

Minutes

Sunderland City Council

At a meeting of SUNDERLAND CITY COUNCIL held in the CIVIC CENTRE on WEDNESDAY 2 MARCH 2016 at 2.00pm

Present: The Mayor (Councillor Curran) in the Chair
The Deputy Mayor (Councillor Emerson)

Councillors	Allan	Francis	Marshall	Trueman, H
	Ball	Galbraith G	McClennan	Turner
	Beck	Galbraith I	Middleton	Turton, M
	Bell	Gibson, E	Miller, F	Turton, W
	Blackburn	Gibson, P	Miller, G	Walker, G
	Davison	Gofton	Mordey	Walker, P
	Dixon, D	Heron	O'Neil	Waters
	Dixon, M	Jackson	Porthouse	Watson, P
	Elliott	Kay	Price	Watson, S
	English	Kelly	Scanlan	Williams
	Farthing	Lauchlan	Scaplehorn	Wilson, A
	Fletcher	Lawson	Smith, P	Wilson, D
	Forbes	Leadbitter	Speding	Wood
	Foster	MackKnight	Trueman, D	Wright, N

Also Present:-

Honorary Alderman Mark Greenfield.

The notice convening the meeting was read.

Minutes

38. RESOLVED that the minutes of the Meeting of the Council held on 27 January 2016 be confirmed and signed as a correct record.

Declarations of Interest

The following Councillors declared interests as follows: -

Item 6 (i) – Report of the Cabinet – Capital Programme 2016/2017 and Treasury Management Policy and Strategy 2016/2017, including Prudential Indicators for 2016/2017	Councillor Farthing	Governor of Rickleton Primary School
	Councillors Fletcher, Lawson and A. Wilson	Board Member of Sunderland Care and Support (Holding Company) Limited and Sunderland Care and Support Limited

to 2018/2019

Item 6 (ii) – Revenue Budget and Proposed Council Tax for 2016/2017 and Medium Term Financial Strategy 2016/2017 to 2019/2020	Councillor Farthing Councillor Lawson	Director and Trustee of Sunderland City YMCA Governor of Our Lady Queen and Peace RC Primary School and Board member of Sunderland YMCA
Item 7 - Appointments	Councillors Fletcher, Lawson and A. Wilson	Board Member of Sunderland Care and Support (Holding Company) Limited and Sunderland Care and Support Limited

Announcements

Additional Council Meeting

The Mayor advised Members that it was intended that there would be an additional Council meeting to be held on 21st March at 6.30pm to consider devolution proposals and that further information would be provided in due course

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Allen, Atkinson, Cummings, Ellis, Essl, Farr, D Smith, David Snowdon, Dianne Snowdon, Stewart and Tye and also on behalf of Aldermen Arnott and Smith.

The Cabinet reported and recommended as follows:-

That they had referred the initial proposals on these matters to the Scrutiny Committee which supported the recommendations set out in the report to the Cabinet dated 13 January 2016.

That they have also, on 10 February 2016, submitted the attached report numbered 1 to the meeting of the Audit and Governance Committee and also the reports numbered 1, 2 and 3 to the Scrutiny Committee on 11 February 2016.

The Audit and Governance Committee was consulted specifically on the Treasury Management Policy and Strategy for 2016/2017 and was pleased to note that the careful and prudent approach adopted by the Council in previous years would continue.

The Committee also noted the Borrowing and Investment Strategies and that the Council continued to follow fundamental principles in relation to the prudent

investment of treasury balances which had resulted in the rate of return on investments being consistently higher than the benchmark rate.

The Committee were satisfied that the arrangements for Treasury Management were in an excellent position for the next and future years and resolved that the Council be advised accordingly.

The Scrutiny Committee commented that it was satisfied with the information provided and recognized the difficult financial situation that the Council continues to operate within. It placed on record its acknowledgement of all the hard work, commitment and support provided by the Council's Finance Team in preparing and delivering a balanced budget.

Subsequently

The precept figures had been confirmed as those set out in the report to Cabinet on 10th February 2016:

- For the Police and Crime Commissioner Northumbria (PCCN) this will mean an increase of 5.66% (flat rate Band D £5 increase) in the precept level for 2016/2017;
- the precept figures of the Tyne and Wear Fire and Rescue Authority (TWFR) have been confirmed as a 1.99% increase in the precept level for 2016/2017;
- the precept figures of the Parish of Hetton Town Council have been confirmed as an increase of 4% in the precept level for 2016/2017.

The position set out at Item 3 of the report as Determination of Council Tax 2016/2017 reflects the above notified 2016/2017 precept levels in respect of all of the Precepting Authorities and the figures as reported remain unchanged.

