. A New Approach to Inspection of Children's Services

- 7.1 Within the context of the Coalition Government's commitment to replace the current top-down approach to managing the performance of local public services with stronger accountability to local people and communities, consultation is continuing in order to develop a better understanding of sector led and peer reviews, and it is anticipated that further details will be published in April 2011.

8. Reasons for the Decision

- 8.1 The report is presented to inform Cabinet of the inspection outcomes and to advise of the actions for improvement noted within the judgement.

9. Alternative options

- 9.1 This report is presented to Cabinet to provide an update on the outcomes from the Annual Children's Services Assessment, and as such there are no viable alternative options.

10. Relevant Considerations/Consultations

- 10.1 In reaching its judgement, Ofsted takes account of the users, children and young people, parents and carers in all its inspections. Through these inspections, Ofsted assesses the extent to which views about service satisfaction, in particular, are taken into account in reviewing and improving these services.

11. Appendices

- 11.1 Annual Children's Services Assessment letter

12. Background Papers

Ofsted: Children's services assessment for 2010. Arrangements and guidance for local authorities and their partners on Ofsted's annual assessment of children's services.

9 December 2010

Mr Keith Moore
Executive Director of Children's Services
Sunderland City Council
The Civic Centre
Sunderland SR2 7DN

Dear Mr Moore

Annual children's services assessment

Ofsted guidance published in July 2010 explains that the annual assessment of children's services is derived from the performance profile of the quality of services and outcomes for children and young people in each local area. This performance profile includes findings from across Ofsted's inspection and regulation of services and settings for which the local authority has strategic or operational responsibilities, either alone or in partnership with others, together with data from the relevant indicators in the National Indicator Set (NIS).

In reaching the assessment of children's services, Ofsted has taken account of all inspected and regulated services for children and young people, arrangements for making sure children are safe and stay safe and performance against national measures. More weight has been given to the outcomes of Ofsted's inspections and regulatory visits (Blocks A and B in the performance profile).

The annual assessment derives from a four point scale:

4	Performs excellently	An organisation that significantly exceeds minimum requirements
3	Performs well	An organisation that exceeds minimum requirements
2	Performs adequately	An organisation that meets only minimum requirements
1	Performs poorly	An organisation that does not meet minimum requirements

Within each level there will be differing standards of provision. For example, an assessment of 'performs excellently' does not mean all aspects of provision are perfect. Similarly, an assessment of 'performs poorly' does not mean there are no adequate or even good aspects. As in 2009, while the performance profile remains central to Ofsted's assessment, meeting or not meeting the minimum requirements alone does not define the grade. The assessment has involved the application of inspector judgement.

Sunderland City Council children's services assessment 2010

Children's services assessment	Perform well (3)
---------------------------------------	-------------------------

Children's services in Sunderland City Council perform well.

The majority of services, settings and institutions inspected by Ofsted are good or better. Nurseries and primary schools are mostly good. The special schools are also good and two are outstanding. The majority of the secondary schools are good. Post-16 provision, including the two independent specialist colleges for young people with complex needs, is also strong. The very few schools judged to be inadequate are making at least satisfactory progress. Inspections show that just over half of the children's homes and early years and childcare settings are at least good. Three of the four pupil referral units are satisfactory and only one is good. The local fostering and adoption agencies are good.

A recent unannounced inspection of front-line child protection services found much that was strong and no areas for priority action.

National performance measures show that the very large majority of outcomes are at least in line with the averages for England or for similar areas. Overall attainment of five-year-olds matches similar areas. However, strategies to narrow the gap between the lowest achievers at that age and all five-year-olds in Sunderland are not yet having sufficient impact and the gap remains too wide. Results in national tests for 11-year-olds are below those of similar areas. At age 16, results match those in similar areas, although young people who have special educational needs do less well than the same children nationally. The proportion of young people with good qualifications by the age of 19 matches similar areas. The local authority has successfully reduced the number of 16- to 18-year-olds not in education, work or training.

Key areas for further development

- Improve educational outcomes at age 11.
- Improve educational outcomes for pupils with special educational needs.
- Reduce the gap between the lowest achieving five-year-olds and all children at the end of the Reception Year.

Outcomes for children and young people

Almost all schools encourage children and young people to lead healthy lives but the childminders are less strong in this aspect. Inspections report that health promotion is at least satisfactory in the pupil referral units and the homes for children in care. The local authority has improved arrangements to encourage children and young people to live healthier lives. These include services to meet the mental and emotional health of children and young people, and increasing the take-up of

lunches in primary and secondary schools, which now matches the take-up in similar areas. The same proportion of young people as found nationally participates in sport but fewer are satisfied with parks and play areas. In its 2009–2010 Children and Young People's Plan, the local authority identified the need to continue to increase the number of mothers who breast-feed their babies and reduce the number of those who smoke during their pregnancy. There has been a good reduction to the number of young women under the age of 18 who become pregnant.

Almost all measures of performance for keeping children and young people safe are at least as good as in similar areas or England. The two weaker aspects are the higher number of children who report that they have experienced bullying and the above average number of children admitted to hospital because they are injured either accidentally or deliberately. Good local services work well together to protect children at risk of harm and meet their needs and those of their family. The unannounced inspection of front-line child protection services found that there was a strong commitment from Sunderland City Council to improve further the quality of front-line social work services. The Children and Young People's Plan recognises that more needs to be done to improve the lives of children affected by violence in the home and the impact on children's well-being of parents who drink too much or take drugs.

The majority of nurseries and schools are good at helping children and young people to do well and enjoy their learning. Early years and childcare provision is less strong with only about half judged to be good when inspected. Inspections also show that, although many primary schools are good overall, about a third are only satisfactory. More needs to be done to raise the achievement of the lowest achieving five-year-olds. The number of primary schools not reaching the minimum expected levels in the national tests is above similar areas. At age 11, results are below those of similar areas. Three primary schools and one secondary school have been judged to be inadequate by Ofsted. Monitoring visits show that the local authority provides well-targeted support to improve provision in these schools. Standards have risen in secondary schools and, by the age of 16, young people do as well as in similar areas. In the pupil referral units, judged to be satisfactory by Ofsted, students receive good pastoral support but education standards remain low and the persistent absence of some students places their future at a significant disadvantage. The Children and Young People's Plan acknowledges the need to raise standards for some specific groups of young people, including young people from low-income families and those who have special educational needs.

The views of children and young people are used well to inform the planning and reviewing of services. For example, the *Citizen Week*, started in October 2008, provides a formal opportunity for children and young people to explore local issues and offer possible solutions. In the best children's homes young people in care influence the way the home should be run. The inspections of the satisfactory pupil referral units judged that they are successful in involving parents and young people, for example when preparing for an eventual return of the young person to their main school. On almost all measures, performance is good. Permanent exclusion is below average, few young people break the law more than once and almost all young

offenders are in education, work or training. However, the number of 10- to 17-year-olds who break the law for the first time, although reducing, is above similar areas.

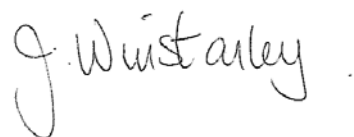
The local authority and its partners have been successful in improving outcomes for 16- to 19-year-olds. Young people in Sunderland do as well as those in similar areas or England on all measures of performance. A range of strategies and rigorous interventions has reduced the number of 16- to 18-year-olds not in education, work or training and it now matches similar areas. More young people, including those from low-income backgrounds, gain qualifications needed for future jobs. Most care leavers are in education, work or training and are given a suitable place to live when they leave care. The colleges and most schools, including the special schools, prepare young people well for future studies and life after school. The Children and Young People's Plan identifies clearly where further actions are required, in particular to provide more apprenticeships for young people, support low-income families and reduce child poverty.

