

CABINET MEETING – 11 MARCH 2015
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 11 February 2015 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 11 February 2015 at 2.00 p.m.

Present:-

Councillor H. Trueman in the Chair

Councillors Gofton, Kelly, G. Miller, Mordey, P. Smith and Speding

Also present:-

Councillor Wiper

Part I

Receipt of Declarations of Interest

There were no declarations of interest.

Apologies for Absence

An apology for absence was submitted to the meeting on behalf of Councillor P. Watson.

Minutes

The minutes of the meetings of the Cabinet held on 14 and 28 January 2015, Part I (copy circulated) were submitted.

(For copy report - see original minutes).

1. RESOLVED that the minutes of the Cabinet meetings held on 14 and 28 January 2015 Part I be confirmed and signed as correct records.

Statement of Community Involvement

The Deputy Chief Executive submitted a report (copy circulated) seeking approval of the Statement of Community Involvement.

(For copy report – see original minutes).

Councillor Gofton highlighted that the purpose of the Statement of Community Involvement, or SCI, was to set out how the Council would engage with local communities and stakeholders in the preparation of its development plan documents and in carrying out consultations on planning applications within the city. She explained that the Council was required to produce an SCI in order to meet the requirement of the Planning and Compulsory Purchase Act 2004 to clarify the statutory requirements that the Council must meet at key stages of planning policy document production and the determination of planning applications, and what other consultation or engagement processes might be undertaken in addition to these minimum requirements. This would allow the community to know how and when they would be involved in the planning process.

Cabinet Members were advised that by following the SCI the Council would be able to demonstrate how it had met the requirements of the planning regulations. This was a key requirement in terms of plan-making and at the Examination; the Inspector, in assessing the soundness of the plan, would need to be satisfied that the Council had complied with the approaches to consultation outlined in the SCI.

Councillor Gofton reported that the Council's first SCI was adopted in November 2006 and this document under consideration was its first amendment which reflected changes to planning legislation and new ways of engaging with the public and other stakeholders as a result of the growth of information technology and use of social media. She advised that there was a clear need to update the SCI and to rely on the current SCI might result in legal challenges against planning decisions or might jeopardise the adoption of the Local Plan.

Consideration having been given to the report, it was:-

2. RESOLVED that the Draft Statement of Community Involvement be approved as a statement of how the council will engage the local community and stakeholders in the planning process, as required by the Planning and Compulsory Purchase Act 2004 (as amended).

Area Action Plan for the International Advanced Manufacturing Park: Consultation on Issues and Options

The Deputy Chief Executive submitted a report (copy circulated) to seek approval of formal public consultation as part of the initial Issues and Options stage of the Area Action Plan for the International Advanced Manufacturing Park (IAMP).

(For copy report – see original minutes).

Councillor Speding reported that following the successful City Deal bid, Sunderland and South Tyneside Councils were working together to secure the development of a 120 hectare International Advanced Manufacturing Park (IAMP) on a site within the Green Belt between the Nissan plant and the A184. He advised that in policy terms this was a major undertaking and following discussions with the national Planning Inspectorate it was considered that the most appropriate approach to securing the delivery of the Park would be through the preparation of an Area Action Plan for the site. This Plan would be a key factor in securing the release of the site from the Green Belt.

Cabinet Members were advised that the first stage in preparing the Plan would be to undertake public consultation on the broad "Issues and Options" surrounding the development of IAMP. A short leaflet was being prepared that would form the basis of the public consultation. A draft had been included as an annex to the report for illustrative purposes. Importantly the consultation would seek views on where the most appropriate location for IAMP might be and suggests three possible locations, namely:-

- Option A: east of the former Wardley Colliery in South Tyneside
- Option B: on land to the north of the Nissan plant
- Option C: a split allocation between these two sites

Councillor Speding reported that the consultation would run for five weeks from mid-February until the end of March and a detailed consultation programme was being developed between the two councils. He added that responses received to the consultation would be used to inform the preparation of the draft Area Action Plan which would be the next stage of the process and there would be further consultation on this.