1. Capital Programme 2016/2017 and Treasury Management Policy and Strategy 2016/2017, including Prudential Indicators for 2016/2017 to 2018/2019

That they had given consideration to the attached joint report of the Interim Head of Paid Service and Director of Finance and recommend that approval be given to:

- the proposed Capital Programme for 2016/2017;
- the Treasury Management Policy and Strategy for 2016/2017 (including specifically the Annual Borrowing and Investment Strategies);
- the Prudential Indicators for 2016/2017 to 2018/2019;
- a revised Minimum Revenue Provision Statement for 2015/2016 and the Minimum Revenue Provision Statement for 2016/2017.

Accordingly the Cabinet recommended the Council to approve:-

- (i) the proposed Capital Programme for 2016/2017;

- (ii) the Treasury Management Policy and Strategy for 2016/2017 (including specifically the Annual Borrowing and Investment Strategies);
- (iii) the Prudential Indicators for 2016/2017 to 2018/2019;
- (iv) a revised Minimum Revenue Provision Statement for 2015/2016 and the Minimum Revenue Provision Statement for 2016/2017.

2. Revenue Budget and Proposed Council Tax for 2016/2017 and Medium Term Financial Strategy 2016/2017 to 2019/2020

That they had given consideration to the attached joint report of the Interim Head of Paid Service and Director of Finance on:

- (i) the overall revenue budget position for 2016/2017;
- (ii) the projected balances position as at 31st March 2016 and 31st March 2017 and advise on their level;
- (iii) a risk analysis of the Revenue Budget 2016/2017;
- (iv) a summary of the emerging medium term financial position facing the Council from 2017/2018 to 2019/2020, and associated Council Efficiency strategy;
- (v) views received from the North East Chamber of Commerce and Trade Unions.

Accordingly the Cabinet recommended the Council to approve:-

- the Revenue Budget for 2016/2017, as set out at Appendix K, and
- the Medium Term Financial Strategy 2016/2017 to 2019/2020 including Efficiency Strategy as set out in Appendix H and the proposed use of Capital Receipts Flexibility set out at section 9 of the report.

3. Determination of Council Tax 2016/2017

That they had given consideration to a report of the Director of Finance making, subject to the approval of the Revenue Budget 2016/2017 (as set out at item 2 above), recommendations with respect to Council Tax levels for 2016/2017, and advising that the Council Tax is calculated using the tax bases for the areas of the City Council and Hetton Town Council as approved by Council on 27 January 2016, and setting out a number of resolutions required to be made to determine the Council Tax, including the confirmed precepts from the Major Precepting Authorities and the Parish of Hetton Town Council.

They therefore recommended the report to Council

- having advised of the statutory requirements to recommend to Council a proposed Council Tax Requirement which for Sunderland will mean a 3.99% increase to the Council Tax for 2016/2017, noting that the government has amended the referendum principles relating to Council Tax increases to allow all social care authorities to raise an extra 2% in Council Tax which must be used specifically to meet the costs of adult social care. The total increase proposed for 2016/2017 of 3.99% therefore includes the additional 2% increase for social care.

and

- that Council confirm the Council Tax Requirement for its own purposes is £83,315,464 (excluding Parish precepts),

and

- i) it be noted that at its meeting on 27 January 2016 the Council approved the following amounts for the year 2016/2017 in accordance with the amended regulations made under Section 31B(3) of the Local Government Finance Act 1992 (the 'Act'):
 - a) 67,556 being the amount calculated by the Council, in accordance with the above regulation of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended by Local Authorities (Calculation of Tax Base) (Amendment) (England) Regulations 2012, as its Council Tax Base for the year (Item T).
 - b) 3,451 being the amount calculated by the Council, in accordance with the Regulations, as the amount of its Council Tax Base for the year for dwellings in the area of the Parish of Hetton Town Council.
- ii) That the Council Tax Leaflet be enclosed with Council Tax bills this year in order to explain in more detail the proposed increase in Council Tax for 2016/2017, in addition to the Leaflet being made available on the Council's website. In order to meet timescales for publication, it is proposed responsibility for finalising the document be delegated to the Director of Finance in consultation with the Leader of the Council and the Cabinet Secretary.
- iii) That the following amounts be now calculated by the Council for the year 2016/2017 in accordance with Sections 31 to 36 of the Local Government and Finance Act 1992 as amended:
 - (a) £655,373,875 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £572,011,374 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
 - (c) £83,362,501 being the amount by which the aggregate at iii (a) above exceeds the aggregate at iii (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act,

as its Council Tax Requirement for the year including Parish Precepts (Item R in the formula in Section 31A(4) of the Act)

- (d) £1,233.9763 being the amount at iii (c) above (Item R) all divided by Item T (i (a) above), calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £47,037 being the precept notified by Hetton Town Council as a special item under Section 34 (1) of the Act.
- (f) £1,233.2800 being the amount at iii (d) above less the result given by dividing the amount at iii (e) above by the Item T (i (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 Parish precept relates.
- (g) £1,246.9100 being the amount given by adding to the amount at iii (f) above the amount iii (e) divided by the amount at i (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.