Prospects for improvement

The local authority's review of its Children and Young People's Plan demonstrates a good understanding of what needs to improve. Progress has been made in important areas. The ten key priorities, identified for 2009–2010, take good account of the local context and resources are rightly directed where outcomes for children and young people are too low. The Children and Young People's Plan reflects the local authority's key strategic issues well, especially in tackling child poverty and unemployment over the next ten years. The recent inspection of front-line child protection services found that there is a strong commitment from Sunderland City Council to fund children's services in response to the increasing demands on social care services. Ofsted's monitoring visits confirm that the local authority supports weaker schools well and helps them to develop the capacity to improve by themselves.

This children's services assessment is provided in accordance with section 138 of the Education and Inspections Act 2006.

Yours sincerely

A handwritten signature in black ink that reads "Juliet Winstanley". The signature is written in a cursive, flowing style.

Juliet Winstanley
Divisional Manager, Children's Services Assessment

CABINET MEETING – 16 FEBRUARY 2011

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Sunderland Partnership Volunteering Strategy and Action Plan

Author(s):

Report of the Assistant Chief Executive and Executive Director of City Services

Purpose of Report:

The report seeks Cabinet approval and adoption of the Sunderland Volunteering Strategy and Action Plan.

Description of Decision:

Cabinet are requested to:

- i) Approve and adopt the Sunderland Volunteering Strategy and support implementation of the associated Action Plan
- ii) Refer the Strategy and Action Plan to the Sunderland Partnership Board for adoption

Is the decision consistent with the Budget/Policy Framework?

Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

Opportunity exists to maximise the contribution that volunteering makes to the City. The Sunderland Volunteering Strategy will provide a valuable basis for VCS organisations and organisations of the Sunderland Partnership to work together to increase volunteering activity for the benefit of residents, their communities and the City. It is an ambitious strategy which establishes a long-term commitment and approach to ensuring that volunteering activity is well supported using a collaborative approach, and Sunderland City Council has a pivotal role to play in its implementation

Alternative options to be considered and recommended to be rejected:

There are no alternative options proposed.

Is this a “Key Decision” as defined in the Constitution?

Yes

Relevant Scrutiny Committee:

Sustainable Communities

Is it included in the Forward Plan?

Yes

SUNDERLAND PARTNERSHIP VOLUNTEERING STRATEGY AND ACTION PLAN

REPORT OF THE ASSISTANT CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR OF CITY SERVICES

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to seek Cabinet approval and adoption of the Sunderland Volunteering Strategy and Action Plan.

2.0 DESCRIPTION OF THE DECISION

- 2.1 Cabinet are requested to:
- (i) Approve and adopt the Sunderland Volunteering Strategy and support implementation of the associated Action Plan
 - (ii) Refer the Strategy and Action Plan to the Sunderland Partnership Board for adoption

3.0 BACKGROUND

- 3.1 The Sunderland Community Development Plan (agreed by the Sunderland Partnership and Cabinet in April 2008) highlighted the importance of volunteering in Sunderland and its role in supporting the successful delivery of the five strategic aims of the Sunderland Strategy.
- 3.2 Volunteering is also a key element in the recently developed Local Area Plans. Volunteering supports the empowerment of individuals; contributes to strong communities; and adds value in the delivery of public services.
- 3.3 The Sunderland Compact Volunteering Code of Practice was agreed by Cabinet and organisations of the Sunderland Partnership in June 2009. The Code of Practice sets out the key principles and undertakings for both the organisations of the Sunderland Partnership and Voluntary and Community Sector (VCS) organisations in Sunderland on how to work together to improve and increase volunteering.

- 3.4 Many organisations in Sunderland support volunteering but much of the good practice is not fully shared between organisations and approaches to supporting volunteers remain inconsistent across the city. To begin to address these inconsistencies, the City Council in partnership with Sunderland Volunteer Centre led the development of a 'Volunteering Toolkit' and associated training programme in 2009 to provide organisations with information on quality procedures that can be used when supporting volunteers. The Toolkit has recently been updated and re-launched to over 400 volunteer-involving organisations in Sunderland.
- 3.5 On 12 May 2010 the Sunderland Partnership Delivery and Improvement Board agreed to support and engage in the development of a Sunderland Partnership Volunteering Strategy to ensure existing good practice can be shared and new ways of working developed. The development period for the Strategy and associated action plan commenced on 12 May 2010 and a first draft was produced in August 2010.

4.0 SUNDERLAND VOLUNTEERING STRATEGY

- 4.1 The final draft of the Sunderland Volunteering Strategy establishes a set of agreed commitments for the organisations of the Sunderland Partnership to ensure adequate and effective support for volunteering activity in Sunderland, which is key to achieving a prosperous and inclusive city.
- 4.2 The Volunteering Strategy will impact upon volunteering in Sunderland through achievement of the following outcomes:
- Increasing the number of people volunteering in the city (whether through formal or informal volunteering) by working with partners to identify opportunities for volunteer involvement
 - Recognising and celebrating volunteers for their role in delivering services and improving the lives of people in the city
 - Developing ways of supporting volunteers to increase their confidence, learning, skills and employability prospects
 - Increasing the number of organisations with Employer-Supported Volunteering schemes
 - Improving the management of volunteers and the delivery of volunteering programmes in the city

4.3 Delivery of the Volunteering Strategy Action Plan will ensure that a greater number and range of organisations register or update volunteering opportunities with the Sunderland Volunteer Centre and that more organisations make the best use of volunteers, which will have a positive impact on the services and activities they provide within communities. A media campaign and a range of development activities will promote and encourage volunteering, supporting an increase the number of people taking up volunteering opportunities across Sunderland.

4.4 By supporting volunteering in Sunderland, the Strategy seeks to :

- Contribute to building inclusive and cohesive communities
 - Volunteering increases social interaction, builds respect, and helps residents develop a sense of belonging and ownership over local services.
- Support residents to take a more active role in their communities
 - for example, via work with Area Committees in delivering their local Area Plan priorities
- Strengthen democracy and support active citizenship
 - Volunteering provides residents with an opportunity to influence decision making at a local level – e.g. school governors, management committees, Area VCS Networks.
- Support delivery of invaluable local services
 - Volunteers are involved in the delivery of a wide range of services, including victim and witness support schemes, support services within hospitals, youth work, community cafes etc.
- Support the VCS in Sunderland
 - via signposting and targeted help to build their capacity
- Bring benefits to individual volunteers
 - Volunteering provides a route into employment, education or training; provides a chance to make friends and reduce isolation; increases self esteem and confidence
- Bring benefits to service users
 - Volunteers can contribute to personalising services, provide peer support and social interaction.

