

CABINET MEETING – 5 DECEMBER 2012

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 7 November 2012 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 7 November 2012 at 2.00pm.

Present:-

Councillor Trueman in the Chair

Councillors Gofton, Miller and P Smith

Part I

Minutes

The minutes of the meeting of the Cabinet held on 24 October 2012 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 Gofton declared a Disclosable Pecuniary Interest in item 11 'Sunderland Voluntary Private Landlord Review Report' as she was an accredited private landlord. Councillor Gofton withdrew from the room during the consideration of the report.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Blackburn, Kelly, Speding and P Watson.

Items Arising from Scrutiny Committees: -

Response from Scrutiny Committee – 11 October 2012 – Proposals for Budget Consultation 2013/14

The Head of Law and Governance submitted a report (copy circulated) advising the Cabinet of the views of the Scrutiny Committee on the proposals for the budget consultation strategy and framework to inform the preparation of the Budget for 2013/2014.

(For copy report – see original minutes).

Cabinet Members having been advised that the Scrutiny Committee had endorsed the budget consultation strategy and framework, it was: -

2. RESOLVED that the comments of the Scrutiny Committee be noted.

Response for Scrutiny Committee – 11 October 2012 – Budget Planning Framework 2013/2014 and Medium Term Financial Strategy 2013/2014 – 2015/2016

The Head of Law and Governance submitted a report (copy circulated) advising the Cabinet of the comments of the Scrutiny Committee on a joint report of the Chief Executive and Executive Director of Commercial and Corporate Services which identified the key factors influencing the development of the Council's financial plans into the medium term and setting out the headlines and context for the Medium Term Financial Strategy for 2013/2014 to 2015/2016.

(For copy report – see original minutes).

Cabinet Members having been advised that the Scrutiny Committee had supported the proposed Budget Planning Framework, had endorsed the Medium Term Financial Strategy and recommended that both were submitted to Council for approval, it was: -

3. RESOLVED that the comments of the Scrutiny Committee be noted and it be recommended to Council to approve the Budget Planning Framework 2013/2014 and the Medium Term Financial Strategy 2013/2014 – 2015/16.

Response from Scrutiny Committee – 11 October 2012 – Capital Programme Second Review 2012/13 (including Treasury Management)

The Head of Law and Governance submitted a report (copy circulated) advising of the comments of the Scrutiny Committee on an extract from the report on the Capital Programme Second Review 2012/2013 (including Treasury Management) which detailed the new scheme which had been added to the Capital Programme.

(For copy report – see original minutes).

Cabinet members having been advised that the Scrutiny Committee supported the proposed additional scheme as set out in the extract to the report and recommended that the scheme was submitted to the Council for approval, it was: -

4. RESOLVED that the comments of the Scrutiny Committee be noted and it be recommended to Council to approve the inclusion of the additional scheme for 2012/2013 costing over £250,000.

Response from Scrutiny Committee – 11 October 2012 – Revenue Budget Second Review 2012/13

The Head of Law and Governance submitted a report (copy circulated) to advise of the comments of the Scrutiny Committee on an aspect of the report of the Revenue Budget Second Review 2012/2013, namely that the Council be requested to approve the transfer of funds.

(For copy report – see original minutes).

Cabinet Members having been advised that the Scrutiny Committee supported the transfer of funds to support the overall 2012/2013 position together with the transitional costs from the 2013/2014 budget setting process and recommended that it be submitted to the Council for approval, it was: -

5. RESOLVED that the comments of the Scrutiny Committee be noted and it be recommended to Council to approve the proposed transfer of funds.

Procurement of Contract Framework Arrangements for the Delivery of Construction Related Services

The Deputy Chief Executive submitted a report (copy circulated) seeking agreement to the procurement of new contract framework arrangements for the delivery of construction related services for internal and external clients.

(For copy report – see original minutes).

The Chairman highlighted that the Council's Building Services utilised a number of contract framework arrangements to provide skills and capacity when required. The current arrangements were due to expire in May 2013 and it would be necessary to put new arrangements in place. The Chairman directed Members to the detailed supply chain information as set out in the report and advised that the new Frameworks would be in place from 1 April 2013 to 31 May 2017.