(h)

Valuation Band	Parts of the Council's Area	
	Hetton Town Council	All other parts of the Council's Area
A	£831.28	£822.19
B	£969.82	£959.22
C	£1,108.37	£1,096.25
D	£1,246.91	£1,233.28
E	£1,524.00	£1,507.34
F	£1,801.09	£1,781.40
G	£2,078.19	£2,055.47
H	£2,493.82	£2,466.56

being the amounts given by multiplying the amounts at iii (f) and iii (g) 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.

- iv) it be noted that for the year 2016/2017, the Tyne and Wear Fire and Rescue Authority and the Police and Crime Commissioner for Northumbria have confirmed the following amounts in precepts 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:

Valuation Bands	Precepting Authority	
	Police and Crime Commissioner for Northumbria	Tyne & Wear Fire and Rescue Authority
A	£ 62.22	£ 50.74
B	£ 72.59	£ 59.20
C	£ 82.96	£ 67.65
D	£ 93.33	£ 76.11
E	£114.07	£ 93.02
F	£134.81	£109.94
G	£155.55	£126.85
H	£186.66	£152.22

- v) having calculated the aggregate in each case of the amounts at (iii) h and (iv) above, and having received confirmation of the precept in paragraph (iv), the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2016/2017 for each of the categories of dwellings shown below:

Valuation Band	Parts of the Council's Area	
	Hetton Town Council	All other parts of the Council's Area
A	£944.24	£935.15
B	£1,101.61	£1,091.01
C	£1,258.98	£1,246.86
D	£1,416.35	£1,402.72
E	£1,731.09	£1,714.43
F	£2,045.84	£2,026.15
G	£2,360.59	£2,337.87
H	£2,832.70	£2,805.44

vi) to note that under Section 52ZB of the Local Government Finance Act 1992, the Authority's relevant basic amount of council tax for 2016/2017 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act.

(i.e. the proposed Council Tax increase for 2016/17 means that the Council does not need to hold a referendum on its proposed council tax. The provisions set out in Section 52ZC of the Local Government Finance Act 1992 require all billing authorities (councils and precept authorities (i.e. Fire and Police authorities)) to hold a referendum on their proposed level of basic Council Tax each year if they exceed government guidelines set out annually.)

vii) to note that as Council Tax bills must show year on year increases to one decimal place in accordance with government regulations, the proposed increase of 3.99% for 2016/17 will therefore appear as a 4.0% increase on the actual bills, despite being below the referendum limit.

viii) in order to meet timescales for publication of the Council Tax Leaflet, it is proposed responsibility for finalising the document be delegated to the Interim Head of Paid Service and Director of Finance in consultation with the Leader of the Council and the Cabinet Secretary.

It was then moved by the Councillor P Watson and seconded by Councillor H Trueman that the report of the Cabinet be approved and adopted.

In accordance with the requirement of the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 for a named vote to be taken with regard to any budget decision made, the substantive motion was put to the vote with 53 Members voting in favour as follows: -

Councillors	Allan	Galbraith, G	Middleton	Turton, M
	Ball	Galbraith, I	Miller, F	Turton, W
	Beck	Gibson, E	Miller, G	Walker, G
	Bell	Gibson, P	Mordey	Walker, P

Blackburn	Gofton	O'Neil	Waters
Curran	Heron	Porthouse	Watson, P
Davison	Jackson	Price	Watson, S
Dixon, D	Kay	Scanlan	Williams
Elliott	Kelly	Scaplehorn	Wilson, A
Emerson	Lauchlan	Smith, P	Wilson, D
English	Lawson	Speding	Wright, N
Farthing	MackKnight	Trueman, D	
Fletcher	Marshall	Trueman, H	
Foster	McClennan	Turner	

and 5 Members voting against as follows:-

Councillors	Dixon, M Forbes	Francis	Leadbitter	Wood
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Accordingly it was: -

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

Appointments – (i) New Local Authority Trading Company for Place Management Services (ii) Sunderland Care and Support (Holding Company) Limited and Sunderland Care and Support Limited

The Head of Law and Governance submitted a report which sought approval for appointments to the Board of the new Local Authority Trading Company (LATC) for Place Services and to clarify the position with regard to Sunderland Care and Support (Holding Company) Limited and Sunderland Care and Support Limited.

40. RESOLVED that:-

- (i) approval be given to the appointment of the Leader of the Council, the Portfolio Holder Cabinet Member for City Services, the Executive Director of Commercial Development and the Head of Place Management as directors of the new Local Authority Trading Company for Place Management Services; and
- (ii) the appointment of the Chief Operating Officer and the Chief Finance Officer of Sunderland Care and Support Limited to the Board of Directors of Sunderland Care and Support (Holding Company) Limited and Sunderland Care and Support Limited be noted.

(Signed) B. CURRAN
Mayor.

