

CABINET MEETING – 13 JULY 2023
EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

MINUTES, PART I

Author(s):

Assistant Director of Law and Governance

Purpose of Report:

Presents the minutes of the meeting held on 8 June 2023, Part I.

Action Required:

To confirm the minutes as a correct record.

At a Meeting of the **CABINET** held in **CITY HALL (COUNCIL CHAMBER)** on **THURSDAY 8 JUNE 2023** at **10.00am**

Present: -

Councillor Rowntree in the Chair

Councillors Chequer, K Johnston, Price, and Williams

Also present: -

Councillors A Smith and P Walker – Deputy Cabinet Members

Councillors Edgeworth and Fagan

Part I

Minutes

The minutes of the meeting of the Cabinet held on 2 June 2023, Part I (copy circulated) were submitted.

1. RESOLVED that the minutes of the Cabinet meeting held on 2 June 2023, Part I, be confirmed and signed as a correct record.

Declarations of Interest

There were no declarations of interest.

Apologies for Absence

Apologies for absence were received from Councillors G Miller, Stewart, F Miller and Scott.

Performance Report Quarter 3 of 2022/2023

The Chief Executive submitted a report providing performance information in relation to Quarter 3 of 2022/2023.

Councillor Rowntree advised that the report set out the progress made by the Council in delivering the City Plan during Quarter 3 of 2022/23. The report was set out under the three themes of the City Plan – Dynamic Smart City, Healthy Smart City and Vibrant Smart City.

Performance data was also provided for the set of 'council' or 'organisational health' indicators against which progress was monitored. The Cabinet was asked to consider and accept the performance information contained within the report for Quarter 3 of 2022/23.

Full consideration having been given to the report, it was: -

2. RESOLVED that the performance information in relation to Quarter 3 of 2022/2023 be accepted.

Capital Programme Outturn 2022/2023 (including Treasury Management)

The Director of Finance submitted a report setting out the Capital Programme outturn for 2022/2023 and an update on the Treasury Management Borrowing and Investment Strategy outturn position for 2022/2023.

Councillor Rowntree highlighted that, despite the impacts of upward cost pressures on construction contracts and global supply issues following on from the Covid-19 pandemic and the current war in Ukraine, over £152million had been invested in the city's priorities during the last year.

Much of this investment had been aimed at creating the conditions for growth in the city's economy. For example, the Council had invested in the infrastructure of the city through:

- progressing the development of Riverside Sunderland, including the completion of the new multi-storey car park and initial enabling works for the new Wear footbridge;
- progressing the redevelopment of Sunderland Station;
- progressing the design and development of the new Culture House on Keel Square;
- making significant improvements to the highways and bridges network across the city including completion of new and improved roads to support the South Sunderland Growth Area; and
- continuing the investment on the fibre and 5G network infrastructure rollout across the city;

The Council remained committed to investment in the wellbeing of the city's residents, helping them to remain in their own homes for as long as possible through the provision of disabled facilities grants. The Housing Delivery and Investment Plan had been progressed to provide more housing, including 44 new bungalows and 117 homes.

There had continued to be investment in Education and Skills through the schools' infrastructure programme of improvements, including completion of the new Sunningdale school which opened to pupils last September, the new Hetton primary school which became operational in November 2022 and completion of the Barnes junior school dining block with works to the main school buildings to be complete for the September 2023 term.

Councillor Rowntree stated that the Council had continued to invest into other frontline services through the completion of the new Parsons Depot building at Washington, purchase of replacement refuse vehicles and improvement works to Council buildings.

Cabinet Members were advised that the report referred to variations in the 2022/2023 programme, including the reprofiling of expenditure and associated funding into 2023/2024 and beyond. This had been necessary due to external factors outside of the Council's control, the timing of projects being reviewed to ensure best value to the Council or to minimise the disruption arising from any works.

Actual spend during this financial year had reduced by £69.9m since the third capital review was reported. The overall reduction included:

- the reprofiling of £71.1m expenditure into future years because of:
 - External influences outside of the Council's control, including as a consequence of wider economic and geopolitical factors including high inflation and global supply issues for raw materials; or
 - Internal influences within the Council's control including realignment of projects to ensure best value was achieved and/or a more realistic consideration to the expected project delivery timescales; and
- the addition of new schemes or variations to the value of schemes of £1.2m within the Capital Programme.

