

CIVIC CENTRE,
SUNDERLAND
18 November 2013

TO THE MEMBERS OF SUNDERLAND CITY COUNCIL

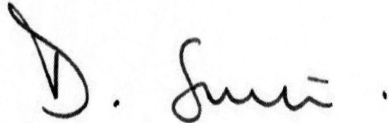
YOU ARE SUMMONED TO ATTEND A MEETING of Sunderland City Council to be held in the Council Chamber, Civic Centre, Sunderland, on **WEDNESDAY 27 NOVEMBER 2013** at **6.00 p.m.**, at which it is proposed to consider and transact the following business:-

Item	Page
1. To read the Notice convening the meeting.	-
2. To approve the minutes of the ordinary meeting of the Council held on 25 September 2013 and those of the extraordinary meeting of the Council held on 11 November 2013 (copies herewith).	3 15
3. Receipt of Declarations of Interest (if any).	-
4. Announcements (if any) under Rule 2(iv).	-
5. Reception of Petitions.	-
6. Apologies.	-
7. Report of the Cabinet (copy herewith).	19
8. Written Questions (if any) under Rule 8.2.	-
9. To consider the attached motions.	99

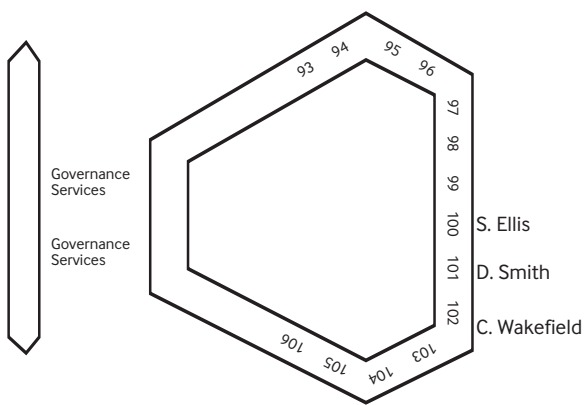
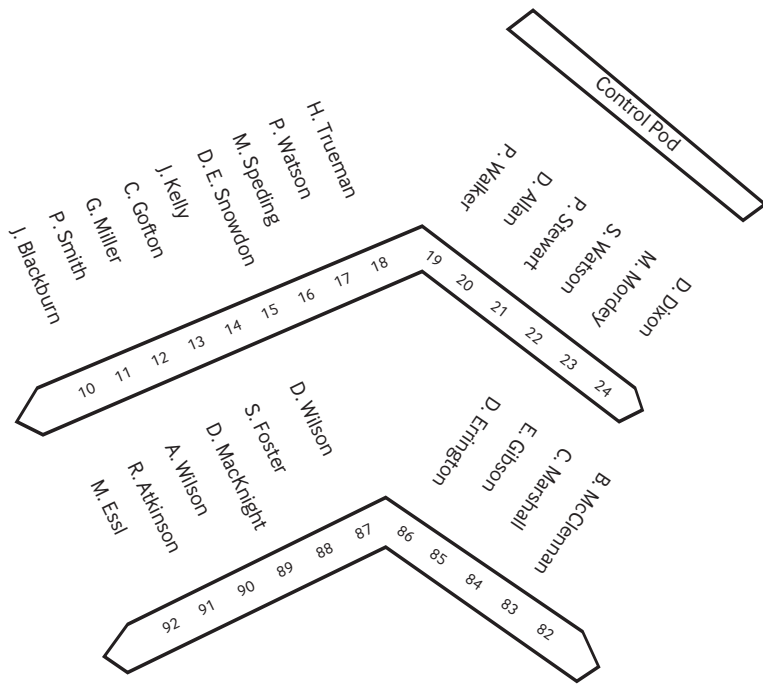
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Information contained in this agenda can be made available in other languages and formats on request.