5.0 IMPLICATIONS FOR THE CITY COUNCIL

- 5.1 By adopting the Sunderland Volunteering Strategy, the City Council agrees to work collaboratively with key statutory and voluntary and community sector (VCS) organisations in the implementation of the Strategy and associated action plan.
- 5.2 Sunderland City Council has key and supporting roles to play in delivering the actions set out in the Sunderland Volunteering Strategy, including:
- Development of the Area and Citywide Volunteer Celebrations
 - Promotion of volunteering opportunities through grassroots Community Development activity and the continued development Volunteering opportunities across the Council
 - Maximising volunteering opportunities through Responsive Local Services

 - Introduction of volunteering roles such as events volunteers for and Sunderland International Air show
 - Development of an Employer-Supported Volunteering Scheme (ESV) and a Corporate Volunteering Policy
- 5.3 City Services will continue to represent Sunderland City Council on the Sunderland Volunteering Forum Steering Group, which facilitates the sharing of best practice and promotion of volunteering at a strategic level. The Steering Group comprises representatives of local VCS organisations and organisations of the Sunderland Partnership and will have responsibility for monitoring and evaluating implementation of the Sunderland Volunteering Strategy to ensure the agreed objectives are achieved.

6.0 RISK ANALYSIS

- 6.1 Despite the numerous benefits, there are some risks associated with adoption of the Sunderland Volunteering Strategy; however, these can be managed and minimised as detailed below.
- Sunderland Volunteering Strategy Action Plan implementation issues; mitigating actions are as follows:
 - Use a partnership approach for delivery through the Sunderland Volunteering Forum Steering Group.
 - Encourage organisations of the Sunderland Partnership to commit to actions in areas where they have the expertise.

- Sunderland Compact compliancy issues; mitigating actions are as follows:
 - Promotion of the Compact, the Volunteering Code of Practice and the Funding and Procurement Code of Practice across Sunderland City Council and organisations of the Sunderland Partnership.
 - Embed the Compact across the working practices of Sunderland City Council
 - Work to eliminate financial barriers to volunteering
 - Commit to the principle of full cost recovery when funding the VCS.

- Barriers to volunteering; mitigating actions are as follows:
 - Minimise the barriers to volunteering by offering support to volunteers and providing a diverse range of volunteering opportunities, including flexible and short-term roles.
 - Provide training to volunteer managers to raise awareness of existing barriers and to support elimination

7.0 PROPOSED NEXT STEPS

- 7.1 Following approval and adoption by Cabinet, it is proposed to present the strategy for adoption by the Sunderland Partnership. Following this implementation of the Strategy and associated action plan will commence via work with the Sunderland Volunteering Forum and Steering Group and Compact Implementation Group.

8.0 REASON FOR THE DECISION

- 8.1 Opportunity exists to maximise the contribution that volunteering makes to the City. The Sunderland Volunteering Strategy will provide a valuable basis for VCS organisations and organisations of the Sunderland Partnership to work together to increase volunteering activity for the benefit of residents, their communities and the City. It is an ambitious strategy which establishes a long-term commitment and approach to ensuring that volunteering activity is well supported using a collaborative approach, and Sunderland City Council has a pivotal role to play in its implementation.

9.0 ALTERNATIVE OPTIONS

- 9.1 There are no alternative options proposed.

10.0 RELEVANT CONSIDERATIONS/CONSULTATIONS

10.1 Development Period

Development of the Volunteering Strategy commenced in May 2010 and a first draft was produced in August 2010. During this period presentations and developmental workshops on the Strategy were held with both VCS organisations and statutory sector partners at various events including:

- Sunderland Partnership Delivery and Improvement Board
- Sunderland Volunteering Forum
- Sunderland Community Network VCS Assembly
- Inclusive Communities Thematic Group
- Dissemination via infrastructure organisations' membership lists, requesting comments and suggestions

10.2 Formal Consultation Period

Formal consultation on the draft Sunderland Volunteering Strategy commenced on 9 August 2010 and closed on 17 September 2010. The need for a 12 week formal consultation period as detailed in the Sunderland Compact Involvement and Consultation Code of Practice was negated given the extensive involvement of the VCS in the initial development of the Strategy.

As part of the consultation process, the draft Sunderland Volunteering Strategy was presented to the following for comment:

- Sunderland Partnership Strategic Board
- Sunderland Partnership Delivery and Improvement Board
- Sunderland Partnership Inclusive Communities Thematic Group
- Sunderland Partnership Involvement and Consultation Group
- Compact Implementation Group
- Sunderland Community Network
- Voluntary and Community Action Sunderland (VCAS, formerly Sunderland CVS) e-group
- Sunderland Volunteer Centre and Forum members
- Sunderland City Council Corporate Communities Group
- Citizenship and Volunteering Group
- All five Area Committees

A final draft of the Strategy has been produced which incorporates amendments made in response to issues identified through the consultation process. For example:

- The Strategy has been considerably shortened. A number of sections have been removed and made available via updates to the Sunderland Volunteering Toolkit.

- A section on equality and diversity has now been included along with actions to improve monitoring arrangements around the take-up of volunteering opportunities.
- The cost of inducting, managing and supporting volunteers has been recognised, and the Strategy now includes information relating to the Sunderland Compact Funding and Procurement Code of Practice and the principle of Full Cost Recovery. Further research will be undertaken to identify the cost of involving volunteers.

10.3 The Sunderland Volunteering Strategy and Action Plan has been presented at the Sustainable Communities Scrutiny Committee for comment.

10.4 A Sustainability Impact Assessment (SIA) has been carried out for the Sunderland Volunteering Strategy; however, it had a less significant score and therefore no need for a full SIA.

11.0 APPENDICES

Appendix 1 – Sunderland Volunteering Strategy and Action Plan

12.0 GLOSSARY

VCS – Voluntary and Community Sector

Sunderland Volunteering Strategy

LATEST DRAFT

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Sunderland Volunteering Strategy - a little time, makes a big difference...

Supporting Documents

A range of documents have been produced to support the Sunderland Volunteering Strategy, volunteering and volunteering-involving organisations in our City.

The following documents can be found in the Sunderland Volunteering Toolkit:

Themes in Volunteering

Encouraging Equality and Diversity

Identifying and Overcoming Barriers to Volunteering

Benefits of Volunteering

Volunteering and the Sunderland Strategy

Foreword

To be prepared once draft strategy has been agreed.

Executive Summary

The Sunderland Volunteering Strategy has been developed to reflect the changing landscape of volunteering both nationally and at the local level. People volunteer for many different reasons for example to build up their skills, increase their confidence and to meet new people. A city-wide, partnership approach to volunteering can bring with it a host of benefits for individuals who volunteer, organisations, and communities.

Pathways to volunteering are personal and there are various drivers for participation in volunteering activity. Whilst interest in volunteering is valued and recognised, barriers to volunteering continue to exist. By working together, organisations of the Sunderland Partnership and volunteer-involving organisations can help to eliminate these barriers.

Nationally, volunteering has consistently remained at the forefront of the political agenda due to a cross-party consensus on the raft of benefits that volunteering can bring. Locally, the Sunderland Partnership, through the Sunderland Strategy (2008 – 2025), is committed to ‘Creating a better future for everyone in Sunderland’, and partners recognise that volunteering supports the delivery of local strategic aims. Additionally there a range groups and forums which support volunteering activity across the city.

Recorded data with regards to volunteering activity in Sunderland is limited. However, partners acknowledge that a diverse range of people participate in volunteering in Sunderland; it is essential that the needs of all groups and individuals are recognised in order to ensure all those interested are supported to take up volunteering opportunities.

Through the Sunderland Compact and the Volunteering Code of Practice in particular, organisations of the Sunderland Partnership and Voluntary and Community Sector organisations have committed to work together to support and promote volunteering. The Sunderland Volunteer Centre also plays a key role in strategic development of volunteering in the city.