Moving on to the Treasury Management aspects of the report, Councillor Rowntree advised that borrowing rates from the Public Works Loan Board had fluctuated throughout the year and have increased in the last quarter, were continuing to rise and were currently above 5%. The Council had sought to maximise the returns available from its investments, in a very turbulent market, whilst still adhering to the prudent policy agreed by the Council.

Councillor Williams commented that it was good to see the Capital Programme going ahead, particularly due to the difficulties faced by staff trying to manage this whilst dealing with rising prices and issues in securing the relevant contractors. She also referred to the excellent tree management programme, funding for parks and playgrounds and investment in schools. Councillor Williams commended the positive and well managed programme.

Councillor Rowntree thanked officers for their hard work, passion and commitment which had enabled services to be provided for residents of the city in difficult times.

Having considered the report, it was: -

3. RESOLVED that: -

- (i) the inclusion of additional schemes or variations to existing schemes for 2022/2023 detailed at Appendix A, as a variation to the Capital Programme be noted;
- (ii) the overall Capital outturn position for 2022/2023 be noted; and

- (iii) the Treasury Management Strategy and Prudential Indicators outturn position for 2022/2023 be noted.

Revenue Budget Outturn 2022/2023

The Director of Finance submitted a report advising Cabinet of the overall outcome of the Revenue Budget Outturn for 2022/2023 including the budget transfers, contingency and reserves transfers proposed.

Councillor Rowntree reported a positive outturn position, despite the ongoing challenges during the year from the legacy impacts of the Covid-19 pandemic, significant inflationary pressures and the related cost of living crisis placing greater demands and cost pressures on our services.

Cabinet Members were directed to Appendix A of the report which set out the main areas of Portfolio variations. As reported during the year, the most significant pressures related to both adults and children's social care. A combination of demand, complexity and inflation continued to put pressure on social care budgets. Additional funding from health partners had helped to mitigate some of the cost pressure in adult social care.

Other Council services had also seen pressures including local services and fleet management as well as shortfalls in income from parking and other fee earning services. Areas performing positively against budget included the costs associated with waste disposal and recycling and the Port of Sunderland through increased trading.

Councillor Rowntree highlighted that overall, there was a Directorate underspend of £4.547 million. She outlined that significant debt management and treasury management savings had been realised arising from the reductions in in year capital expenditure together with improved investment rates delivering higher than budgeted investment income returns. This had driven a positive outturn position from which it was proposed that specific resources of £8.932m were earmarked to meet a number of priorities in 2023/2024:

- £3.622m to supplement the existing inflation reserve to provide funding to meet the potential additional costs of the proposed pay award and adult social care contract inflation beyond the amounts assumed when the budget was set;
- £2.5m to support the delivery of the City Plan and specifically health related elements. It is proposed to earmark this within the Capital Priorities Reserve to assist with funding of the delivery of the new Eye Hospital; and
- £2.81m to support health and social care services in Sunderland in the short to medium term.

Councillor Rowntree expressed thanks to Cabinet colleagues, Chief Officers and their teams in achieving a positive outturn position given the difficult financial challenges the Council faced during 2022/2023.

Councillor Williams again commended a well-managed programme which was delivered in very difficult times. She highlighted that the cost-of-living crisis was causing more complex issues which were then more costly to public bodies and questioned the logic of central government continuing with national austerity policies instead of adequately funding public services.

The Cabinet therefore

4. RESOLVED that: -

- (i) the budget transfers, contingency and reserve transfers proposed within section 3 of the report be approved; and
- (ii) the overall outturn position of the Council be noted.

Ground Investigation Works and Geotechnical Services Framework

The Executive Director of City Development submitted a report seeking approval to procure and award a new framework agreement for ground investigation works and geotechnical services.

Councillor Johnston reported that, prior to 2019, the Council were procuring individual contracts for ground investigation works via a procurement process compliant with the Public Contract Regulations 2015. As there were numerous schemes within the local authority which required ground investigation work to be implemented successfully, this process had to be repeated in full for each scheme.

In 2019 a new framework with five suppliers appointed was implemented by Sunderland City Council officers. The Ground Investigation Works and Geotechnical Services Framework had been utilised to procure services 110 times from 1 April 2019 to the end of March 2023.

There was an ongoing need for ground investigation works on Council schemes to proceed such as the new Wear Footbridge, Culture House and the HICSA (Housing Innovation Construction & Skills Academy) scheme. The new Wear Footbridge required extensive ground investigation work to be carried out due to the challenging ground conditions in that area. It had therefore been deemed necessary by both Corporate Procurement and Infrastructure and Transportation officers to continue with the framework arrangement currently used by the Council.