Councillor Speding advised that following examination by a Government Inspector, it was expected that the Area Action Plan could be adopted in early 2017 which would mean that the development of the first phase of the site could start soon after. He added that as the AAP was brought forward work would also be undertaken on the various planning approvals needed for the actual development of IAMP.

Consideration having been given to the report, it was:-

3. RESOLVED that:-

- (i) the questions outlined in Appendix 1 of the report be approved and used as the basis for public consultation, and
- (ii) the Deputy Chief Executive be authorised to approve the design and overall content of the issues and Options consultation leaflet.

Guidance Document relating to the Licensing of Hackney Carriage and Private Hire Vehicle Drivers

The Deputy Chief Executive submitted a report (copy circulated) seeking approval to the commencement of a consultation process with regard to a draft guidance document relating to the licensing of hackney carriage and private hire vehicle drivers.

(For copy report – see original minutes).

Councillor Mordey reported that the Regulatory Committee had the duty to decide, on behalf of the Council, whether or not to give a licence to drive taxis to people. He added that this included situations where individuals had either serious convictions or a number of convictions or where existing licensed drivers acquired convictions.

Councillor Mordey advised that to assist the Regulatory Committee reference was given to a guidance document based on Government guidance issued in 1992 which had been adopted by the Committee several years ago. He reported that it was now considered that this document needed to be revised as it did not deal with the full range of current driving offences. He drew attention to the new draft guidance which was appended to the report and explained that this was intended to deal with the broad range of convictions that licensed drivers and applicants might acquire.

Cabinet Members were advised that the draft document, subject to any alterations required by Cabinet, would in due course replace the current guidance. The Cabinet would later consider feedback from the consultation process before any final decision was made by the Regulatory Committee.

Consideration having been given to the report, it was:-

4. RESOLVED that approval be given to the commencement of a consultation process with regard to a draft guidance document relating to the licensing of hackney carriage and private hire vehicle drivers.

Disposal of land at Philadelphia, Houghton le Spring, Sunderland

Cabinet Members were advised that whilst the item had been included on the 28 day notice published in January 2015 with an anticipated date of decision by 11 February 2015 unfortunately the report title had been incorrect on the published agenda therefore the item was deferred from the agenda to ensure compliance with access to information requirements.

Disposal of land east of Ryhope Road, Sunderland

The Deputy Chief Executive submitted a report (copy circulated) to seek approval for the disposal of land east of Ryhope Road, Sunderland.

(For copy report – see original minutes).

Councillor Speding reported that the Council owned the freehold of Land East of Ryhope Road, Sunderland which had been acquired for the Southern Radial Route. He explained that following completion of this highway scheme the land had been vacant and Lidl had approached the Council to acquire its land and were proposing to construct a new format food retail outlet.

Cabinet Members having been advised that the offer which had been made by Lidl represented best consideration, it was:-

5. RESOLVED that approval be given to the disposal of the Council's freehold interest in approximately 1.9 acres of land east of Ryhope Road, Sunderland to Lidl UK GmbH at a price which is the best consideration reasonably obtainable and on terms to be agreed by the Deputy Chief Executive, Leader and Cabinet Secretary.

Collection Fund 2014/2015

The Director of Finance submitted a report (copy circulated) to advise of the estimated balance on the Collection Fund in relation to Council Tax at the end of this financial year.

(For copy report – see original minutes).

Councillor Speding in highlighting the report explained that where a surplus was projected on the Collection Fund, the Council had a legal requirement to return those surpluses to the Council and its Precepting Bodies so that they could be taken into account in calculating the Council Tax for the following year.

The attention of Cabinet Members was drawn to paragraph 5.3 of the report which detailed that it was estimated that there would be a projected surplus on the Collection Fund as at 31st March 2014 and that £567,359 would be used in 2015/2016. Accordingly, of this sum £500,000 was available to the Council to take into account when determining the Council Tax for 2015/2016. This positive position reflected the continued excellent performance of the Council in terms of Council Tax collection.

Councillor Speding having reported that the Precepting Bodies had been notified of their share of the surplus, it was:-

6. RESOLVED that the overall positive position in relation to the Collection Fund for 2014/2015, and the surplus of £500,000 which will be taken into account when setting the Council Tax level for the Council for 2015/2016 be noted.

