

CABINET MEETING – 11 FEBRUARY 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 14 January 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 14 January 2015 at 2.00 p.m.

Present:-

Councillor P. Watson in the Chair

Councillors Gofton, Kelly, Mordey, P. Smith, Speding and H. Trueman

Part I

Minutes

The minutes of the meeting of the Cabinet held on 5 November 2014 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

Councillor Speding declared an interest in item 14 on the agenda, "Playing Pitch Plan" as a member of the following organisations and withdrew from the meeting during consideration of the report:-

Durham County Football Association Ltd.
The Football Association Ltd.

Apologies for Absence

An apology for absence was submitted to the meeting on behalf of Councillor G. Miller.

The Tall Ships Races 2018

The Director of Corporate Affairs submitted a report (copy circulated) to provide an update on the city's successful bid to be a host port for The Tall Ships Races in 2018 and to seek endorsement to sign the contract for the city to host this event in 2018 and to provide the necessary funding.

(For copy report – see original minutes).

Councillor Kelly reported that in September the Council had submitted a bid to be one of the host ports for The Tall Ships Races in 2018. He advised that the bid had been very well supported across the city and in the wider North East region with people being genuinely excited by the prospect of hosting such a prestigious event and welcoming a million visitors to the 'home of shipbuilding'. He explained that the bid had been developed working with partners and by drawing on the experience of other ports who had hosted this race before, including the ports of Tyne and Hartlepool.

Councillor Kelly was pleased to report that in November confirmation was received that the Council's bid had been successful and that it had been chosen as one of the four host ports for 2018, together with Esbjerg in Denmark, Stavanger in Norway and Cherbourg in France. He explained that hosting the races would deliver several benefits to the city, namely:-

- the opportunity for hundreds of young people to participate in sail training – developing new skills, experiences and friendships. Sail training uses the experience of being at sea principally as a means to help people learn about themselves, discover hidden strengths and talents and understand the value of working as a team and it is the Council's ambition that it continues after the event and that the city established itself as a key sail training location in the UK.
- significant direct economic benefit estimated to be in the region of £50 million based on the experiences of other UK host ports. Over one million visitors were expected including overseas visitors; many staying for the four days of the races.
- other, indirect and longer-term benefits including river and infrastructure improvements, notably from the city centre to the riverside, maritime heritage opportunities; and economic and leisure opportunities created by bringing the river back into greater use.

Cabinet Members were advised that hosting the race did require a financial commitment from the host port. The main costs included staging the event and its promotion and marketing; the four-day event programme; and the Infrastructure and quayside work to provide access and viewing of the event; and the crew facilities. Initial high level estimates of costs amounted to £3 million giving a return on investment of sixteen to one. Opportunities for income generation to offset some of the £3 million included sponsorship, catering concessions and hospitality. Grant funding and partners contributions would also be sought and every effort would be made to maximise all income opportunities.

Councillor Kelly reported that any river dredging requirements would be considered alongside the Port's annual capital programme planning.

Cabinet Members agreed that this was a very exciting project for the city and it would follow on from some of the key city centre improvements and the completion of Keel Square in addition to the city's growing reputation for hosting top class events.

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

2. RESOLVED that:-

- (i) the contents of the report be noted and the hosting of The Tall Ships Races in Sunderland in 2018 be endorsed,
- (ii) it be noted that the estimated costs of the event will be included in the medium term financial plans and will continue to be reviewed and refined to reduce the net cost to the council through seeking external funding and commercial income opportunities. Further updates to cabinet will be provided in due course, and
- (iii) authorisation be given to the completion of any necessary agreements and for the Director of Corporate Affairs and the Portfolio Holder for Public Health, Culture and Wellbeing to take all necessary action.

Security Guarding Contract

The Deputy Chief Executive submitted a report (copy circulated) to seek approval for a procurement process for the provision of a Security Guarding Contract for Council premises and related services. It also sought agreement to delegate the decision to award the Security Guarding Contract to the Deputy Chief Executive, in consultation with the Cabinet Secretary.

(For copy report – see original minutes).

Councillor Speding reported that the current security contractor had provided a range of security guarding duties to protect various Council assets for the last five years. He explained that currently there was 24/7 security cover at the Civic Centre, Port of Sunderland, South Hylton House and Jack Crawford House. In addition the contractor also provided a daytime Park Warden service at Mowbray and Barnes Parks, the Customer Services Centre and City Arts and Library.