10.	To consider the undermentioned reports:-	103
(i)	Quarterly Report on Special Urgency Decisions – Report of the Leader (copy herewith),	105
(ii)	Appointments – Independent Member of the Audit and Governance Committee, Sunderland Business Improvement District Company, Adult Partnership Board and Sunderland Health and Wellbeing Board – Report of the Executive Director of Commercial and Corporate Services (Copy herewith); and	107
(iii)	Annual Meeting of the Council 2014 – Report of the Chief Executive (copy herewith).	111

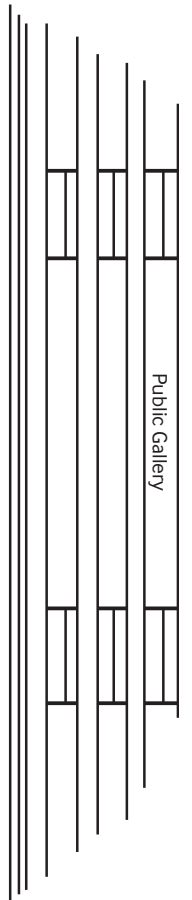


CHIEF EXECUTIVE



- 81 T. Wright
- 80 L. Smiles
- 79 I. W. Kay
- 78 L. Scanlan
- 77 B. Price
- 76 R. Bell
- 75 R. Davison
- 74 A. Farr
- 73 A. Emerson

- 29 A. Lawson
- 30 J. Scott
- 31 P. Tye
- 32 P. Gibson
- 33 F. Anderson
- 34 D. Tate
- 35 D. Richardson
- 36 G. Taylor
- 37 B. Curran
- 38 S. Bonallie
- 39 J. Jackson
- 40 T. Martin



Minutes

Sunderland City Council

At a meeting of SUNDERLAND CITY COUNCIL held in the CIVIC CENTRE on WEDNESDAY, 25th SEPTEMBER, 2013 at 6.00 p.m.

Present: The Mayor (Councillor R Heron) in the Chair

Councillors	Allan	Fletcher	Martin, T	Tate
	Atkinson	Foster	Oliver	Thompson
	Ball	Francis	Padgett	Trueman, D.
	Bell	Gibson, E	Porthouse	Trueman, H.
	Blackburn	Gibson, P	Price	Turton
	Bonallie	Gofton	Richardson	Tye
	Curran	Howe	Scanlan	Wakefield
	Davison	Jackson	Scaplehorn	Watson, P
	Dixon	Kay	Scott	Watson, S
	Ellis	Kelly	Shattock	Williams
	Emerson	Lauchlan	Smith, P.	Wiper
	Errington	Lawson	Snowdon, D	Wood
	Essl	McClennan	Snowdon, DE	Wright, N
	Farthing	MacKnight	Stewart	Wright, T

The notice convening the meeting was read.

Minutes

20. RESOLVED that the minutes of the Meeting of the Council held on 19th June, 2013 and those of the Extraordinary Meeting held on 24th July, 2013 (copies circulated) be confirmed and signed as correct records subject to the inclusion of Councillor T. Martin in the attendance lists for both meetings.

Declarations of Interest

The following Councillors declared interests as follows: -

Item 12 – Notice of Motion	Councillor McClennan	Family Member employed by a bus company in the region
	Councillor Kay	Family Member employed by Northern Bus Company
Item 7 (4) – report of the Cabinet – Youth Justice Plan 2013/14 to 2015/16	Councillor Francis	Magistrate

Announcements

(i) Death of former Councillors Florence Otterson and Walter Scott

The Mayor paid tribute to former Councillors and colleagues, Florence Otterson and Walter Scott who had recently passed away.

Members and Officers stood for a minute's silence as a mark of respect.

(ii) Northumbria In Bloom Awards

At the invitation of the Mayor, Councillor Blackburn, the Portfolio Holder for Attractive and Inclusive City stated that the results of the annual Northumbria in Bloom competition were announced on 17th September 2013 at a ceremony held at The Stadium of Light. The event was attended by the Mayor Councillor R Heron and the Mayoress Mrs J Heron.

Councillor Blackburn was delighted to acknowledge the achievements of the city and announced the following major awards:-

- Sunderland – Large City Class – Trophy Winner and Gold Award
- Hetton-le-Hole and Houghton-le-Spring – Large Town Class – Gold Award to both
- Washington Village – Best Village Class – Gold Award
- Washington – Small City Class – Silver-Gilt Award

Councillor Blackburn also reported the achievements of the numerous schools, community groups, voluntary and business participants in this year's competition who had been successful in achieving the following:-

- Herrington Country Park
- Doxford International Business Park, and
- Ayton Gardens Allotments, Washington

Were all trophy winners for best in class and Gold awards.