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

6. RESOLVED that the Executive Director of Commercial and Corporate Services be authorised to procure five construction related Frameworks which would replace the existing arrangements due to expire on 31 May 2013.

Disposal of Land at the former Newcastle Road Baths site, Newcastle Road, Sunderland

The Deputy Chief Executive submitted a report (copy circulated) seeking approval for the disposal of land at the former Newcastle Road baths site.

(For copy report – see original minutes).

The Chairman reported that the Council owned the freehold of the land at the site of the former Newcastle Road Baths and the Cabinet had agreed in January 2011 to advertise the site in accordance with acceptable planning uses.

A two stage sealed tender exercise had been carried out and three financial bids were received. The offers were submitted on a 'greenfield basis' and the initial gross offer would be adjusted to reflect any abnormal development costs that were considered reasonable following the prospective purchasers site investigations and surveys. The Chairman also highlighted that if planning permission for the development was conditional upon the provision of affordable housing, then the initial gross offer may also be adjusted to reflect this cost once known.

The Cabinet were asked to approve the disposal of the Council's freehold interest for the initial gross offer, made by the preferred bidder, for proposed residential development.

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

7. RESOLVED that Council's freehold interest in 2.47 acres of land at the former Newcastle Road Baths site be disposed of to Esh Developments Limited, for residential development, and otherwise on terms to be agreed by the Deputy Chief Executive.

Disposal of Land and Premises at Unit 3 Rainton Bridge South, Houghton-le-Spring, Sunderland

The Deputy Chief Executive submitted a report (copy circulated) seeking the Cabinet's approval to delegate authority to agree terms for the disposal of the freehold interest in land and premises at Unit 3, Rainton Bridge South, Houghton-le-Spring.

(For copy report – see original minutes).

The Chairman advised that the Council held the freehold interest in the factory, Unit 3, Rainton Bridge South, along with an adjacent development site. Unit 3 and the development site were held on a lease which included an option for the Tenant to purchase the Council's freehold interest in the unit and the adjacent land.

Connor Solutions Limited, the current tenants, had given notice to exercise the option, and the Council was required to negotiate the open market value of the land and buildings. The Cabinet was recommended to agree the disposal of the unit and the land on a best consideration basis and on terms to be agreed by the Deputy Chief Executive in consultation with the Leader and Cabinet Secretary.

Upon consideration of the report, it was: -

8. RESOLVED that Deputy Chief Executive be delegated, in consultation with the Leader and Cabinet Secretary, to agree terms for the disposal of the freehold interest in land and premises at Unit 3 Rainton Bridge South, Houghton-le-Spring, Sunderland to Connor Solutions Limited.

Commissioning of Youth Activities and Activities for Younger Children from April 2013

The Executive Director of Children's Services submitted a report (copy circulated) seeking the Cabinet's agreement to the procurement of youth activities and activities for younger children from April 2013 for a period of two years.

(For copy report – see original minutes).

Councillor Smith reported that youth activities were currently commissioned largely through voluntary sector providers on a ward basis and there were a minimum of three sessions per week, per ward for 52 weeks of the year for young people aged 12 to 19 years old.

Commissioned contracts had been awarded for two years from April 2010 with an extension of a year being agreed with providers in February 2012 with the proviso that each provider put on an additional session for 8 to 12 year olds and holiday sessions where these were not already part of the offer. Councillor Smith informed the Cabinet Members that existing contracts had been measured on outputs such as contact and participation and the new contracts would continue to measure these factors but it was proposed that there would be more direct measuring of the outcomes and impacts for children and young people.

Officers had been working with elected Members, young people and other stakeholders to prepare specifications for the new contracts and were developing a set of outcomes for young people which could be measured through careful monitoring of the contracts.

Councillor Smith highlighted that this had been a significant piece of work for the new People Boards and the Area Committees had recently agreed recommendations for tailoring specifications to each locality. This had included decisions about what outcomes would be measured, flexibility about the use of sessions and the age range the sessions should cover.