Cabinet Members were advised that the current security guarding contract ended on the 26 March 2015 and therefore it was proposed that a procurement process be carried out with the successful bidder being awarded a three year term contract commencing 27 March 2015. It was also proposed that the contract would allow for the addition of two further 12 months extensions to be considered at the appropriate time.

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

3. RESOLVED that approval be given to:-
 - (i) the procurement process for the letting of a Security Guarding Contract covering the Period 27 March 2015 to 28 March 2018, and
 - (ii) delegate the decision to award the Security Guarding Contract to the Deputy Chief Executive, in consultation with the Cabinet Secretary.

Carriageway Reconstruction and Surfacing Contract 2015 to 2019 - Approval to Procure a New Contract Arrangement

The Deputy Chief Executive submitted a report (copy circulated) to seek approval to procure a Carriageway Reconstruction and Surfacing Contract.

(For copy report – see original minutes).

Councillor Mordey reported that although a collaborative framework for carriageway resurfacing was being progressed regionally, as the timescale for delivery was uncertain and the Council's current arrangement ended in April 2014, it was felt advisable to progress with a separate procurement for the Council to ensure that a continuous service could be achieved.

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

4. RESOLVED that approval be given to procure a Carriageway Reconstruction and Surfacing Contract, with an approximate annual value of £2,000,000 for a minimum 2 years with further options to extend.

Council Tax Base 2015/2016.

The Director of Finance submitted a report (copy circulated) to detail the calculation of the Council Tax Base for 2015/2016 and to seek approval to recommend to Council the Council Tax Base for 2015/2016 in accordance with the Local Government Finance Act 1992 as amended by the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2012.

(For copy report – see original minutes).

Councillor Speding highlighted that the report advised of the Council Tax Base to be used in calculating the 2015/2016 Council Tax for the Council, and which was also used by the Police and Fire Authorities when they calculated their precepts for 2015/2016. He reported that the Council tax base for the Council was to be set at £66,000. He advised that the Council must also calculate the Tax Base for any Parish Councils within their Council boundary and as such Hetton Town Council would have a Tax Base for 2015/2016 of £3,301.

Cabinet Members were advised that the calculations detailed in the report followed strict government regulation which specified the factors and formula to be applied and that the calculations must be based on all information available to the Council at 30 November of each year.

The attention of Cabinet Members was drawn to paragraph 3.6 of the report which set out that the Council Tax Base for 2015/2016 had increased by 1,441 or 2.23% from last year. This was primarily due to an increase in the number of new properties built together with a decline in the take up of Council Tax Support being reflected in the figures.

Councillor Speding reported that the Precepting Bodies (Fire and Police) and Hetton Town Council must be informed of the Council Tax Base figures as soon as possible, once agreed by the Council, but by no later than 31 January 2015.

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

5. RESOLVED that it be recommended to Council that:-
 - (i) the calculation of the Tax Bases for the City Council and Hetton Town Council for 2015/2016 be approved, and
 - (ii) pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, as amended by Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2012 the amount calculated by Sunderland City Council as its Council Tax Base for the year 2015/2016, shall be £66,000 and for the area of Hetton Town Council shall be £3,301.

Business Rates Income Forecast 2015/2016 and Projected Business Rates Income Outturn 2014/2015

The Director of Finance submitted a report (copy circulated) on the arrangements for estimating Business Rates income for 2015/2016 and the forecast outturn Business Rates Income for 2014/2015 in accordance with the Non Domestic Rating Regulations

(For copy report – see original minutes).

Councillor Speding referred to the details of the forecast income which were set out in the draft NNDR 1 form circulated which must be submitted to Government no later than 31st January 2015. He reported that at this stage a surplus was currently anticipated on the Collection Fund for 2014/2015. He added that however this, and the forecast income for 2015/2016 were both subject to further clarification from Government on arrangements to restrict back dating of new appeals lodged after April 2015 which the Chancellor announced in the Autumn Statement.

Cabinet Members were advised that given this, and the lateness with which the NNDR 1 form was received from Government delegated authority to the Director of Finance in consultation with the Leader of the Council and Cabinet Secretary was sought to approve the final version of the NNDR 1 Form to be submitted to Government.