- Rainton Bridge Business Park
- Houghton Racecourse Community Access Point
- East Bridge Street Residents
- The Roker Hotel
- Concord Bus Station, Washington
- Rainton Meadows Nature Reserve
- The Nuttery, Washington Village
- Mowbray Park
- Usworth Park
- Sunderland University
- Primrose Allotments
- Holley Park School
- Richard Avenue Primary School

All received Gold Awards

- Whitby Rise Care Home
- Princess Anne Park

- Warwick and Windsor Drive, Houghton-le-Spring
 - Monkwearmouth Railway Museum
- All received Silver-Gilt Awards

Councillor Blackburn also reported that Mr Norman Atkinson, a colleague from Streetscene, had received a special award from the judging committee for his Outstanding Contribution in Support of Northumbria in Bloom. Councillor Blackburn thanked all of the City Council Staff, Community Organisations and Businesses for their efforts in achieving the fantastic collection of awards.

Reception of Petitions

21. RESOLVED that the under - mentioned petitions, submitted by the Councillors named, be received and referred for consideration in accordance with the Council's Petitions Scheme:-

Councillor H. Trueman – Petition against the Closure of Libraries – Executive Director, People Directorate.

Councillor McClennan – Petition against the redevelopment of the Eastender Public House to student lets – Deputy Chief Executive.

Councillor Padgett – Petition requesting the closure of the bridge at Station Road, Columbia – Deputy Chief Executive.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Anderson, Copeland, Forbes, Marshall, L. Martin, F. Miller, G. Miller, Mordey, Smiles, D. Smith, Speding, Taylor, Walker, Waller, A. Wilson, D. Wilson.

The Cabinet reported and recommended as follows:-

1. Honorary Freedom of the City

That they had given consideration to a joint report of the Chief Executive and the Executive Director of Commercial and Corporate Services (copy attached) that recommended that the Council formally confer the Honorary Freedom of the City upon Monsieur Joël Batteux OBE, Mayor of St Nazaire and Mr Niall Quinn MBE to formally recognise their outstanding contributions to the well-being and community spirit of the City as outlined in the report.

Accordingly the Cabinet recommended the Council to:-

- (i) Agree to the conferring, in accordance with the provisions of Section 249 of the Local Government Act 1972, of the Honorary Freedom of the City upon Monsieur Joël Battieux OBE, Mayor of St Nazaire and Mr Niall Quinn MBE, and

- (ii) Authority be given for the Chief Executive in consultation with the Leader of the Council, to agree all appropriate arrangements for the formal ceremony at an extraordinary meeting of the council to be held on 11th November 2013.

2. Appointment of Aldermen

That they had given consideration to a joint report of the Chief Executive and Executive Director of Commercial and Corporate Services (copy attached) which recommended that the Council agree arrangements for the appointment of Honorary Aldermen for the Council of the City of Sunderland to recognise distinguished service to the Council, the city and its communities, by former Members.

Accordingly the Cabinet recommended the Council to approve the arrangements for the Appointment of Honorary Aldermen for the Council of the City of Sunderland.

3. Proposed amendments to the Council's Delegation Scheme

That they had given consideration to a joint report of the Deputy Chief Executive and the Head of Law and Governance (copy attached) which sought approval to amend the Council's Delegation Scheme in order to authorise the Deputy Chief Executive to exercise the Council's full enforcement powers in respect of trees under Part VIII of the Town and Country Planning Act 1990 and also to authorise the Regulatory Committee, Deputy Chief Executive and Head of Street Scene to exercise functions under the Scrap Metal Dealers Act 2013.