Councillor Johnston explained that, compared to the alternative solution which would involve a competitive procurement exercise for each Council requirement of ground investigation work that need to be tendered, a framework would save the authority money, time and resources. A framework would also offer transparency and consistency on pricing for all users. On occasion, the delay in appointing a ground investigation contractor could hold up the design process as the GI results needed to be factored into the design at the earliest possible stage.

Having considered the report, it was: -

5. RESOLVED that: -

- (i) the procurement and award of a new framework agreement for ground investigation works and geotechnical services be approved; and
- (ii) the Executive Director of City Development in consultation with the Dynamic City Portfolio Holder and the Director of Finance be authorised to conclude the contractual arrangements.

Revisions to the Constitution – Area Committees

The Executive Director of Health, Housing and Communities submitted a report presenting proposals to amend the terms of reference of the Council's area committees and to make the associated changes to the Constitution.

Councillor Price stated that the proposed changes represented more clearly the role of area committees. The changes emphasised the key focus in terms of supporting residents and communities to maximise community resilience at an area level.

These changes had been drawn up following a recent review and consultation with Members regarding area committees and how they operated. As part of this consultation, it was agreed that some changes to the Constitution would be required to reflect the actual working arrangements more appropriately.

Councillor Edgeworth, whilst having no objections to the proposals, asked if such constitutional changes could be consulted on at an earlier stage in the proceedings.

The Executive Director of Health, Housing and Communities advised that presentations had been delivered to each political grouping as part of the consultation and comments were taken on board.

Councillor Rowntree commented that the report highlighted the importance of area committees and the input of councillors at grass roots level; elected Member involvement in area committees was of great importance.

6. RESOLVED that: -

- (i) the changes to the terms of reference of the Council's Area Committees be approved together with the other ancillary changes as set out in the report, with immediate effect; and
- (ii) the Assistant Director of Law and Governance be authorised to make the associated amendments to the Constitution as set out in Annex 2 to the report, together with such other amendments as may be required to ensure consistency between the updated provisions and the remainder of the Constitution.

Housing Service Annual Review

The Executive Director of Health, Housing and Communities submitted a report providing Cabinet with the annual Council Housing Service update for 2022/2023.

Councillor Johnston advised that the report outlined a series of service updates with regards to the Council Housing Service. Further progress had been made throughout the past year and some highlights included:

- An increase in stock to 117 tenancies
- Over £6.4m of grant funding had been secured to support the delivery of 171 homes mainly for the city's older and most vulnerable residents
- Improved communication with tenants with newsletters and annual reports now being issued
- The Service had hit a huge milestone this year as it had welcomed the 100th tenant
- The Service won two awards at the National Housing Digital Awards for the 'Most Innovative Support or Care Service Award' and the 'Most Innovative Housing Provider Award'. These awards had shown excellent collaboration between Housing and Adult Social Care

Councillor Johnston welcomed the Annual Housing Service update and requested that Cabinet agreed to the recommendations within the report.

Councillor Rowntree commended the great work from councillors and officers in developing the Housing Service which had received national acknowledgement. It was therefore: -

7. RESOLVED that: -

- (i) the updates provided be acknowledged; and
- (ii) the emerging changes in the sector be noted.

Sunderland Financial Wellbeing Strategy 2023 – 2026

The Executive Director of Health, Housing and Communities submitted a report presenting for consideration the Financial Wellbeing Strategy 2023-2026.

Councillor Price reported that the proposed Sunderland Financial Wellbeing Strategy summarised the ways the cost-of-living crisis was impacting on the health and wellbeing of Sunderland's communities, including the long-term income gap exacerbated by the cost-of-living crisis.

The Strategy set out the Council's response to mitigate these effects in the short-term and described the long-term actions to tackle the underlying causes which were required to address inequalities and improve community health, wellbeing and resilience.

Cabinet Members heard that the proposed Sunderland Financial Wellbeing Strategy 2023-2026 would bring together services and activities across the Council which were contributing to reducing the effects of the cost-of-living crisis

Councillor Williams welcomed the report and commented that it demonstrated the tenacity which the city had. She highlighted that there were horrendous statistics in the report, drawing attention to the comparison between children in poverty living in the Fulwell ward as opposed to Hendon ward; these figures were shocking in this day and age. She expressed pride that the Council was putting so much effort and resource into trying to address this problem.