Capital Programme 2015/2016 and Treasury Management Policy and Strategy 2015/2016, including Prudential Indicators for 2015/2016 to 2017/2018

The Director of Finance submitted a report (copy circulated) to provide an update on the level of capital resources and commitments for the forthcoming financial year and to seek a recommendation to Council to the overall Capital Programme 2015/2016 and the Treasury Management Policy and Strategy (including both borrowing and investment strategies) for 2015/2016 and to approve the Prudential Indicators for 2015/2016 to 2017/2018.

(For copy report – see original minutes).

Councillor Speding highlighted that a Capital Programme for 2015/2016 of nearly £112 million was being proposed. He reported that the programme was made up of new starts of over £21 million and the costs of continuing schemes from previous years of nearly £91 million. He reported that this was a substantial programme of works despite on-going reductions in government grants.

Cabinet Members were reported that significant resources, including allocated grants, had been earmarked to transport and other infrastructure projects that would support the economic regeneration of the City and help stimulate economic growth and improve job prospects for the residents.

Councillor Speding drew attention to continued support to projects that benefitted the most needy and had ensured that grants allocated to Education and Health and Housing Services were earmarked for priorities within these services. He added that the approach would enable programmes such as disabled facilities grants and school asset management, for example, to progress. He explained that there were also other invest to save projects that were necessary in order to help reduce the Council's on-going revenue budget requirements.

The attention of Cabinet Members was then drawn to the technical aspects of the report which set out the Prudential Indicators in accordance with the Prudential Code of Practice which were set annually and monitored regularly to ensure that the Council's capital plans were affordable, sustainable and prudent.

Councillor Speding then reported that the Cabinet was asked to reaffirm its Treasury Management Policy statement each year. He advised that the Council was not proposing any major changes to the overall Treasury Management Strategy in 2015/2016 which would continue to maintain the careful and prudent low risk approach adopted by the Council in previous years. He assured Cabinet Members that the Strategy complied fully with the Treasury Management Code of Practice and observes best practice.

Consideration having been given to the report, it was:-

7. RESOLVED that it be recommended to Council to approve:-
- (i) the proposed Capital Programme for 2015/2016;
 - (ii) the Treasury Management Policy and Strategy for 2015/2016 (including specifically the Annual Borrowing and Investment Strategies);
 - (iii) the Prudential Indicators for 2015/2016 to 2017/2018; and
 - (iv) the Minimum Revenue Provision Statement for 2015/2016.

Revenue Budget and Proposed Council Tax for 2015/2016 and Medium Term Financial Strategy 2015/2016 to 2019/2020

The Chief Executive and the Director of Finance submitted a joint report (copy circulated) on:-

- the overall revenue budget position for 2015/2016;
- the projected balances position as at 31st March, 2015 and 31st March, 2016 and advise on their level;
- a risk analysis of the Revenue Budget 2015/2016;
- a summary of the emerging medium term financial position facing the Council from 2016/2017 to 2019/2020; and
- any views received from the North East Chamber of Commerce and Trade Unions.

(For copy report – see original minutes).

Councillor Speding reported that the final settlement had now been announced and had resulted in the allocation of an additional £0.6 million Revenue Support Grant which the Government had indicated was to support pressures in local welfare, health and social care. He added that while the extra funding was welcomed, this was a small sum compared to the additional costs which the Council was facing in these areas. He advised that taking this extra funding into account the Council still had to address a cut in Revenue Support grant funding of £26.5 million which represented a 27.5% cut in the element of funding that was meant reflect low income resources and high needs.

Cabinet Members were advised that taking the significant Government grant reduction and cost pressures together meant there was an on-going savings requirement of £36.6million for 2015/2016 as well as the need to meet one off pressures of £3.2m.

Councillor Speding thanked the Cabinet Members for their hard work over many months to identify proposals to address this very difficult position. He reported that the Council had continued to address the cuts by maximising savings from non-front line services and utilising corporate resources. He advised that however, the compound impact of the reductions meant that the Council's ability to continue to protect frontline services from the impact of the Government cuts was no longer possible, and changes in front line services were now unavoidable. He added that this was evident in the proposals which included re-commissioning services, reprioritising spend, maximising income, increasing collaboration, and using alternative delivery models.