The budget for 2013/2014 was £970,000 which would include all commissioned services for 11-19 year olds and city wide contracts relating to the inclusion agenda. The sum took into account reductions agreed in the Budget Planning Framework 2010-2014 but at this point did not factor in any further reductions which may be required or savings which could be achieved through procurement.

Cabinet Members having thanked the Portfolio Holder and officers for allowing the People Boards to have such a productive debate on the commissioning of youth activities, it was: -

9. RESOLVED that: -

- (i) the process and consultation undertaken to shape and influence the commissioning of youth activities and activities for younger children be noted;
- (ii) these services can be procured for a period of two years from April 2013; and
- (iii) a further report on the outcomes of the process be received in March 2013.

Empty Homes Cluster Project and Amendments to the Council's Housing Financial Assistance Policy in relation to Empty Properties

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) seeking approval for amendments to the Council's Housing Financial Assistance Policy April 2011 to March 2014 and to update the Cabinet with regard to the Council's Empty Property Projects.

(For copy report – see original minutes).

Councillor Miller stated that tackling empty homes had been a priority of the Council for a number of years and the Government had made funding available to councils to encourage the return to use of empty homes through refurbishment or acquisition and refurbishment schemes. Councils were also being rewarded for returning empty homes to use through the New Homes Bonus funding.

It was highlighted that in order for the Council to meet the eligibility criteria for Government funding, it would be necessary to amend the Council's Financial Assistance Policy. Councillor Miller reported that the proposed changes would allow the Council to have flexibility to offer the type of loan which was felt to be most appropriate for the property in question. Repayment loans, in appropriate cases, would allow the Council to recycle funds at a quicker pace than had been the previous case for empty property assistance. In some cases, grants would be offered to empty property owners in order to bring large numbers of empty homes back into use. All landlords accessing financial assistance would need to be accredited.

Councillor Miller advised that the benefit of this flexibility would be that the Council could access external funding, rehouse local people and families in refurbished empty homes that had been a wasted resource and also optimise further New Homes Bonus funding.

Cabinet Members having given consideration to the report, it was: -

10. RESOLVED that: -

- (i) the amendments to the Council's Housing Financial Assistance Policy (policies FAP 12 and FAP 15) as set out in the report be agreed;
- (ii) the empty property projects progress report be received and noted; and
- (iii) an Empty Homes Cluster Project funded £472,105.15 from Homes and Communities Agency of Empty Homes Funds and £472,105.15 from Council New Homes Bonus funding be approved.

European Regional Development Fund (ERDF) Project – Low Carbon Social Housing Pilot

The Executive Director of Commercial and Corporate Services and the Executive Director of Health, Housing and Adults Services submitted a joint report (copy circulated) asking the Cabinet to approve the delivery of the European Regional Development Fund (ERDF) project and to agree project management, partnership and procurement arrangements.

(For copy report – see original minutes).

Councillor Miller reported that the project had been developed in response to a call for ERDF projects which would “support the application and testing of innovative energy efficiency and renewable energy measures in social housing”. The project had secured £1.13million ERDF funding, £0.5million from the Low Carbon Network Fund and £572,000 from Home Group to give total funding of £2.2million.

The project would deliver a low carbon social housing exemplar in Sunderland by focusing on trialling a range of energy saving technologies in houses which are regarded as hard to treat because of their design and physical condition. There would also be works done to properties where there was group living and the tenants of the properties should benefit from a considerable reduction in their fuel bills.

Councillor Miller explained that the project would develop the capacity and expertise of small and medium sized companies in the renewable energy and technology sector and its supply chain through a package of training and support. This would enable businesses to respond to the increased demand in the application of innovative domestic energy measures and would also create 23 new jobs.

The project was one of only two in the region which had been given ERDF approval and the Council would be working in partnership with The Home Group, as social housing provider, and the Northern Powergrid. The project would be closely managed in line with ERDF rules covering procurement, publicity and record keeping.