Having considered the report, it was: -

8. RESOLVED that: -

- (i) the Sunderland Financial Wellbeing Strategy 2023-2026 be approved and adopted; and
- (ii) the Executive Director of Health, Housing and Communities be authorised, in consultation with the Portfolio Holders for Vibrant City and Healthy City, to deliver and review this Strategy annually, making any amendments as deemed required.

Homes England Compliance Audit 2022-2023 – Update on Provider’s Acknowledgement of Report

The Executive Director of Health, Housing and Communities submitted a report providing an update on the revised outcome of the original Home England Compliance Audit reported to Cabinet on 19th January 2023 and seeking formal acknowledgement of the Homes England Compliance Report 2022-23 in line with Homes England requirements.

Councillor Johnston informed Cabinet Members that the original audit outcome had been re-assessed following a previous identified breach. Homes England had confirmed that the Council’s grading had now improved from Amber which was categorised as ‘some failure to meet requirements’, to Green which was ‘meeting requirements’.

This revised position was due to ambiguity within the Capital Funding Guide which Homes England were now correcting. Accordingly, the Cabinet: -

9. RESOLVED that the revised outcome of the Homes England Compliance Audit Report 2022-2023 be formally acknowledged.

NHS Commissioned Services funded via the Public Health Grant

The Executive Director of Health, Housing and Communities submitted a report seeking Cabinet approval for an extension to the contract for the provision of 0-19 Public Health Services in Sunderland and the arrangements for determining and agreeing future contractual uplifts and associated contract variations in relation to a number of Public Health commissioned services with NHS organisations.

Councillor Chequer reported that, to meet its responsibility for improving the health of the population in Sunderland, the Council commissioned a range of Public Health functions from NHS providers which operated in the city. The NHS Services commissioned were funded via the Public Health Grant, which was allocated to the Council annually by the Department of Health and Social Care. The Providers currently commissioned to deliver NHS Services via the Public Health Grant were as follows:

- Harrogate and District NHS Foundation Trust – providing the 0-19 Public Health Service in Sunderland (this provides access to family nurse partnership, health visiting and school nursing).
- South Tyneside and Sunderland NHS Foundation Trust – providing the Sunderland Integrated Sexual Health Service
- South Tyneside and Sunderland NHS Foundation Trust – providing the Child Vision Screening service (for children aged 4-5 years).

The current delivery of the NHS Commissioned Services offered good levels of access and supported a wide range of public health priorities in Sunderland. They also provided some of the mandated public health functions, namely prescribed public health services for children and families (antenatal visit for pregnant women, new birth health review, 6-8 week health review, 12-month health review and 2 – 2.5 years health review), the National Child Measurement Programme, testing and treatment for sexually transmitted infections and contraception.

It was recommended that the 2 x 12-month (24 month) extension of the 0-19 Public Health Contract was approved, in light of performance of the service (which was one of the best performing in the North East and England) and to provide stability and continued service delivery for local residents. During this extension period further work will be undertaken to consider all future commissioning models, with the preferred approach then taken forward.

Councillor Chequer highlighted that increasing Public Health contract prices for those contracts which included staff who were subject to NHS Agenda for Change Terms and Conditions was consistent with the conditions of the Public Health Grant. It would also help to ensure the stability and sustainability of those Public Health contracts in Sunderland.

She went on to explain that funding for HIV Pre-exposure Prophylaxis (HIV PrEP) was now included as a ringfenced allocation within the Public Health Grant. There was an initial funding allocation of £26,763 which had been increased to £45,472 in 2021/22, with the appropriate contractual uplift and variation to the sexual health service contract actioned.

Ensuring the viability of the NHS contracts would enable residents in Sunderland to continue to have access to the services provided. The services aimed to improve public health outcomes and reduce inequalities by preventing ill health and providing accessible and targeted interventions to those with an identified need or those most likely to experience poor health outcomes.

Following consideration of the report, it was: -

10. RESOLVED that the Executive Director of Health, Housing and Communities be authorised, in consultation with the Director of Finance and the Portfolio Holder for Healthy City to:
 - (i) exercise the option to extend the existing contract for the provision of 0-19 Public Health Services in Sunderland for a further period of 24 months; and
 - (ii) approve contractual uplifts and associated contract variations to Council contracts from time to time where appropriate arising from Agenda for Change pay awards for NHS staff, other agreed external funding pressures negotiated between the Council and providers and any uplifts to HIV pre-exposure prophylaxis (PrEP) funding allocations on an annual basis for a period of up to five years.