Accordingly the Cabinet recommended that the Council approve the amendment to the Council's Delegation Scheme in Part 3 of the Constitution as follows:-

Paragraph 2.22 (Deputy Chief Executive) be deleted and substituted as follows:-

"2.22 To authorise the making of Tree Preservation Orders (including any variation or revocation order) (provided that if any statutory representations or objections are received to any such orders which the Council is required to consider they shall be reported to the Planning and Highways Committee for consideration) and to exercise the Council's enforcement powers in respect of trees under Part VIII of the Town and Country Planning Act 1990",

And

The further amendments set out in the Schedule to the report be made in relation to the exercise of functions under the Scrap Metal Dealers act 2013 and that the Head of Street Scene be appointed as the person to whom oral representations are to be made under paragraph 7(8) of Schedule 1 to the Scrap Metal Dealers Act 2013.

4. Youth Justice Plan 2013/14 to 2015/16

That they had given consideration to a report of the Executive Director of People Services (copy attached) which sought approval to the publication and distribution of the Youth Justice Plan 2013/14 to 2015/16. The report outlined the background, purpose and intentions of the Plan and provided the Plan intended for publication.

They also referred the report to the Scrutiny Committee for further advice and consideration. The Scrutiny Committee recommended that future reports give more detailed cost benefit analysis on order to demonstrate value for money. The Scrutiny Committee were satisfied with the remaining content of the Youth Justice Plan and had no further comment to make.

Accordingly the Cabinet recommended the Council to consider the contents of the report and approve the Youth Justice Plan 2013/14 to 2015/16 and agree to its publication and distribution.

The Leader of the Council, duly seconded by the Deputy Leader, moved the report of the Cabinet.

Upon the report of the Cabinet being put to the Council it was:-

22. RESOLVED that the report of the Cabinet be approved and adopted.

Honorary Freedom of the City

The Chief Executive submitted a report (copy circulated) that recommended that the Council formally confer the Honorary Freedom of the City upon Mr Trevor Mann CBE to formally recognise his outstanding contributions to the well-being and community spirit of the City as outlined in the report.

The Leader of the Council, duly seconded by the Deputy Leader, moved the report.

Upon the report being put to the Council it was:-

23. RESOLVED that the Council:-

- (i) Agrees to conferring, in accordance with the provisions of Section 249 of the Local Government Act 1972, of the Honorary Freedom of the City upon Mr Trevor Mann CBE; and
- (ii) Gives authority for the Chief Executive in consultation with the Leader of the Council, to agree all appropriate arrangements for the formal ceremony at an extraordinary meeting of the Council to be held on a date to be fixed.

The Audit and Governance Committee reported and recommended as follows:-

1. Annual Report on the work of the Audit and Governance Committee 2012/13

That they had given consideration to a report by the Executive Director of Commercial and Corporate services on the work of the Audit and Governance Committee during 2012/13, demonstrating how they have fulfilled their delegated responsibilities.

Accordingly the Committee recommended the Council to note the Annual report on the Work of the Audit and Governance Committee 2012/13.

Councillor T. Wright, seconded by Councillor Farthing, moved the report of the Audit and Governance Committee.

24. RESOLVED that the report of the Audit and Governance Committee be noted.

Written Questions under Rule 8.2

Pursuant to Rule 8.2 of the Council Rules of Procedure, Members of the Council asked questions of the Leader and Members of the Executive.

Action Taken on Petitions

The Council received the under mentioned reports on action taken in relation to the following petitions which had been presented to Council.

- (i) Petition from residents of and visitors to the Dairy Lane Estate, Houghton le Spring, particularly Longacre and Dunelm Drive calling for action for Sunderland City Council to take all necessary action to prevent a recurrence of flooding – Presented by Councillor Ellis on 28 November 2012**

The petitioners requested the Council to take all necessary action to prevent a recurrence of flooding in their homes which appeared to be being caused by flooding in Gilpin Wood and the culverting of run-off water from the Rainton Meadow Industrial Estate to discharge adjacent to homes.

The Council noted the petitioners' requests to take all necessary action to prevent future flooding to their homes. The Council had worked and would continue to work with the Environment Agency and NWL in funding and implementing cost effective solutions to mitigate the flooding problems on the estate. The effects of the works undertaken would continue to be monitored during future rainfall events.

The lead petitioner would be informed of the decision after the Council meeting.

(ii) Petition to Protect The Green at Redburn Row, Houghton-le-Spring and the field lying to the rear of Redburn Row – Presented by Councillor Ellis on 19 June 2013

The petitioners requested the Council to protect The Green at Redburn Row, Houghton-le-Spring and the field lying to the rear of Redburn Row.