The City of Sunderland has already taken a number of positive steps to support volunteering at the local level – for example, development of a Sunderland Volunteering Toolkit and organisation of annual volunteer celebration events. The Sunderland Volunteering Strategy is supported by an Action Plan for the Sunderland Partnership which will build upon existing activity and support volunteering in Sunderland by:

- Increasing the number and diversity of people volunteering in Sunderland
- Recognising and rewarding volunteers
- Supporting volunteer confidence, learning, skills and employability
- Increasing the number of Employer-Supported Volunteering Schemes
- Improving volunteer management and volunteering programmes

Glossary

Formal volunteering Giving unpaid help through groups, clubs or organisations which support social, environmental, cultural or sporting objectives.¹

Informal volunteering Giving unpaid help as an individual to someone who is not a relative.²

Sunderland Volunteering Forum provides a basis for local statutory, community and voluntary sector groups to come together, share good practice and information on volunteering issues and plan related training and events.

Sunderland Volunteering Forum Steering Group was implemented to look at more strategic issues facing volunteer involving organisations.

Voluntary and Community Sector (VCS) Includes registered charities, as well as non-charitable non-profit organisations, associations, self-help groups and community groups. Most involve some aspect of voluntary activity, though many are also professional organisations with paid staff. 'Community organisations' tend to be focused on particular localities or groups within the community; many are dependent entirely or almost entirely on voluntary activity.³

Abbreviations:

CA	Community Association
CRB	Criminal Records Bureau
ESV	Employer Supported Volunteering
SCC	Sunderland City Council
SMEs	Small to Medium Enterprise
SVC	Sunderland Volunteer Centre
SVFSG	Sunderland Volunteering Forum Steering Group
VCS	Voluntary & Community Sector

1. Introduction

¹ As defined by the Department for Communities and Local Government in its annual *Citizenship Survey*.

² Ibid.

³ Definition used by the Home Office.

1.1. Introduction to Volunteering

We live in a society that has been shaped by volunteers. Just about every area of activity that is now associated with public service provision began with voluntary action – education, health, social services, welfare, disability provision, childcare, housing, justice, the environment, conservation – the list is endless.

Volunteering is an important expression of citizenship and is essential to democracy. It is the commitment of time and energy for the benefit of society and the community, and can take many forms, such as volunteering to provide a service within an organisation, befriending and mentoring, organising sports and physical recreation, acting as a trustee or member of a voluntary board or committee, leading a voluntary initiative, community activism or campaigning to identify and tackle unmet needs. It is undertaken freely, through personal choice and not for financial gain. It is important to both Voluntary and Community Sector (VCS) organisations – which may be run exclusively by volunteers, and the statutory sector, for example in the health and criminal justice services.

People volunteer for many different reasons. They may choose to volunteer to develop skills or gain experience, to socialise or to give something back to society. They may also volunteer because they have a moral duty or compelling reasons to take part in voluntary action or support a particular cause.

The contribution of volunteering to our communities is invaluable, and it is therefore crucial that the City take a strategic approach to promoting and supporting this activity.

“Volunteering should never be underestimated in its power to mobilise people and resources when most needed.”

– David Curtis, Chief Officer, Volunteer Centre Sunderland

1.2. Why Sunderland Needs a Volunteering Strategy

A city-wide strategic approach to volunteering can bring with it a host of benefits. Volunteering plays a vital role in making communities work and provides important benefits on a number of levels:

- **For individuals who volunteer**
It gives a sense of satisfaction, fulfilment and social contact but also experiences, knowledge and skills. It can improve health and well-being and create a sense of belonging. Where desired, this can provide pathways into education, training and employment and offer exit routes from long-term health issues.
- **At an organisational level**

It is a vital means of support in the delivery of services and activities that enhance people's lives and choices.

- **For communities**

Volunteering promotes cohesion and helps to develop a sense of belonging, ownership and an ability to influence decision-making at a local level.

"[...] voluntary activity in the community is associated with better health, lower crime, improved educational performance and greater life satisfaction."

– Institute for Volunteering Research (2007)

A consistent approach to the recruitment and support of volunteers will ensure all groups and individuals can access opportunities both within the VCS and statutory sector. This will include the private sector with regards to Employer-Supported Volunteering (ESV).

It is important that vulnerable groups and individuals are supported to access opportunities and sustain their volunteering commitment through agreed frameworks such as those outlined in the Sunderland Volunteering Toolkit.

1.3. Purpose of the Strategy

The purpose of the Strategy is to enhance and develop volunteering activity in the City of Sunderland. The Strategy aims to secure a city-wide partnership approach by providing the basis for VCS organisations and organisations of the Sunderland Partnership to work together to promote and support volunteering in our communities.

1.4. What the Strategy will Achieve:

The Volunteering Strategy and Action Plan will build on existing good practice already taking place in the City and develop further actions to achieve the principal objectives of:

1. Increasing the number of people volunteering in the City of Sunderland (whether through formal or informal volunteering), by:
 - Making it easier for people to access information about volunteering opportunities
 - Working together to remove the barriers to volunteering
 - Marketing volunteering opportunities more effectively
 - Providing additional support mechanisms such as "buddying"

2. Recognising and celebrating the contribution of volunteers for their role in delivering services and improving the lives of people in the City, by:
 - Promoting the contribution volunteers make to Sunderland
 - Promoting case studies of local volunteers
 - Building upon the success of area and City-wide volunteer events by emphasising the role of the Mayor of Sunderland and Elected Members
 - Building upon the Volunteering Campaign in 2007 - “a little time makes a big difference”
3. Developing ways of supporting volunteers in their learning, skills development and employability, by:
 - Working with volunteer involving organisations to support skills development in Sunderland
 - Working together to ensure that organisations are able to provide their potential and existing volunteers with access to support, training and appropriate qualifications
4. Increasing the number of organisations with ESV schemes, by:
 - Developing existing mechanisms to promote, assist and develop ESV in Sunderland
 - Building the business case for ESV in public and private sector organisations
 - Matching up ESV volunteers with the VCS organisations requiring volunteers
5. Improving the management of volunteers and the delivery of volunteering programmes in the City, by
 - Building the capacity of volunteer-involving organisations to make effective use of volunteers
 - Ensuring that there is effective co-ordination by and between relevant volunteering-involving organisations
 - Ensuring that appropriate support is given to existing volunteer activities
 - Ensuring that there is effective monitoring of volunteering activity.

By working towards these principal objectives, we will ensure that:

Volunteers are supported to reach their potential and can take part in volunteering activities that are meaningful to them;

Voluntary and Community Sector organisations have the volunteers with the different skills that they need to carry out their valuable role in communities;

The City of Sunderland has a high number of local people who volunteer in a range of organisations who participate fully in City life and contribute to their community.

The Volunteering Strategy for Sunderland will be supported by a detailed action plan (see Section 4) that will outline the key steps to be taken to achieve the principal objectives of the Strategy. It will be developed and co-ordinated by the Volunteering Forum Steering Group and will run from 2011 – 2015. This will be a living action plan requiring regular monitoring and development.

2. The Context

2.1 Defining Volunteers and Volunteering

The UK does not have one common definition of volunteering, which goes some way to explaining the difficulties in aligning research statistics on the levels and nature of volunteering.

A commonly used definition of volunteering is that used by Volunteering England in its *Building on Success* Report (2004), which has been adopted by the National Compact and the Sunderland Compact:

"[Volunteering is] an activity that involves spending time, unpaid, doing something that aims to benefit the environment or individuals or groups other than (or in addition to) close relatives."

This definition is a broad one and includes not only formal volunteering – giving unpaid help through groups, clubs or organisations – but also takes into account informal and occasional activities, often carried out on an individual basis

2.2 Pathways to Volunteering

The reasons for volunteering are personal and the motivations for doing so vary from person-to-person.

