

CABINET MEETING – 12 MARCH 2014
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 12 February 2014 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 12 February 2014 at 2.00 p.m.

Present:-

Councillor P. Watson in the Chair

Councillors Blackburn, Gofton, Kelly, G. Miller, P. Smith, Speding and H. Trueman

Also present:-

Councillor Oliver

Part I

Minutes

The minutes of the meeting of the Cabinet held on 15 January 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

There were no declarations of interest.

Apologies for Absence

There were no apologies for absence.

Ombudsman's Annual Review 2012 - 2013

The Chief Executive and the Head of Law and Governance submitted a joint report (copy circulated) to advise of the number and outcome of complaints considered by the Local Government Ombudsman during 2012 – 2013 and to inform of the increase in transparency within the Ombudsman service.

(For copy report – see original minutes).

The Chairman in highlighting the report drew particular attention to there being no findings of maladministration against the Council for the municipal year 2012 – 2013 and this meant that the Council had now maintained this level of performance for over a decade. He added that the Ombudsman also reported that Sunderland had received a lower number of complaints than the average for a Metropolitan Council.

Cabinet Members were advised that last year the Ombudsman made decisions on 32 complaints. Of all the complaints considered, in only one did the Ombudsman recommend the Council make an amendment. In all other complaints the Ombudsman made no recommendations for alternative outcomes or compensation to that that the Council had made during its in house consideration of the complaints.

The Chairman reported that from April 2013 to increase transparency and awareness of the complaints her office handles, the Ombudsman had published all final decisions on complaints. He explained that these were anonymised to protect the identities of the complainants.

Cabinet Members having commended the report and congratulated the officers from across the Council and in particular the Council's Complaints and Feedback Team, for their hard work in dealing with complaints and improving customer services, it was:-

2. RESOLVED that the contents of the Ombudsman's annual review and in particular that there were no findings of maladministration against the Council for the municipal year 2012 – 2013 be noted.

Collection Fund 2013/2014

The Head of Financial Resources submitted a report (copy circulated) on the estimated balance on the Collection Fund in respect of Council Tax, for 2013/2014 and the amounts available to the Council and its major precepting authorities for use in setting Council Tax levels for 2014/2015.

(For copy report – see original minutes).

Councillor Speding reported that where a surplus is 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 4.3 of the report and Councillor Speding reported 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 2014/2015. Accordingly, of this sum £500,000 was available to the Council to take into account when determining the Council Tax for 2014/2015. This positive position reflected the continued excellent performance of the Council in terms of Council Tax collection.

Councillor Speding advised that the Precepting Bodies had been notified of their share of the surplus and these amounts were detailed in paragraph 4.3 of the report for information.

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

3. RESOLVED that the overall positive position in relation to the Council Tax element of the Collection Fund for 2013/2014, and the surplus of £500,000 which will be taken into account when setting the Council Tax level for the Council for 2014/2015 be noted.

Capital Programme 2014/2015 and Treasury Management Policy and Strategy 2014/2015, including Prudential Indicators for 2014/2015 to 2016/2017.

The Chief Executive and the Head of Financial Resources 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 2014/2015 and the Treasury Management Policy and Strategy (including both borrowing and investment strategies) for 2014/2015 and to approve the Prudential Indicators for 2014/2015 to 2016/2017.

(For copy report – see original minutes).

Councillor Speding highlighted that the report proposed a Capital Programme for 2014/2015 of almost £81million. He explained that this was made up of new starts of almost £18 million and the costs of continuing schemes from previous years of over £63 million. He added that this was a substantial programme of works despite ongoing reductions in government grants.

Cabinet Members were advised that significant resources 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 our residents.

Councillor Speding drew attention to the continued support to projects that benefited the neediest and that grants allocated to Education and Health and Housing Services were earmarked for priorities within these services. He explained that the approach would enable programmes such as disabled facilities grants, school asset management and free school meals, for example, to progress.

Cabinet Members were advised that there were also other invest to save projects that were necessary in order to help the Council to reduce its ongoing revenue budget requirements.

Turning to the technical aspects of the report, Councillor Speding highlighted that the Prudential Indicators were 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.

Finally, Councillor Speding requested the Cabinet to reaffirm its Treasury Management Policy statement. He reported that the Council was not proposing any major changes to the overall Treasury Management Strategy in 2014/2015 which would continue to maintain the careful and prudent low risk approach adopted by the Council in previous years. The Strategy complied fully with the Treasury Management Code of Practice and observed best practice.