Award of interim contracts for the provision of Social Care Services to Older Persons and Carers

The Director of Adult Services submitted a report seeking approval for the award of interim contracts to AGE UK Sunderland and Sunderland Carers Centre for the provision of social care services to older persons and carers and related matters for the financial year 2023/2024.

Councillor Chequer stated that Part 1 of the Care Act detailed the general responsibilities of Local Authorities regarding Care and Support including:

- Promoting individual well being
- Preventing needs for care and support
- Providing information and advice
- How to meet needs
- Assessment of a carers need for support

The report outlined the provision currently in place which met those general responsibilities and was being delivered by Age UK Sunderland and Sunderland Carers Centre through Council contracts.

The Carers Centre and Age UK were local voluntary and community sector organisations who had worked successfully in partnership with Sunderland City Council and the health services in the City for several years. They were also key voluntary and community sector partners who contributed and supported the delivery of plans and strategies within the City for the benefit of residents.

The report set out detail on the current delivery of services, the management arrangements for delivery and outcomes achieved, which would be expected to continue as part of the interim award.

It was recognised that the current arrangements needed to be re-tendered at the appropriate time through a structured formal procurement strategy which was currently being developed with the Council's procurement service to enable this to be put in to place for the financial year 2024-2025.

Cabinet were asked to approve the award of a one-year interim contract to Age UK at a value of £572,098 funded by Sunderland City Council and to the Carers Centre at a value of £752,860 funded by Sunderland City Council, the Integrated Commissioning Board and Together for Children.

Councillor Chequer highlighted that the report was timely as it was Carers Week this week and she asked that Cabinet Members show their support for the many thousands of unpaid carers in the city and beyond.

Having considered the report it was: -

11. RESOLVED that: -

- (i) the award of interim contracts to AGE UK Sunderland and Sunderland Carers Centre for a period of one year from 1 April 2023 to 31 March 2024 for such services and on such terms as set out in the report and such other terms as approved by the Director of Adult Services, in consultation with the Portfolio Holder for Healthy City and the Director of Finance be authorised; and
- (ii) the Director of Adult Services be authorised, in consultation with the Portfolio Holder for Healthy City and the Director of Finance, to undertake a procurement process at a future date for the award of the replacement contract(s) for the services as described in the report to commence following the expiry of the contracts referred to in (i) above.

Extension of Current Funding Arrangements for Family, Adult and Community Learning Provision for 2023/2024

The Director of Children's Services submitted a report seeking approval for the extension to the current funding agreements for the delivery of community-based Family, Adult and Community Learning programmes to cover the funding year beginning on 1 August 2023 and ending on 31 July 2024.

Councillor Williams advised that the Council held a funding agreement with the Education and Skills Funding Agency which provided external funding to deliver training and skills for the residents of Sunderland. The purpose of the funding was to improve the local skills base and to make a positive impact on the social and economic position of Sunderland. The value of the funding was approximately £1.4m for academic year 2023/24.

The rationale for the extension was detailed in Section 5 of the report and would provide a continuation of a high level of educational and pastoral support to some of the most vulnerable residents whilst the Adult Education Budget transitioned to the North East Mayoral Combined Authority in 2024 who would then determine the new, long term delivery arrangements for the service. Councillor Williams added that elected Members would ensure that Sunderland residents got a fair share of this funding in the new Mayoral Authority.

12. RESOLVED that an extension to the current funding arrangements be agreed for the delivery of community-based Family, Adult and Community programmes for a one-year period to cover the academic year 1 August 2023 to 31 July 2024 on such terms as approved by the Director of Children's Services, in consultation with the Portfolio Holder for Children, Learning and Skills and the Director of Finance.

Gender Pay Gap Reporting

The Director of Smart Cities and Enabling Services submitted a report presenting the Gender Pay Gap Reports for 2022 for the Council, Sunderland Care and Support Limited and Together for Children Sunderland Limited.

Councillor Rowntree advised that the report was produced in response to the legal obligation which was set out in The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 ("the Public Regulations") applied to public authorities, which included the Council. The regulations require all public authorities with more than 250 employees to publish certain data relating to the pay of male and female employees.

Upon consideration of the content of the report, it was: -

13. RESOLVED that the publication of the Gender Pay Gap Reports for 2022 be endorsed.

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

At the instance of the Chair, it was: -

14. 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 exempt information relating to the financial or business affairs of any particular person (including the authority holding that information) (Local Government Act 1972, Schedule 12A, Part 1, Paragraph 3). The public interest in maintaining this exemption outweighs the public interest in disclosing the information.

(Signed) C ROWNTREE
In the Chair.

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.