The following diagram summarises the various drivers in terms of how and why volunteer activities take place. It is purely illustrative, so the degrees and areas of overlap shown do not represent research findings.

Motivators

There are often degrees of overlap in what motivates volunteer activity. The main motivators can be summarised as follows:

Altruistic - A primary desire to help and benefit others, with little regard to personal benefit

Personal - A desire to achieve personal aims, whilst benefiting others

Obligation - Fulfilling an obligation which has been voluntarily accepted

Matching and Linkages

Linking volunteers to appropriate volunteering opportunities is done in many, overlapping, ways. These can be summarised as follows:

Advertising - Organisations needing volunteers

Brokerage - Volunteer centres act as brokers in matching volunteers with volunteer opportunities

Community - Personal contacts between those with common social and community values and interests, is effective in linking volunteers to volunteering opportunities

Channels for Activities

Voluntary sector community benefit and hobby organisations provide the most visible channels for formal volunteer activities.

Informal volunteering is less visible, and sometimes difficult to separate from 'good neighbourliness'.

Regular Activities

Volunteers perform a variety of tasks. These can be summarised as:

Adding Value to existing services

Providing leadership in activities of community benefit

Raising funds to support services and activities

Technical and administrative support to organisations, particularly small ones, that could not otherwise afford it

Beneficiaries

Volunteer activity is for the benefit of others. Those beneficiaries can be summarised as follows:

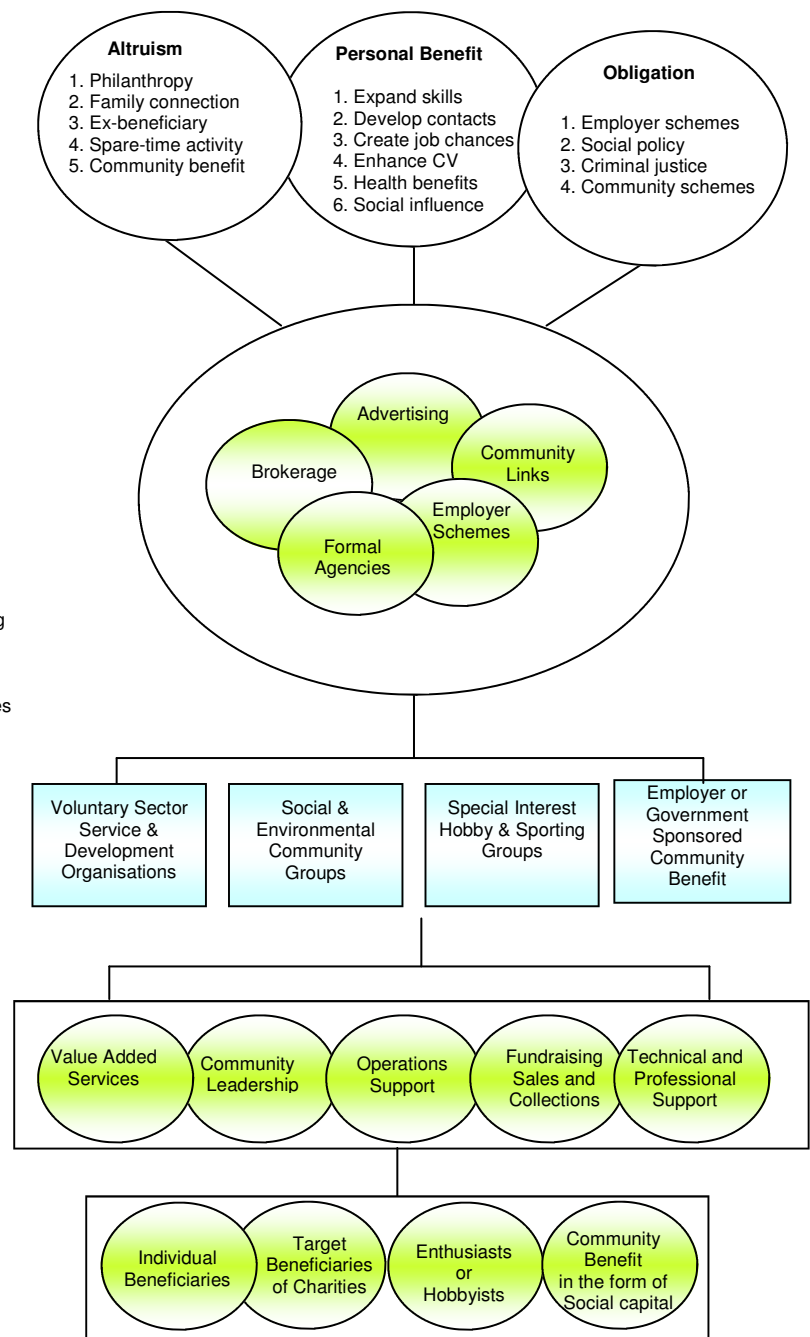
Individuals - people benefiting from added services

Charities - charities reaching more of their beneficiaries

Enthusiasts - fellow enthusiasts benefited

Community - additional social capital in the community

Other



“Volunteering has enabled me to learn lots of new skills. As well as working with younger people at the project, I have gained an understanding of all of the paperwork involved from purchase orders to risk assessments and evaluations. I used to be really shy and withdrawn, but volunteering has helped to boost my confidence and helped me realise what I’d like to do as a career. I’d definitely encourage more people to get involved.”

– Anthony, Volunteer for Pennywell Youth Project, Sunderland

2.3 Identifying and Overcoming Barriers to Volunteering

A recent study carried out in Sunderland (Primetrics 2009) identified the following obstacles to volunteering: work commitments, doing other things in one’s spare time, looking after children or the home, and lack of awareness of volunteering opportunities.

There are additional barriers for volunteer-involving organisations in terms of associated costs in recruiting, inducting and supporting volunteers. The Sunderland Compact Funding and Procurement Code of Practice demonstrates the commitment of Compact signatory organisations to use the principle of full cost recovery when funding the VCS. Research into addressing this issue will be initiated via the Action Plan.

Despite these barriers, there are tangible solutions which will be addressed through the Sunderland Volunteering Action Plan (see Section 4). Further information on solutions to overcoming identified barriers is available in the Sunderland Volunteering Toolkit.

2.4 National Policy Context

Over the past decade, volunteering has consistently remained at the forefront of the political agenda due to a cross-party consensus on the many benefits of volunteering.

The role of volunteering has been increasingly recognised in crime reduction, community cohesion and empowerment, supporting young people, skills development and social mobility, and improving public services.

With the onset of the economic downturn, the *Real Help for Communities* (Office of the Third Sector 2009) Action Plan emphasised volunteering as way of enabling people to develop new skills and improve their employment prospects. Volunteers themselves were also seen as key to maximising the ability of the VCS to support people and provide frontline services during the recession.

The coalition Government continues to promote a culture of volunteering and considers it to be important to creating a healthy civil society with a greater role for

voluntary and community groups in the delivery of public services, including the running of schools and community facilities.

As part of its drive to encourage people to take an active role in their communities, the Government has pledged to create a more supportive environment for volunteering by tackling the regulatory obstacles which deter new volunteers, dispelling the confusion surrounding the benefits system, and directing support to areas of the country where there are acute shortages of volunteers (Cabinet Office 2010).