Cabinet Members were advised that after taking account of these savings it was proposed that some limited one off funding was applied to meet one off pressures.

Councillor Speding reported that the proposals represented a robust approach to ensure a balanced budget while maintaining financial resilience. He drew attention to the continuing support for the Council's overall approach during the budget consultation process. He advised that he believed that the proposals represented the most appropriate balance taking all factors into account and as such, he proposed that Cabinet recommend them to the Council at its meeting to be held on the 4th March 2015.

The attention of Cabinet Members was then drawn to appendix G which had been tabled separately at the meeting which set out the Council proposal to freeze council tax for the fifth consecutive year. Councillor Speding reported that the precept proposals from the Police and Crime Commissioner and Tyne and Wear Fire and Rescue Authority had not been confirmed and these might require an amendment to the final proposal to Cabinet in due course. He advised that this course of action clearly recognised the economic climate and the challenges facing the residents of the city and the Council would continue to do everything it could to try to mitigate the impact of these external challenges.

Councillor Speding then referred to the medium term strategy set out at Appendix H. He reported that the future outlook was one of sustained government funding reductions and at this stage the Council was looking at potential reductions of almost £149 million over the period to 2019/20. He added that it was clear that the Council's ability to deliver even statutory services would be severely challenged and radical changes to the way the Council delivered services would be required. The Council through its Community Leadership role would increasingly need to take a citywide approach with partners in health, education and the business sector together with our communities to collectively reshape services.

During the discussion Cabinet Members referred to the constant reductions in Government funding and the devastating effect it would have on the delivery of services. They reported that they would continue to strive to protect the most vulnerable service users however it was becoming increasingly difficult with each round of cuts. They added that they were statutorily required to set a legal and balanced budget and it was with reluctance that they would have to recommend the proposals to Council to approve. They congratulated the work undertaken within

each Portfolio area and the Director of Finance and her officers in being able to achieve a balanced budget without an increase to the proposed Council Tax.

Upon a vote being taken the Cabinet Members, namely Councillors Gofton, Kelly, G. Miller, Mordey, P. Smith, Speding and H. Trueman, unanimously voted in favour of the recommendations contained in the report and it was:-

8. RESOLVED that it be recommended to Council that:-

- (i) the proposed Revenue Budget for 2015/2016 set out at Appendix K be approved;
- (ii) the Medium Term Financial Strategy 2015/2016 to 2019/2020 as set out in Appendix H be noted;
- (iii) the proposed Council Tax Requirement for the Council for 2015/2016 for its own purposes is £78,273,360 (excluding Parish precepts) and represents a freeze to Council Tax for 2015/2016;
- (iv) it be noted that at its meeting on 28th January 2015 the Council approved the following amounts for the year 2015/2016 in accordance with the amended regulations made under Section 31B(3) of the Local Government Finance Act 1992 (the 'Act'):
 - a) 66,000 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) 3,301 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.
- (v) the Council Tax Leaflet be made available via the Council's website rather than enclosed with Council Tax bills which reflects a relaxation of the rules and that, to meet timescales for publication, responsibility for finalising the document be delegated to the Director of Finance in consultation with the Leader of the Council and the Cabinet Secretary
- (vi) the following amounts be now calculated by the Council for the year 2015/2016 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:
 - a) £662,982,481 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) £584,665,845 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
- c) £78,316,636 being the amount by which the aggregate at (iv) (a) above exceeds the aggregate at (iv) (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) £1,186.6157 being the amount at (vi) (c) above (Item R) all divided by Item T ((iv) (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) £43,276 being the precept notified by Hetton Town Council as a special item under Section 34 (1) of the Act.
- f) £1,185.9600 being the amount at (vi) (d) above less the result given by dividing the amount at (vi) (e) above by the Item T ((iv) (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) £1,199.0700 being the amount given by adding to the amount at (vi) (f) above the amount (vi) (e) divided by the amount at (iv) (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

h) 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 (vi) (f) and (vi) (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.