The site, locally known as The Green, Redburn Row and the land immediately to the south, is identified as 'white land' on the proposals map of the City Council's adopted Unitary Development Plan (UDP) (1998) and, as such, any proposals for development would be subject to the provisions of policy EN10. This policy dictated that where the UDP did not indicate any proposals for change, the existing pattern of land use was intended to remain and development in such areas must be compatible with the principal use of the neighbourhood.

In addition, the area in question was also situated within a settlement break and nature conservation area and, as such, regard should also be given to policies CH6 and B3 of the UDP. Policy CN6 stated that important open breaks and wedges within and between settlements would be retained and enhanced, although the supporting text to the policy did state that incursions into the settlement break comprising minor extensions to existing land use may be acceptable. Policy B3 sought to protect public and private open space from development which would have a serious adverse effect on its amenity, recreational or nature conservation value; proposals would be considered in light of their contribution to urban regeneration and to the importance of such space to the established character of the area.

It was understood that the area known as 'The Green' had been and was currently used on occasions by local residents for recreational activities. However in terms of its planning status, the area in question was not afforded any land use policy protection in this regard. Therefore the Council could not, through current planning legislation, ensure that this area of land and the land immediately to the south remained for such informal uses in the future.

In respect of land ownership it was understood that the Council do own a small section of the land known as 'The Green' and the larger area of land to the south. However, as became evident in a recent planning application, for the change of use of open space to private garden to the side/rear of Thornton Cottage, the majority of the area in question did not appear to be in the ownership of any particular individual or company.

Therefore it was considered that any development proposals for the parcels of land in question, including applications for change of use, would be subject to the requirements of Article 11 and 12 of the Development Management Procedure order 2010 (notice of applications

for planning permission and certificates in relation to notice of applications for planning permission) and the considerations as set out in the aforementioned policies.

Councillor Ellis and the Lead Petitioner had been notified of the action taken.

(iii) Petition Requesting the Reinstatement of Bus Service 13 along Doxford Park Way on Sunday daytime and a revision of its termination point – Presented by Councillor Marshall on 26 September 2012

The following actions took place following submission of the petition:-

(i) The petition was forwarded to the Acting Clerk & Treasurer for the Integrated Transport Authority (ITA) on 15 October 2012 for investigation of the issues raised by the Petitioners.

(ii) The issues raised by the Petitioners have been investigated by Nexus, on behalf of the ITA, and the matter had been discussed at meetings of the ITA.

(iii) Following the ITA meeting of 23 May 2013 the Director General of Nexus wrote to the Lead Petitioner, outlining the outcome of their investigations. In addition Nexus sent Councillor Marshall, by email on 3 June 2013, a copy of their letter to the Lead Petitioner. Therefore Councillor Marshall and the Lead Petitioner had been informed of the outcome of the petition.

(iv) The outcome of Nexus' investigations into the issues raised by the petitioners was as follows, as set out in the letter from Nexus to the Lead Petitioner:-

"Nexus were asked to discuss the issues raised in the petition with the bus operator, Stagecoach. The changes were made as a result of a commercial decision taken by the commercial operator. Stagecoach will keep under review the operation of services 4 and 13 in the Doxford Park area in an effort to minimise the impacts of the loss of Sunday daytime service of Doxford Park Way and to reduce the current dwell time of Service 13. Nexus is continuing to explore these issues and possible solutions with Stagecoach and progress was being made. I hope we will ultimately be able to find a resolution to the issues outlined in your petition. We will provide you with further updates, once Stagecoach has given these issues further consideration"

(v) It was recommended that Nexus' statement, made on behalf of the ITA, be noted.

Notices of Motion

(i) Notice of Motion – Bus Services

Councillor Wood, seconded by Councillor Oliver moved the following motion in relation to bus services:-

“This Council welcomes the prospect of better bus services for city residents and hopes they can be achieved in partnership with local bus companies”.

The Leader of the Council, seconded by the Deputy Leader moved the following amendment:-

After the word ‘in’ insert the words ‘**the most appropriate**’
After the word ‘with’ delete the word ‘**local**’

Upon being put to the meeting, the amendment was carried unanimously. The new substantive motion was then put to the meeting and carried unanimously.