Councillor Speding assured Cabinet Members that the impact of the final NNDR 1 form would be reflected in the Revenue Budget and Proposed Council Tax for 2015/2016 to be reported to Cabinet in February.

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

6. RESOLVED that:-

- (i) the draft NNDR1 form be noted (circulated separately as Appendix A) which sets out
 - the forecast outturn for business rates income for 2014/2015
 - total estimated business rates income before transitional arrangements for the year 2015/2016
- (ii) the Director of Finance, in consultation with the Leader of the Council and Cabinet Secretary, be delegated authority to approve the final version of the NNDR1 form to be submitted to DCLG by 31 January 2015 in accordance with regulations, and which will form the basis of the necessary apportionment of the estimated total business rate income for 2015/2016 in the following proportions:
 - 50% to the Government
 - 1% to the Tyne and Wear Fire and Rescue Authority
 - 49% to the Council

- (iii) it be noted that the final NNDR1 implications on the 2015/2016 Budget will be incorporated into the Revenue Budget and Proposed Council Tax for 2015/2016 report which will be reported to Cabinet in February 2015.

Revenue Budget 2015/2016 Proposals and Provisional Revenue Support Settlement 2015/2016

The Chief Executive and the Director of Finance submitted a report (copy circulated) to detail the provisional budget proposals for 2015/2016 including the impact of the Provisional Revenue Support settlement, as a basis for the continuation of budget consultation, prior to the receipt of the final Local Government Finance Settlement 2015/2016.

(For copy report – see original minutes).

Councillor Speding reported that the provisional settlement was very much as predicted. He advised that the reduction in government funding was for the fifth year running and this had had a significant negative impact on the Council's position with bleak prospects into the medium term. He stated that it was disappointing that the inherent anomalies and unfairness in the way Government was allocating the cuts remained in place meaning the more deprived areas of the country such as Sunderland were being hit the hardest. He added that this was despite independent reports from the National Audit Office, the Local Government Association and the Chartered Institute of Public Finance and Accountancy highlighting these issues to government and that the Council would continue to challenge government about the incidence of the cuts and its impact on our communities.

Cabinet Members were advised that the Council was legally required to set a balanced budget and the provisional proposals for 2015/2016 set out in the report followed the approach previously agreed through the Budget Planning Framework. The report highlighted the grant reductions and pressures of £39.8m in 2015/2016 with proposals at section 8 for a programme of savings of £35.6m and one off use of balances of £4.2m which together fully addressed the gap.

Councillor Speding reported that it was clear, however, 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 advised that looking forward to the medium term 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. He added that 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 to enable the best response for the city. Cabinet Members were advised that this was evident in proposals for 2015/2016 which included re-commissioning services, reprioritising spend, maximising income, increased collaboration, use of alternative delivery models and maximising non front line savings.

Councillor Speding thanked his Cabinet colleagues for the on-going work with their Executive Directors in identifying the proposals to address the position.

Cabinet Members were then advised that there were a number of outstanding uncertainties around the financial position which were still being confirmed. Therefore some final decisions remained to be taken, and, of course, the consultation which the Council would be undertaking between now and the February meeting was very important to inform those final decisions.

Councillor Trueman reported that it was very worrying that the Council was in a position that protecting front-line services was no longer possible.

Cabinet Members referred to their own Portfolio areas and the injustices caused by the funding cuts impacting more severely in the North East.

The Chairman condemned the funding cuts stating that they were unfair and disproportionate and would impact on the most vulnerable people, the disabled people and the people who had the least ability to hit back. He reported that the Council was now in a position where it would have to closely examine its ability to deliver statutory services.

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

7. RESOLVED that that the provisional budget proposals be approved, as a basis for the continuation of budget consultation, prior to the receipt of the final Local Government Finance Settlement 2015/2016.

Revenue Budget Third Review 2014/2015

The Director of Finance submitted a report (copy circulated) to detail the outcome of the Revenue Budget Third Review for 2014/2015.

(For copy report – see original minutes).

Councillor Speding highlighted that in overall terms there continued to be very positive progress made in delivering the 2014/2015 savings requirement. He explained however that the Council continued to face challenges both in delivering the sustained level of reductions required and in addressing demand pressures. He reported that where delays in implementation of savings plans and budget pressures were identified, Portfolio holders and Executive Directors were progressing alternative actions to address the position to ensure a positive outturn will be achieved.