(vii) it be noted that for the year 2015/2016,

- the Police and Crime Commissioner for Northumbria has supplied the best estimate of the proposed precept, which has been agreed by the Northumbria Police and Crime Panel, although formal notification has yet to be received from the PCC;
- At the time of preparing this report the Tyne and Wear Fire and Rescue Authority proposed precept is still to be determined.

Consequently, the following amounts for the Police and Crime Commissioner for Northumbria represent the provisional precept for 2015/2016 and the amounts for the Tyne and Wear Fire and Rescue Authority represent an assumed no change to the 2014/2015 position, pending notification from the Authority for 2015/2016. These will 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:

Valuation Bands	Precepting Authority	
	Police and Crime Commissioner for Northumbria	Tyne & Wear Fire and Rescue Authority
A	£ 58.89	£ 48.77
B	£ 68.70	£ 56.90
C	£ 78.52	£ 65.03
D	£ 88.33	£ 73.16
E	£107.96	£ 89.42
F	£127.59	£105.68
G	£147.22	£121.93
H	£176.66	£146.32

The above is subject to change, upon receipt of the formal notification of the precepts from the Police and Crime Commissioner and the Tyne and Wear Fire and Rescue Authority. Any change will be notified to Council at its meeting on 4th March 2015.

- (viii) having calculated the aggregate in each case of the amounts at (vi) (h) and (vii) above but not having received confirmation of the precept in paragraph (vii), 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 2015/2016 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 the Police and Crime Commissioner for Northumbria are received.

Parts of the Council's Area

Valuation Bands	Hetton Town Council	All other parts of the Council's Area
A	£ 907.04	£ 898.30
B	£ 1,058.21	£ 1,048.01
C	£ 1,209.39	£ 1,197.74
D	£ 1,360.56	£ 1,347.45
E	£ 1,662.91	£ 1,646.89
F	£ 1,965.26	£ 1,946.32
G	£ 2,267.60	£ 2,245.75
H	£ 2,721.12	£ 2,694.90

- (ix) it be noted that under Section 52ZB of the Local Government Finance Act 1992, that the Authority's relevant basic amount of Council Tax for 2015/2016 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act.

(i.e. the proposed Council Tax freeze for 2015/16 means that the Council does not need to hold a referendum on its proposed council tax. The regulations set out in Section 52ZC of the Local Government Finance Act 1992 requires 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.

For 2015/16 the guideline increase for the council was 2.0%.

As the council is proposing a Council Tax freeze for 2015/16 then the above regulations have no impact for 2015/16).

- (x) the views expressed by the North East Chamber of Commerce and Trade Unions be noted.

Local Welfare Provision Schemes (Crisis Support Scheme & Community Care Support Scheme)

The Director of Finance submitted a report (copy circulated) to provide an overview of the current Local Welfare Provision Schemes (Crisis Support and Community Care Support), to provide feedback on consultation, and to recommend that the Local Welfare Provision Schemes 2015/16 as set out in Paragraph 7.5 and Appendix A of the report, be implemented from 1 April 2015.

(For copy report – see original minutes).

Councillor Miller reminded Cabinet Members that the Welfare Reform Act legislated for the biggest change to the welfare system in decades, and included the transfer of two elements of the Social Fund from DWP to Local Government (to be known as Local Welfare Provision Schemes) with effect from 1 April 2013. He explained that the purpose of the report was to confirm support for the continuation of these Schemes as set out in Appendix A of the report, to consider the feedback received during consultation as set out in Paragraphs 7.1 to 7.4, and to approve amendments to the Schemes as set out in Paragraph 7.5 of the report.

Councillor Miller reported that overall comments on the Schemes had been positive, with the Schemes working as intended. He drew attention to the proposed amendments set out in Paragraph 7.5 which were to reflect changes required to support for Welfare Reform in 2015/2016, as identified through consultation feedback, and changes to the conditionality and administration of benefits.