2.5 Sunderland Policy and Strategic Context

The Sunderland Partnership is committed to 'Creating a better future for everyone in Sunderland.' This will be achieved through the Sunderland Strategy (2008 – 2025), which sets out a collective vision for the City:

Sunderland will be a welcoming, internationally recognised city where people have the opportunity to fulfil their aspirations for a healthy, safe and prosperous future.

The Sunderland Partnership developed the Sunderland Strategy to provide the long term framework for both organisations and individuals to work together to improve quality of life in Sunderland.

Partners recognising volunteering can support the successful delivery of the Sunderland Strategy priorities in many ways, for example:

- Prosperous City – fundraisers, treasurers, credit unions, volunteer drivers
- Learning City – school governors, play groups, community radio, reading
- Safe City – lifeboat rescue teams, first aiders, Police special constables
- Healthy City – hospital befrienders, sports coaches, luncheon clubs, walk leaders
- Attractive and Inclusive City – community allotments, festivals, events, trustees

Further examples of volunteering roles in Sunderland and their link to the Sunderland Strategy are available in the Sunderland Volunteering Toolkit.

Due to the very nature of volunteering the Sunderland Volunteering Strategy inherently links with other local strategies such as the International Strategy, the Community Development Plan and the Safer Sunderland Strategy.

Partners are working together to involve local people, including volunteers, in decisions that affect their communities. For example, Sunderland Partnership's *Your Community... Your Say: Your guide to getting involved in the decisions that affect you, your local area and the whole city* (2010) encourages volunteers to become involved by joining a group or forum, such as:

- One of five Area VCS Networks
- Sunderland Volunteering Forum
- Sunderland Volunteering Forum Steering Group
- Community Association management committees

- Sunderland Community Network

Through such forums, volunteers in Sunderland – acting as individuals or as representatives of the organisation with which they volunteer – contribute to the development of Local Area Plans and the design and delivery of local services.

“Our volunteers make a vitally important contribution in Sunderland and we must continue to support them and the work that they do.”

– Canon Stephen Taylor, Chair of Sunderland Partnership

2.6 Volunteering in the City of Sunderland

It is difficult to establish the true extent of participation in volunteering across the City because recorded data is limited. There are currently few main sources of data on volunteering in Sunderland:

(i) Data from the Sunderland Volunteer Centre and Volunteer-Involving Organisations

Details of those registering with the Sunderland Volunteer Centre as prospective volunteers and (limited) data available from volunteer-involving organisations suggest that the position in Sunderland is typical of findings from national surveys.

Typically, volunteers are twice as likely to be women and most likely to be between 20 and 50 years of age. However, there is evidence of an increasing number of young people (under the age of 19) registering as volunteers in Sunderland, despite the remaining tendency for advertised volunteering opportunities to be aimed at those over 18 years of age.

A total of 1590 people in Sunderland registered an interest to volunteer through the Volunteer Centre in 2009-10. It is important to note that not everyone who registers with the Volunteer Centre will go on to volunteer, nor are all volunteers registered with the Volunteer Centre.

(ii) Data from the Place Survey

An interim Place Survey was conducted in Sunderland between October and December 2009. Data collected during this period shows an overall increase in the proportion of local residents participating in volunteering.

- Overall, 24 per cent of local residents surveyed had volunteered with a group, club or organisation in 2009.
- Participation in regular volunteering (at least once a month) also increased in Sunderland, from 14 per cent in 2008 to 17 per cent in 2009.

- A further seven per cent of respondents said they had given unpaid help on an individual basis over the last 12 months, but almost seven in 10 (69 per cent) stated they had not given any unpaid help in the last 12 months.

(iii) Data from the National Survey of Third Sector Organisations

The level of recorded data on the use of volunteers is limited by the general absence of monitoring by volunteer-involving organisations in Sunderland. However, it is evident from both the National Survey of Third Sector Organisations (2008) and information of those working in Sunderland's VCS that volunteers make a significant contribution to VCS organisations in the City.

According to data collected through the National Survey of Third Sector Organisations in 2008-09, 72 per cent of VCS organisations surveyed in Sunderland had anywhere from one to 20 volunteers at the time; six per cent of respondents indicated that their organisation had 51 to 100 volunteers. Of the 258 organisations surveyed, only seven per cent stated that they did not have any volunteers.

Ensuring a supportive local environment for volunteering will support a thriving VCS in the Sunderland and enable these organisations to continue to provide valuable services to residents.

2.7 Equality and Diversity in Volunteering

It is recognised that a diverse range of people in Sunderland volunteer, including people with disabilities; men and women; gay, lesbian and bisexual people; transgender people; older people; young people; people with mental health issues; people from black and minority ethnic groups; faith groups; ex-offenders, and carers. It is essential that the needs of all groups and individuals are recognised with regards to volunteering roles.

Currently there is a lack of data with regards to the diverse range of people who volunteer in Sunderland and their needs. This issue will be addressed through the Sunderland Volunteering Strategy Action Plan (see Section 4).

2.8 The Sunderland Compact and Volunteering Code of Practice

The Sunderland Compact is an agreement between the organisations of the Sunderland Partnership and the VCS to improve their relationship for mutual advantage and community gain. This will be achieved by working towards the key principles set out in the Compact and the supporting Codes of Practice.

The Sunderland Compact Volunteering Code of Practice was agreed by VCS organisations and organisations of the Sunderland Partnership in June 2009. It sets out the principles and undertakings for both the organisations of the Sunderland Partnership and VCS organisations in Sunderland on how to work together to support and promote volunteering.

For example, the Volunteering Code of Practice sets out commitments to increase and improve access to volunteering opportunities, and to identify and support the elimination of current barriers in order to enable more people to become involved in varied forms of voluntary activity in Sunderland.

Signatories to the Compact and its Volunteering Code of Practice also agree to adhere to the key principles of volunteering: choice, diversity, reciprocity and recognition. It is reviewed along with the Sunderland Compact on an annual basis and is considered in the Sunderland Volunteering Strategy Action Plan. Further information on the Volunteering Code of Practice is available from the Sunderland Compact website (www.sunderlandcompact.org.uk).

2.10 Sunderland Volunteering Forum and Steering Group

The Sunderland Volunteering Forum is led by Sunderland Volunteer Centre. The purpose of the Forum is to raise awareness of volunteering at a strategic level and promote collaboration, and membership is drawn from the both the public sector and the VCS. It is the principal arena in which to raise issues and concerns relating to volunteering in Sunderland, and to share best practice. The Forum's Steering Group consists of representatives from the Sunderland Volunteer Centre, Sunderland City Council and VCS organisations. The Chair of the Volunteering Forum Steering Group is the Chief Officer of Volunteer Centre Sunderland who is also a member of the Compact Implementation Group, which reports to the Sunderland Partnership.

2.11 The Role of Sunderland Volunteer Centre

The key infrastructure organisation for volunteering in the city is the Sunderland Volunteer Centre, which exists to promote, support and develop volunteering in Sunderland. The Volunteer Centre actively recruits volunteers from all sections of the community and matches them to volunteering opportunities within local VCS organisations, as well as providing support and guidance around good practice when working with volunteers. The Volunteer Centre is a local volunteer development agency and its role has changed over the years towards a greater focus on strategic development of volunteering in Sunderland.

2.12 The Role of Sunderland City Council

Sunderland City Council, through the Directorate of City Services, provides additional support for volunteering as part of its community development function, including the production of promotional materials, organisation of events, and the provision of guidance through a Volunteering Toolkit.