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

8. RESOLVED that the contingency transfers proposed at Appendix A and the budget transfers set out in the report be approved.

Capital Programme - Third Capital Review 2014/2015, Provisional Resources 2015/2016 and Treasury Management Review 2014/2015

The Director of Finance submitted a report (copy circulated) to detail the:-

- (a) reprofiling of projects since the Second Capital Review for 2014/2015 was approved in October 2014;
- (b) the inclusion of additional schemes and revisions to costs and resourcing for 2014/2015 since the Second Capital Review was reported;
- (c) the allocation of capital resources for 2015/2016, as set out in Section 5, subject to any adjustment when final resource announcements are made; and
- (d) the progress in implementing the Treasury Management Strategy for 2014/2015.

(For copy report – see original minutes).

Councillor Speding highlighted that the anticipated spend had reduced by £5.9m since the second capital review was reported. He explained that this included £7.0m of expenditure that had been re-profiled into 2015/2016 either as a result of reviewing project requirements to ensure best value to the Council or re-profiling works to minimise service disruption. He assured Cabinet Members that relevant funding was secured and would be carried over.

Cabinet Members were advised that other variations of £1.1m to the capital programme included new projects or variation to existing projects arising primarily from securing additional external funding. All variations were fully funded.

Councillor Speding reported that in relation to resources available to the Council for 2015/2016, the report included confirmation of funding so far for 2015/2016 which was set at section 5. He then referred to the Treasury Management aspects of the report, and reported that there continued to be positive performance in this area. He explained that the Council had borrowed £10m from the PWLB since the second review to take advantage of low interest rates and benefit the Council's revenue budget over the long term.

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

9. RESOLVED that:-

- (i) in relation to the third capital review for 2014/2015 approval be given to the inclusion of additional schemes or variations to existing schemes for 2014/2015 detailed at Appendix A, as a variation to the Capital Programme which will be reported to Scrutiny and Council for information where necessary;

- (ii) in relation to the Capital Programme for 2015/2016, it be noted that:-
 - (a) the allocation of resources as set out in Section 5 will be subject to final resource announcements;
 - (b) Cabinet Members will consider proposals for new starts based on resource allocations to be confirmed in due course in order to incorporate proposed new starts in the Capital Programme to be presented to Cabinet in February 2015; and
- (iii) in relation to the Treasury Management Strategy and Prudential Indicators, the positive progress made in implementing the strategy for 2014/2015 be noted.

Local Council Tax Support Scheme

The Director of Finance submitted a report (copy circulated) to provide an update on the consultation results for the Local Council Tax Support Scheme and to recommend that the Local Council Tax Support Scheme set out at Appendix B be implemented with effect from 1 April 2015.

(For copy report – see original minutes).

Councillor Speding highlighted that the proposed Local Council Tax Support Scheme was largely based on the existing arrangements that had been in place since April 2013. He explained that under the scheme working age claimants would continue to pay a minimum of 8½% of their annual charge, while pensioners, as legislation requires, would remain protected and could still qualify for 100% of their annual charge.

Councillor Speding reported that the existing scheme had been implemented without any major issues and was widely understood by residents who needed to make a claim. He advised that the amount of Council Tax paid over by residents who received Council Tax Support was also in line with council expectations. He added that the proposed scheme looked to balance the financial position of the Council, with the ability of the individual to pay, and was in line with consultation feedback that everyone should pay something, all of which had been broadly achieved.

Cabinet Members were advised that only very minor changes had been proposed to the current scheme, which were broadly tax neutral. The Council consulted on its proposed scheme from 23 October to 5 December and the results from the consultation were outlined in the report which in broad terms showed support for the Scheme.

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

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

- (i) consider feedback received during the consultation period from the precepting authorities, the public, including representatives/ representative groups of Council Tax payers and Council Tax benefit claimants, voluntary organisations and community groups,
- (ii) approve the Council's Local Council Tax Support Scheme as set out in paragraph 6 and Appendix B for the financial year 2015/16,
- (iii) authorise the Director of Finance to administer the Local Council Tax Support Scheme including undertaking the consideration and determination of applications for support and authorise the Head of Law and Governance to amend the constitution accordingly, and
- (iv) authorise the publication of the approved Scheme 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.