Cabinet Members were advised that the report also outlined proposals for the administration and delivery of these Schemes including an overview, eligibility criteria to be applied, the financial and budgetary arrangements and the delivery options proposed. Councillor Miller reported that clearly given the adverse impact of Welfare Reform on the City and those most vulnerable, the Council remained concerned about the pressures there were likely to be in these and other service areas. In this context, he assured that the implementation of the Schemes would continue to be kept under review. He reported that as detailed in the report the scheme would be administered by the Director of Finance therefore for clarification, it was proposed that Cabinet formally authorises the Director of Finance to administer the scheme and determine applications.

Councillor Mordey referred to the significantly higher applications from the Hendon ward in the report and congratulated the Director of Finance and her officers for their administration of the scheme and enabling more vulnerable families to receive support despite the funding reductions.

With the additional recommendation, it was:-

9. RESOLVED that:-

- (i) the feedback received during the consultation, including representatives/ representative groups of, voluntary organisations and community groups be noted,

- (ii) the Local Welfare Provision Schemes of Crisis Support and Community Care Support for 2015/16 be approved as set out in Paragraph 7.5 and Appendix A of the report,
- (iii) approval be given to the publication of the Schemes on the Council's website and in any additional manner determined by the Director of Finance in consultation with the Leader of the Council and Cabinet Secretary, and
- (iv) the Director of Finance be authorised to administer the scheme and determine applications.

Appointment of a Joint Venture partner to operate the Council's leisure facilities across the City.

The Executive Director of People Services submitted a report (copy circulated) to set out the progress made in respect of the procurement process for the appointment of a partner for the management and operation of the Council's leisure facilities, and for all next steps in order to progress to the establishment of the Joint Venture (JV).

(For copy report – see original minutes).

Councillor Kelly reported that the Council had undertaken an OJEU procurement process for the appointment of a partner for the management and operation of the City's leisure facilities using the competitive dialogue procedure. He advised that the procurement process had commenced in November 2013 and final tenders from the two remaining bidders had been submitted on 12 December 2014.

Cabinet Members were advised that a rigorous evaluation process was undertaken by a multi-disciplinary team comprising of representatives from Community Services, Finance, Law and Governance, Corporate Procurement, Human Resources and Property Services in conjunction with the Council's external advisers (Bond Dickinson (legal), Knight Kavanagh and Page (technical) and KPMG (finance)).

Councillor Kelly reported that the Council's key objectives in selecting a JV partner to help drive the transformation of its leisure and sports business were:

- to contribute to the better physical and mental health and wellbeing, skill development and levels of attainment of Sunderland's citizens through increased participation in physical activity, sport and leisure;
- to develop a sport and leisure service that was self-sustaining and that required no subsidy beyond the short term;
- to provide universal access to high quality sport and leisure facilities;
- to support sporting excellence; and
- to identify and develop additional commercial opportunities which contributed to the achievement of any of the above objectives.

Councillor Kelly explained that should the Cabinet approve the recommendations in the report on Part II of the agenda, the key next steps were that the successful bidder would be informed and this would be followed by the exchange of contractual information on 24 February 2015. The mobilisation period would commence from 24 February through to the 31 May 2015 with the aim of the new Leisure arrangements being in place on 1 June 2015.

Councillor Speding highlighted that in the past the Council had assumed the responsibility for the liabilities and the running of a number of welfare facilities that were previously in the ownership of businesses such as the Coal Board. He added not only that the Council had managed to improve the amenities to deliver good welfare and leisure facilities in the City.

Councillor Kelly reported that the Council had received awards for its investment in leisure facilities however it was in this position of alternative delivery of services due to funding cuts and this was the only way the Council could endeavour to maintain access to first class facilities.

Consideration having been given to the report, it was:-

10. REOLVED that the contents of the report and the substantial progress made to date in respect of the procurement process leading to a recommendation for the appointment of a preferred bidder in the separate Part II report on the agenda and the next steps in order to establish the JV be noted.

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

At the instance of the Chairman it was: -

11. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it was considered to involve a likely disclosure of information relating to the financial or business affairs of any particular person (including the authority holding that information) and in respect of which a claim to legal professional privilege could be maintained in legal proceedings (Local Government Act 1972, Schedule 12A, Part 1, Paragraphs 3 and 5). The public interest in maintaining these exemptions outweighs the public interest in disclosing the information.

(Signed) H. TRUEMAN,
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.