Cabinet Members having commended the report, that the proposals would provide benefits across City and demonstrate the Council's confidence in moving the City forward, it was:-

4. RESOLVED that it be recommended to Council to approve the:-
 - (i) the proposed Capital Programme for 2014/2015,
 - (ii) the Treasury Management Policy and Strategy for 2014/2015 (including specifically the Annual Borrowing and Investment Strategies),
 - (iii) the Prudential Indicators for 2014/2015 to 2016/2017, and
 - (iv) the Minimum Revenue Provision Statement for 2014/2015.

Revenue Budget and Proposed Council Tax for 2014/2015 and Medium Term Financial Strategy 2014/2015 to 2016/2017

The Chief Executive and the Head of Financial Resources submitted a joint report (copy circulated) on:-

- the overall revenue budget position for 2014/2015;
- the projected balances position as at 31st March, 2014 and 31st March, 2015 and advise on their level;
- a risk analysis of the Revenue Budget 2014/2015;
- a summary of the emerging medium term financial position facing the Council from 2015/2016 to 2016/2017; 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 disappointingly it had not resulted in any change to the overall position. He explained that the Council was faced with significant Government grant reductions and cost pressures resulting in a savings requirement of £35.6million for 2014/2015. He highlighted that Cabinet colleagues had worked over many months to identify proposals to address this very difficult and challenging position.

Cabinet Members were advised that the Council had continued to address the cuts by maximising savings from non-front line services and utilising corporate resources released as previous years plans had reached full fruition. However, the compound impact of the reductions meant that front line service changes were unavoidable. A range of reductions would come from re-commissioning services, reprioritising spend, greater collaboration and use of alternative delivery models particularly going forward into 2015/2016.

Councillor Speding reported that after taking account of these savings it was proposed that some limited one off funding was temporarily applied to enable the phased implementation of proposals. He added that the proposals represented a robust approach to ensure a balanced budget. He drew attention to the continuing support for the Council's overall approach to meeting the budget challenge when the budget consultation was undertaken.

Councillor Speding believed that these proposals represented the most appropriate balance taking all factors into account.

Councillor Speding then drew the attention of Cabinet Members to Appendix G tabled separately at the meeting, which set out the Council's proposal to freeze council tax for the fourth consecutive year. He reported that the Council was still awaiting confirmation of the precept proposals from the Police and Crime Commissioner and Tyne and Wear Fire and Rescue Authority and these might require an amendment to the final proposal to Cabinet in due course. He added that again by proposing a Council Tax freeze, the Council was recognising the harsh economic climate and the challenges facing the residents of the city and this Council would continue to do everything it could to try to mitigate the impact of these external challenges.

In conclusion, Councillor Speding reported that the Council was aware that the future outlook was one of further government funding reductions and at this stage the Council was looking at potential reductions of almost £113m over the next three years. He drew attention to the medium term strategy set out at Appendix H which would be regularly updated as new information emerged and plans developed with the communities to address it.

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

5. RESOLVED that it be recommended to Council to:-
 - (i) approve the proposed Revenue Budget for 2014/2015 set out at Appendix K;

- (ii) note the Medium Term Financial Strategy 2014/2015 to 2016/2017 as set out in Appendix H;
- (iii) note that the proposed Council Tax Requirement for the Council for 2014/2015 for its own purposes is £76,564,392 (excluding Parish precepts) and represents a freeze to Council Tax for 2014/2015,
- (iv) note that at its meeting on 29th January 2014 the Council approved the following amounts for the year 2014/2015 in accordance with the amended regulations made under Section 31B(3) of the Local Government Finance Act 1992 (the 'Act'):
 - a) £64,559 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) £ 3,230 being the amount calculated by the Council, in accordance with the Regulations, as the amount of it's Council Tax Base for the year for dwellings in the area of the Parish of Hetton Town Council.
- (v) that 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 Head of Financial Resources in consultation with the Leader of the Council and the Cabinet Secretary
- (vi) that the following amounts be now calculated by the Council for the year 2014/2015 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:
 - a) £678,802,893 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) £602,196,156 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.

- c) £76,606,737 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) £1,186.6159 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) £42,345 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) £1,199.0699 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.
- h)

Valuation Bands	Parts of the Council's Area	
	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) that it be noted that for the year 2014/2015, Tyne and Wear Fire and Rescue Authority and the Police and Crime Commissioner for Northumbria have supplied their best estimate of their proposed precepts, which have still to be approved by their respective Authorities. Consequently, the following amounts for both the Tyne and Wear Fire and Rescue Authority and the Police and Crime Commissioner for Northumbria represent the provisional precepts for 2014/2015, which may be issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings as follows:

Valuation Bands	Precepting Authority	
	Northumbria Police Authority	Tyne & Wear Fire and Rescue Authority
A	£ 57.74	£ 48.77
B	£ 67.36	£ 56.90
C	£ 76.99	£ 65.03
D	£ 86.61	£ 73.16
E	£105.86	£ 89.42
F	£125.10	£105.68
G	£144.35	£121.93
H	£173.22	£146.32

- (viii) that 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 2014/2015 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.