3. Actions to Support Volunteering

3.1 The Sunderland Volunteering Toolkit

A Sunderland Volunteering Toolkit has been developed to assist all volunteer-involving organisations in recruiting, supporting and retaining volunteers safely and securely. Over 400 Volunteering Toolkits have been distributed to organisations throughout the city.

The Sunderland Volunteering Toolkit provides information and guidance around volunteering policies and procedures, covering areas such as recruitment, expenses, the law, training and safeguarding.

The Toolkit aims to effectively support both organisations that are considering the use of volunteers and organisations that currently use volunteers. The Toolkit, an interactive working file, is supported by a full training package to ensure the effective implementation and understanding of volunteering policies and procedures.

3.2 Celebrating the Contribution of Volunteers in Sunderland

The Sunderland Partnership recognises both the value and contribution of volunteers in working towards the achievement of the City's strategic priorities.

Sunderland already celebrates the valuable contribution made to society by volunteers by holding area based volunteer celebration events hosted by Elected Members. The events, which first took place in early 2010, were promoted through a series of case studies in the local press. Both Elected Members and the volunteers felt the events were a real success, with some events attracting over 100 volunteers.

The Mayor of Sunderland, on behalf of the Sunderland Partnership, also hosts an annual city-wide volunteer celebration dinner during national Volunteers' Week.

A Volunteering Campaign was conducted across the City in 2007 held under the banner of "a little time makes a big difference". Sunderland City Council's Community Development Team worked in partnership with the Sunderland Volunteer Centre and Voluntary and Community Action to hold volunteering road shows at venues and events across Sunderland. This campaign will be further developed strategically through the Sunderland Volunteering Strategy Action Plan (see Section 4).

"Volunteering is very rewarding and has enabled me to do something constructive for the benefit of the community with my spare time. I would recommend volunteering to everyone as it's a great way of meeting new people and getting a great feeling of self respect."

– Samantha Campbell, Secretary, Sunderland Community Matters

4. The Sunderland Volunteering Strategy Action Plan

The actions required for implementation of the Sunderland Volunteering Strategy are summarised on the following pages.

The Sunderland Volunteering Strategy Action Plan identifies new actions to be undertaken and does not cover existing activities relating to the promotion and support of volunteering in Sunderland.

Implementation of the Sunderland Volunteering Strategy Action Plan will be monitored by the Sunderland Volunteering Forum Steering Group.

N.B. – the Lead and Supporting Organisations for some actions contained within the Action Plan will be decided in the near future.

Sunderland Volunteering Strategy Action Plan

Objective 1			
Increasing the number of people volunteering in the City of Sunderland (whether through formal or informal volunteering)			
Key: Short term 2011 Medium term 2011 – 2013, Long term 2013 onwards			
Outcome	Outputs or Deliverables	Timescale S/M/L	Lead Organisation & Supporting Organisation(s)
Improved access to information and understanding of volunteering	Encourage and support organisations to register or update volunteering opportunities with Sunderland Volunteer Centre	S	SVFSG SVC SCC
	Monitor and evaluate take-up of volunteering opportunities	M	To be decided
	Develop a co-ordinated approach to e-enabled volunteering opportunities (e.g. website links), through Sunderland Partnership organisations and the wider VCS	M	SVFSG SVC SCC
	Develop targeted outreach services where there are barriers or low levels of volunteering.	S	SVC SCC
	Provide additional support mechanisms for new or less confident volunteers and those who may find it difficult to access services	M	To be decided
	A diverse range of local people involved in the review of Local Area Plans and other decision-making processes	M	SCC SVC
	Developing programme of events to network potential volunteers with opportunities	S	SVC
	Continue to promote awareness of existing volunteering resources	S	SVFSG SVC SCC
	Continuing to work with government schemes designed to promoting volunteering opportunities for young people	S	SVFSG
	Continuing to work with groups to develop menu of volunteering activities for a diverse range of volunteers	M	To be decided
Support the delivery and coordination of volunteering recruitment campaigns, with a specific focus on engaging under-represented groups	S	SCC	

Objective 1 Increasing the number of people volunteering in the City of Sunderland (whether through formal or informal volunteering)			
Key: Short term 2011 Medium term 2011 – 2013, Long term 2013 onwards			
	Further develop the Volunteering Forum and Steering Group	M	SVFSG SVC SCC
	Further develop and raise awareness of Sunderland Compact and the Volunteering Code of Practice	S	SVFSG Sunderland Volunteer Centre SCC

Objective 2 Recognising and celebrating the valuable contribution of volunteers for their role in delivering services and improving the lives of people in the City			
Key: Short term 2011, Medium term 2011 – 2013, Long term 2013 onwards			
Outcome	Outputs or Deliverables	Timescale S/M/L	Lead Organisation & Supporting Organisation(s)
Recognition of the valuable contribution volunteers make to Sunderland and of the benefits to the individual	Co-ordinating high profile media campaigns, celebrating volunteering in Sunderland and profiling individual and group volunteering case studies	S	SVFSG SVC SCC
	Using the Sunderland Partnership website/TV/ publications, including those of all Sunderland Partnership organisations, to raise the profile of volunteering	M	SVFSG SVC SCC
	Developing a partnership approach to Sunderland Volunteer Celebration events and awards at the area and City level	M	To be decided

Objective 3			
Supporting volunteers to increase confidence, learning, skills and employability prospects			
Key: Short term 2011, Medium term 2011 – 2013, Long term 2013 onwards			
Outcome	Outputs or Deliverables	Timescale S/M/L	Lead Organisation & Supporting Organisation(s)
Increased confidence for those volunteering	Build upon current good practice in the City by encouraging more organisations to provide mentors to support the development of skills and knowledge of volunteers with disabilities, including mental health	L	To be decided
	Encouraging organisations (including the private sector) to provide mentors for those who are socially excluded	L	SVFSG SVC SCC
	Encouraging organisations to provide volunteering opportunities for those who are socially excluded	M	SVFSG SVC SCC
Organisations are able to provide volunteers with access to support, training and appropriate qualifications	Developing links between volunteer managers and employability support services to improve understanding the role of volunteering in improving employment prospects	L	To be decided
	Develop the existing Volunteering Forum to share good practice for the benefit of the organisation and ultimately individual volunteers	M	SVFSG SVC
	Providing guidance to smaller organisations supporting volunteers to help them make best use of potential and existing volunteers	M	To be decided
	Enabling volunteers to progress into education, training, employment or other volunteering opportunities	L	To be decided
	Working with local training providers and educational institutions to ensure that organisations are aware of opportunities for volunteers to develop their skills	M	SVFSG SVC SCC
Raise awareness of link with employability, in context of recession and increasing employment opportunities	Employment support services to advise clients on the important role of volunteering in gaining skills that may lead to employment, education or training	M	SVFSG SVC SCC

Objective 4			
Increase number of organisations with Employer Supported Volunteering Schemes			
Key: Short term 2011, Medium term 2011 – 2013, Long term 2013 onwards			
Outcome	Outputs or Deliverables	Timescale S/M/L	Lead Organisation & Supporting Organisation(s)
Mechanisms in place that promote, assist and develop Employer Supported Volunteering	Organisations with effective employer supported schemes supporting other organisations to develop their own ESV scheme	S	SVFSG Gentoo SCC
	Developing employer supported volunteering sessions to individuals interested in volunteering, providing them the opportunity to explore potential volunteer roles and activities	M	SVFSG Gentoo SCC
	Support Sunderland Partnership and private sector organisations to have ESV schemes and associated policies	M	Sunderland Partnership
	Celebrating employee volunteering through celebration and recognition events	M	To be decided
Promote the benefits of employer supported volunteering in SMEs.	Employers understanding the benefits of volunteering to their organisation	M	SVFSG Gentoo SCC
Increased skills and capacity of voluntary-led management committees	Encourage employers and employees to become actively involved in volunteering for VCS organisations	M	SVFSG SCC SVC
	Voluntary-led management committees to identify skills shortages and actively seek to recruit into these through the Sunderland Volunteer Centre	S	SVC SCC