Home would carry out consultation with elected Members and the tenants in the five wards which would be benefiting from the work and the works were likely to commence in the Spring of 2013.

Having commended the report, the Cabinet: -

11. RESOLVED that: -

- (i) the Low Carbon Energy project proceeds as outlined in the report;
- (ii) the Council be applicant and accountable body for the project and act as a project manager;
- (iii) the Council enter into partnership and contract delivery arrangements with the project partners (the Registered Social Landlord and the Distribution Network Operator) and sub-contractors where appropriate;
- (iv) the Council procures a supplier or consortium of specialist training services for the targeted Small and Medium Enterprises (SMEs) currently estimated at between £250,000 and £300,000; and
- (v) the procurement of the appropriate services, including external project evaluation, energy audit and community cohesion work be agreed.

Sunderland Voluntary Private Landlord Accreditation Review Report

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) seeking the Cabinet's approval with regard to the recommendations from the recent review of private landlord accreditation scheme and for necessary amendments to be made to the existing delegated decision arrangements.

(For copy report – see original minutes).

Councillor Miller highlighted that the role of the private rented sector in the provision of accommodation in the city continued to increase. Standards had been improved in this sector as a result of empowering accredited landlords to move to greater self regulation, which in turn had allowed the Council to focus its resources on regulating the poorer and non accredited landlords.

The new accreditation scheme would be based on both landlords and properties meeting set standards. Risk assessments would be carried out on landlords and properties and an inspection regime would be implemented based on this risk assessment. The current scheme would come to an end and landlords would have to reapply under the more stringent standards of the new scheme. The new scheme would also be delivered on an area basis and tailored to meet the needs of that area. This area based arrangement would require amendments to the existing delegated decision arrangements as lead officers would be delivering the scheme in each of the Council's five areas.

Councillor Miller advised that landlords had been involved in the revisions to the scheme and their input had been taken on board where appropriate. He also reported that the new scheme and the driving up of standards was delivered in the context of welfare reform and the effect this had on housing benefit, the Localism Act which allows councils to discharge their homelessness duty by an offer in the private rented sector and the growth of the private rented sector as a result of first time buyers having difficulty accessing the housing market.

The Chairman commented that the current scheme had been very successful and had recognised the large number of good private landlords in the city. He commended the new scheme and stated that this could only deliver further improvements in the private rented sector.

Cabinet Members having given consideration to the report, it was: -

12. RESOLVED that: -

- (i) the recommendations of the recent review of the private landlord accreditation scheme seeking to update the scheme in keeping with legislative changes, making the scheme 'fit for purpose' and meeting relevant strategic aims and objectives, be agreed; and
- (ii) amendments to the delegated decision framework to allow an efficient and consistent approach with regard to the enforcement of the accreditation scheme be agreed.

Tyne and Wear Care Alliance Training Provider Procurement

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) seeking Cabinet's approval to establish a Standing List of training providers using a new Framework Agreement which would replace an existing Framework Agreement which was due to expire in November 2012.

(For copy report – see original minutes).

Councillor Miller reported that the Skills Funding Agency (SFA) had made available funding for the provision of training to the independent social care sector which was expected to exceed £1million over the next two years. The Framework Agreement would be awarded in separate 'lots' covering all types of training to be funded within the Skills Funding Agency contract. This contract would include Adult Apprenticeships in Health and Social Care at Level 2 and Level 3, Diplomas in Health and Social Care at all levels and short courses.

The Framework Agreement would ensure the best use of resources was achieved and efficiencies generated through the aggregation of services which if procured separately would lead to substantial increased costs. The use of the Framework Agreement has had a significant, positive impact on the amounts of individuals achieving vocational skills qualifications in the social care sector.

The Cabinet having been informed the contract term would be for three years with an option to extend for up to a further 12 months, it was: -

13. RESOLVED that: -

- (i) the development of a new Framework Agreement be agreed; and
- (ii) the expenditure of SFA funding in excess of £1 million over the next two years be agreed.

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

At the instance of the Chairman 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 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) 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.