Valuation Bands	Parts of the Council's Area	
	Hetton Town Council	All other parts of the Council's Area
A	£ 905.89	£ 897.15
B	£ 1,056.87	£ 1,046.67
C	£ 1,207.86	£ 1,196.21
D	£ 1,358.84	£ 1,345.73
E	£ 1,660.81	£ 1,644.79
F	£ 1,962.77	£ 1,943.83
G	£ 2,264.73	£ 2,242.88
H	£ 2,717.68	£ 2,691.46

To note that under Section 52ZB of the Local Government Finance Act 1992, that the Authority's relevant basic amount of Council Tax for 2014/2015 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act.

(i.e. the proposed Council Tax freeze for 2014/15 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 2014/15 the guideline increase for the council was 2.0%.

As the council is proposing a Council Tax freeze for 2014/15 then the above regulations have no impact for 2014/15).

- (ix) note the record of the State of the City debate and the views expressed by the North East Chamber of Commerce and Trade Unions at Appendix F.

Procurement of a Direct Payments Support Service

The Executive Director of People Services submitted a report (copy circulated) to seek authority to procure a Direct Payments Support Service.

(For copy report – see original minutes).

Councillor Miller highlighted that Age UK had been commissioned to provide a Direct Payments Support Service (Go Direct) since 2009 however the current grant funding arrangement for this service was due to end in March 2014. He explained that usage of the service had increased in recent years and it was expected to rise further due to the Government and Council priorities to offer all adults who received social care services a personal budget which they had the option to take as a Direct Payment.

Cabinet Members were advised that a tender process had been conducted in January 2014. One provider would be sought to provide the service which would support the following groups of people and would commence on 1st July 2014:

- Adults receiving a Social Care Direct Payment
- People with responsibility for a disabled child who receive a Direct Payment for the child's care
- People aged 16-17 who receive a Direct Payment for their social care
- People receiving a Personal Health Budget Direct Payment for their Continuing Health Care services

The service would consist of three elements, namely Direct Payments Support Services around employment of personal assistants, managed accounts where the provider would manage the Direct Payment on behalf of the client or a group of clients to enable them to purchase services and payroll services.

Councillor Miller reported that in order to ensure a smooth transition to the new service, Age UK would be funded for three months to continue to provide the service until 30 June 2014. He advised that the annual value of the contract would be up to a maximum of £150,000 and the total contract value including the extension would be £600,000. He explained that commissioning the service via a contract would encourage competition from the market and ensure value for money and it would also allow more in-depth monitoring via quarterly contract management meetings.

6. RESOLVED that approval be given for the procurement of a Direct Payments Support Service to support the following groups of people who are eligible for social care or continuing health care and who choose to take their personal budget as a Direct Payment:-

- Adults receiving a Social Care Direct Payment,
- People with responsibility for a disabled child who receive a Direct Payment for the child's care,
- People aged 16-17 who receive a Direct Payment for their social care, and
- People receiving a Personal Health Budget Direct Payment for their Continuing Health Care services.

Procurement of Independent Adults Advocacy Services

The Executive Director of People Services submitted a report (copy circulated) seeking approval for the procurement of the provision of Independent Adult Advocacy Services as the value of the contract would be over £250,000 and as such Cabinet approval was sought for the procurement to proceed.

(For copy report – see original minutes).

Councillor Miller reported that the People Services Directorate currently commissioned a number of Adult Independent Advocacy Services for vulnerable adults and mental health services. He explained that by undertaking the procurement, the Council could provide a service that met statutory and non-statutory obligations in regard to the provision of Independent Advocacy and allow options for improving the service to be explored.

Cabinet Members having been advised that the contract term would be for two years with an option to extend for up to a further twelve months, it was:-

7. RESOLVED that:-

- (i) approval be given to the procurement of Independent Adults Advocacy Services for the period of 2014 – 2016 to cover the specific needs relating to Independent Advocacy support for Adults, and
- (ii) it be noted that the current review of Independent Advocacy Services being undertaken will identify the specific services and outcomes to be achieved.

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

At the instance of the Chairman it was: -

8. 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) (Paragraph 3 of Part 1, Schedule 12A of the Local Government Act 1972). 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.