Accordingly it was:-

25. RESOLVED that this Council welcomes the prospect of better bus services for city residents and hopes they can be achieved in the most appropriate partnership with bus companies.

Quarterly Report on Special Urgency Decisions

The Leader of the Council submitted a quarterly report (copy circulated) on executive decisions which had been taken under Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

(For copy report – see original minutes)

26. RESOLVED that the report be noted.

Appointment to the Health and Wellbeing Board NHS Provider Forum

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) which requested the Council to consider an appointment to the NHS Provider Forum, a new group which had been established by the Sunderland Health and Wellbeing Board.

(For copy report – see original minutes)

27. RESOLVED that Councillor Speding be appointed to the NHS Provider forum.

(Signed) R. HERON,
Mayor.

Sunderland City Council

At an EXTRAORDINARY MEETING of SUNDERLAND CITY COUNCIL held in the CIVIC CENTRE, SUNDERLAND on MONDAY 11 NOVEMBER 2013 at 6.00p.m.

Present:- The Mayor (Councillor Heron) in the Chair

Councillors	Allan	Foster	F. Miller	Thompson
	Atkinson	Francis	G. Miller	D. Trueman
	Ball	E. Gibson	Mordey	H. Trueman
	Bell	P. Gibson	Oliver	Turton
	Blackburn	Gofton	Porthouse	Wakefield
	Bonallie	Howe	Price	P. Watson
	Curran	Jackson	Richardson	S. Watson
	Davison	Kay	Scanlon	Williams
	Dixon	Lauchlan	Scaplehorn	A. Wilson
	Emerson	Lawson	Scott	D. Wilson
	Errington	McClennan	P. Smith	Wiper
	Essl	Macknight	D. Snowdon	Wood
	Farr	Marshall	D.E. Snowdon	N. Wright
	Farthing	L. Martin	Speding	
	Forbes	T. Martin	Tate	

The Notice convening the meeting was read.

The Mayor's Chaplain, Reverend Gill McBride, offered prayers on behalf of those present.

Declarations of Interest

There were no declarations of interest.

Apologies for Absence

Apologies for Absence were submitted to the meeting on behalf of Councillors Anderson, Copeland, Ellis, Fletcher, Kelly, Maddison, Padgett, Shattock, D. Smith, Stewart, Tye, Walker, Waller and T. Wright.

Freedom of the City – Monsieur Joel Batteux, Mayor of St. Nazaire, OBE and Mr Niall Quinn MBE – Report of the Chief Executive

The Chief Executive submitted a report (copy circulated) inviting the Council to formally confer the Honorary Freedom of the City upon Monsieur Joel Batteux, Mayor of St Nazaire, OBE and Niall Quinn MBE.

The Mayor extended a warm welcome to all present at the meeting.

It was then moved by Councillor Richardson, and duly seconded by Councillor Oliver, that the Council formally confer the Honorary Freedom of the City upon Monsieur Joel Batteux, Mayor of St Nazaire, OBE. Councillors Wakefield and T. Martin also spoke to the motion. On being put to the meeting the motion was unanimously agreed and it was: -

28. RESOLVED that in pursuance of the provisions of Section 249(5) of the Local Government Act 1972 the Council do confer the Honorary Freedom of the City on Monsieur Joel Batteux, Mayor of St Nazaire, OBE as a token of the honour and esteem in which he is held by the citizens of Sunderland and in recognition of his longstanding commitment to the town twinning relationship between Sunderland and Saint-Nazaire throughout his time as Mayor and his significant work with British Veterans.

Monsieur Batteux then signed the Roll of Honorary Freeman of the City.

The Mayor then presented Monsieur Batteux with an illuminated copy of the Council's resolution.

Monsieur Batteux responded appropriately.

It was then moved by Councillor P Watson, and duly seconded by Councillor Wood, that that the Council formally confer the Honorary Freedom of the City upon Niall Quinn MBE. Councillor Wakefield also spoke to the motion. On being put to the meeting the motion was unanimously agreed and it was :-

29. RESOLVED that in pursuance of the provisions of Section 249(5) of the Local Government Act 1972 the Council do confer the Honorary Freedom of the City on Mr Niall Quinn MBE as a token of the honour and esteem in which he is held by the citizens of Sunderland and in recognition of his outstanding contributions to football, charitable causes and the well-being of young people within the City.