Objective 5 To improve management of volunteers and delivery of volunteering programmes			
Key: Short term 2011, Medium term 2011 – 2013, Long term 2013 onwards			
Outcome	Outputs or Deliverables	Timescale S/M/L	Lead Organisation & Supporting Organisation
Demonstrating how volunteers add value to organisations	Accessing relevant training and information for those who manage / co-ordinate volunteers (e.g. promotion of the Volunteering Toolkit and associated training) to promote good practice when managing volunteers and maintaining quality standards	S	SVC SVFSG
Safe recruitment and induction of volunteers	Appropriate CRB and recruitment processes in place and volunteers provided with appropriate inductions by organisations who engage with volunteers	M	SVC SCC
Appropriate support to existing volunteers	Determining the support needs of volunteers, and how organisations may assist (e.g. voluntary sector led management committee governance needs)	M	To be decided
	Research with recommendations undertaken regarding the costs associated with recruiting, inducting and supporting volunteers	M	SCC SVC
A clear and accurate picture of volunteering within the City as a whole	Organisations recording information on volunteers (e.g. numbers, equality and diversity information, demographics, type of activity, hours and progression)	M	To be decided
	Coordinated approach to data collation, analysis and target setting	M	To be decided
	Undertaking regular and accurate impact assessments of volunteer activity across the City	L	SVFSG SVC SCC
	Volunteer involving organisations carrying out satisfaction surveys of beneficiaries	M	To be decided

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CABINET MEETING – 16 FEBRUARY 2011

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

ASSOCIATION OF NORTH-EAST COUNCILS LIMITED – GUARANTEE RELATING TO PENSION FUND ADMISSION

Author(s):

Executive Director of Commercial and Corporate Services

Purpose of Report:

To advise Cabinet of the admission of the Association of North-East Councils (ANEC) Limited to the Tyne and Wear Pension Fund. Also, to request Cabinet's approval for the Council, as a member of ANEC Limited, to act as a guarantor in relation to that Admission, together with the other constituent authorities of ANEC.

Description of Decision:

Cabinet is asked to authorise the Head of Law and Governance to execute, on behalf of the Council, a Guarantee relating to the admission of employees of the Association of North-East Councils Limited to the Tyne and Wear Pension Fund.

Is the decision consistent with the Budget/Policy Framework? *Yes/No

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

The reason for the decision is to enable ANEC Limited to be formally admitted to the Tyne and Wear Pension Fund.

Alternative options to be considered and recommended to be rejected:

The only alternative option would be not to act as guarantor in the manner described. This would prejudice the admission of ANEC Limited – of which this authority is a constituent member – to the Tyne and Wear Pension Fund.

Is this a "Key Decision" as defined in the Constitution?
Yes

Is it included in the Forward Plan?
No

Relevant Scrutiny Committee:

Management Scrutiny Committee

CABINET - 16 FEBRUARY 2011

ASSOCIATION OF NORTH-EAST COUNCILS LIMITED - GUARANTEE RELATING TO PENSION FUND ADMISSION

REPORT OF THE EXECUTIVE DIRECTOR OF COMMERCIAL AND CORPORATE SERVICES

1. Purpose of the Report

- 1.1 The purpose of this Report is to advise Cabinet of the admission of the Association of North-East Councils (ANEC) Limited to the Tyne and Wear Pension Fund. Also, to request Cabinet's approval for this Council, as a member of ANEC Limited, to act as a guarantor in relation to that Admission, together with the other constituent authorities of ANEC.

2. Description of Decision

- 2.1 Cabinet is asked to authorise the Head of Law and Governance to execute, on behalf of the Council, a Guarantee relating to the admission of employees of The Association of North-East Councils Limited to the Tyne and Wear Pension Fund.

3. Background

- 3.1 A request has been received from South Tyneside Council for this Authority, together with the other constituent authorities of ANEC Limited, to execute a guarantee against the liabilities of ANEC Limited under an Admission Agreement admitting its employees to the local government pension scheme.
- 3.2 On 12th August, 1987, an admission agreement was entered into between South Tyneside Council and ANEC's predecessor, the Northern Regional Councils Association (NRCA) in relation to the staff employed by that Association. NRCA was an unincorporated association representing local authorities in Cleveland, Cumbria, Durham, Northumberland and Tyne and Wear. At that time, South Tyneside were appointed the guarantor in relation to any pension liabilities that may arise.
- 3.3 Subsequently, NRCA changed its name to the Association of North-East Councils, representing local authorities within the smaller catchment area of Durham, Northumberland, Tees Valley and Tyne and Wear, and on 14th January, 2004, ANEC became incorporated as a private limited company. Currently, there are 12 local authority members of ANEC Limited.

4. Current Position

- 4.1 It is proposed by South Tyneside Council that a fresh Admission Agreement be entered into with ANEC Limited, to whom the functions, assets, liabilities and employees of NRCA/ANEC are transferred. In conjunction with this fresh Admission Agreement, South Tyneside are now seeking from each of the 12 Councils within the north-east region, a guarantee as to their share of the pension liabilities associated with ANEC Limited. The basis for allocating the pension guarantee is on an equal basis. Therefore Sunderland's share of the pension guarantee would be 8.33%.
- 4.2 As at 31st March, 2007, the overall pension deficit in relation to ANEC was £858,000 and the Association was 86% funded. On that basis, this Authority's share of the guarantee would have equated to approximately £71,000. Currently, it is not known what the deficit will be as the 2010 Actuarial Review is not yet complete.
- 4.3 The guarantee would only be triggered if ANEC Limited found itself without funds to meet its pension liabilities as part of its normal operating expenditure. A more realistic prospect would be that ANEC Limited would be wound up at some point in the future.
- 4.4 South Tyneside Council has advised that all other constituent authorities of ANEC Limited have agreed to act as guarantors in the manner requested.

5. Reasons for the Decision

- 5.1 The reason for the decision is to enable ANEC Limited to be formally admitted to the Tyne and Wear Pension Fund.

6. Alternative Options

- 6.1 The only alternative option would be not to act as guarantor in the manner described. This would prejudice the admission of ANEC Limited - of which this authority is a constituent member - to the Tyne & Wear Pension Fund.

7. Relevant Considerations/Consultations

(a) Financial Implications

The Executive Director of Commercial and Corporate Services has been consulted on the report and the financial implications are set out above.

(b) Legal Implications

The Head of Law and Governance has been involved in the preparation of this report and there are no issues in relation to the legality of the proposal.

8. Background Papers

- (1) Letter from South Tyneside Council - 08/07/2009.
- (2) Briefing note dated 27/01/2010.
- (3) E-mail from N. Rawlinson, South Tyneside Council, dated 15/02/2010.
- (4) E-mail from K. Beardmore, dated 18/02/2010.
- (5) E-mail from N. Rawlinson, South Tyneside Council, dated 25/08/2010.
- (6) Draft Guarantee Bond.
- (7) E-mail from N. Rawlinson, South Tyneside Council dated 30/11/2010.

All on Law and Governance Services file reference 69613.