Ensuring Sufficiency of Specialist Special Educational Needs (SEN) Places in Sunderland from 2015/16 including the Lease of Land and Buildings to the Ascent Academies Trust

The Executive Director People Services and the Deputy Chief Executive submitted a report (copy circulated) to:-

- (a) detail the Council's capital strategy to ensure the sufficiency of local places to meet the needs of primary and secondary aged children with Special Educational Needs (SEN),
- (b) seek approval for the Council Undertaking capital works at Columbia Grange Primary School to facilitate an increase in available commissioned places for primary school aged children with Autistic Spectrum Disorder (ASD),
- (c) seek approval to grant a lease of the land and buildings known as the Cheadle Centre, Sunderland, to The Ascent Academies' Trust, and
- (d) seek approval to procure and make a financial contribution towards capital works at the Cheadle Centre under an agreement for lease.

(For copy report – see original minutes).

Councillor Smith reported that the increase in the numbers of pupils diagnosed with Autistic Spectrum Disorder (ASD) in both the primary and secondary sector had placed pressure on the number of commissioned places in Sunderland's Special Educational institutions. She explained that the Council had responded to the increase in demand through the development of ASD units in local primary and secondary schools and these units had been developed to meet the needs of pupils who required a specialist curriculum but for whom a mainstream school setting was considered appropriate.

Councillor Smith explained that the Council was proposing a further programme of capital works to meet the additional demand for the pupils with ASD to increase capacity at Columbia Grange Primary by 8 places in 2015/16 rising to up to 20 in 2016/17. She added that in the secondary sector it was proposed to issue a lease to the Ascent Academies' Trust for the land and buildings known as the Cheadle Centre on a peppercorn rate. She reported that it was also proposed to make a £200,000 contribution towards capital works at the Cheadle Centre to be supplemented by an additional £100,000 to be provided by the Ascent Academies' Trust.

Cabinet Members were advised that the above works would contribute towards the Council's strategy to ensure there were sufficient, high quality local educational places for Sunderland's pupils, including those with special educational needs and would create long term economic efficiencies, by reducing out of authority SEN placements.

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

11. RESOLVED that approval be given to the:-

- (i) capital works at Columbia Grange Primary School,
- (ii) grant of a lease of the Cheadle Centre to the Ascent Academies' Trust on terms to be agreed by the Deputy Chief executive in consultation with the Leader and Cabinet Secretary, and
- (iii) financial contribution from the Council towards capital works at the Cheadle Centre under an Agreement for Lease.

At this juncture, Councillor Speding withdrew from the meeting during consideration of the following report in view of his declaration of interest.

Playing Pitch Plan

The Executive Director of People Services submitted a report (copy circulated) on an updated Playing Pitch Plan (PPP) for adoption and to be used as a strategic planning document for sport playing pitches in the city.

(For copy report – see original minutes).

Councillor Kelly highlighted that there was strong and growing evidence that demonstrated regular participation in sport and physical activity could have a positive contribution towards improved physical and mental health and wellbeing, skills development and levels of attainment. He reported that the lack of an updated PPP could result in the loss of potential future investment both for local sports clubs as well as the Council. He explained that it was a requirement from many funding streams that an updated, comprehensive PPP was in place for a local authority area, that fully demonstrated 'needs analysis' prior to any funding bids being submitted.

Cabinet Members were advised that a comprehensive supply and demand assessment was undertaken in consultation with a range of stakeholders including sports clubs, schools, further education providers and National Governing Bodies of Sport (NGB's). As part of this consultative process, all Elected Members had been given the opportunity to inform the plan at various stages. Sport England as the statutory body had also endorsed Sunderland's updated PPP.

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

12. RESOLVED that the Playing Pitch Plan be adopted as a citywide document and the proposed Action Plan and priorities outlined in the PPP be endorsed.

Councillor Speding was readmitted to the meeting.

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

At the instance of the Chairman it was: -

13. 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), any consultations or negotiations, or contemplated consultations or negotiations in connection with any labour relations matter arising between the Council and its employees 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, 4 and 5). The public interest in maintaining this exemption outweighs the public interest in disclosing the information.

(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.