Mr Quinn then signed the Roll of Honorary Freeman of the City.

The Mayor then presented Mr Quinn with an illuminated copy of the Council's resolution.

Mr Quinn responded appropriately.

The Mayor then thanked everyone for their attendance and closed the meeting.

(Signed) R. HERON,
Mayor.

Report of the Cabinet

The CABINET reports and recommends as follows:-

1. Feed and Food Controls Service Plan 2013/14

That they have given consideration to a report of the Deputy Chief Executive (copy attached) on the Feed and Food Controls Service Plan for 2013/14 to be used by the Public Protection and Regulatory Services section of the Street Scene service, the comments of the Scrutiny Committee and to seek approval of the Plan.

They also referred the report to the Scrutiny Committee for advice and consideration. The Committee endorsed the Feed and Food Controls Service Plan 2013/2014 and supported the Cabinet recommendation to submit the Service Plan to Council for approval.

The Cabinet recommended the Council approve the Feed and Food Controls Service Plan for 2013/14.

2. Revenue Budget Second Review 2013/2014

That they have given consideration to a report of the Executive Director of Commercial and Corporate Services on the overall Revenue position following the second review for 2013/2014 including proposed contingency transfers for the second quarter of 2013/2014.

In accordance with the Council's Budget and Policy Framework certain transfers require Council approval. The following extract refers to those transfer of funds:

"Savings on capital financing charges as a result of slippage on the capital programme and income from interest on investments are anticipated to result in planned savings of approximately £5.0m at year end. It is proposed that these amounts and any further underspendings arising from unspent contingencies at the end of 2013/2014 are earmarked to support the overall 2013/2014 position and transitional costs arising from the 2014/2015 budget setting process."

They also referred the above extract of the budget transfers to the Scrutiny Committee, for advice and consideration. The Scrutiny Committee supported the transfer of funds to support the overall 2013/2014 position together with the transitional costs arising from the 2014/2015 budget setting process and supported the Cabinet recommendation that the transfer be submitted to Council for approval.

Accordingly the Cabinet recommends the Council to approve the contingency transfers as set in the above extract.

3. Budget Planning Framework 2014/2015 and Medium Term Financial Strategy 2014/2015 – 2016/2017

That they have given consideration to a joint report of the Chief Executive and the Executive Director of Commercial and Corporate Services (copy attached) outlining the key factors influencing the development of the Council's financial plans into the medium term and sets out the budget planning framework for the Council for 2014/2015. The report sets out the headlines and context for the Medium Term Financial Strategy 2014/2015 to 2016/2017 which will be formally considered in due course.

They also referred the report to the Scrutiny Committee for its comments in the context of the approved consultation arrangements for the Council's budget. The Scrutiny Committee supported the proposed Budget Planning Framework and endorsed the Medium Term Financial Strategy and supported the Cabinet recommendation that both are submitted to Council for approval.

Accordingly, the Cabinet recommends the Council to:-

- (i) to agree the proposed Budget Planning Framework summarised at Section 10 of the report which will guide the preparation of the Revenue Budget for 2014/2015;
- (ii) to note that the full Medium Term Financial Strategy 2014/2015 to 2016/2017 will be presented to Cabinet in February

4. Audit Commission Annual Audit Letter 2012/2013

That they submit for consideration by Council a report of the Chief Executive (copy attached) on the Audit Commission Annual Audit Letter covering the year 2012/2013 together with a copy of the Audit Letter which included issues arising from the audit of the Council's financial statements and the results of the external auditor's work undertaken as part of the assessment of the Council's arrangements to securing value for money in its use of resources.

Accordingly the Cabinet recommends the Council to note the contents of the report.

5. Chief Finance Officer – Section 151 Local Government Act 1972

That they have given consideration to a joint report of the Chief Executive and the Head of Law and Governance (copy attached) which sought endorsement for the interim arrangements for the allocation of Chief Finance Officer responsibilities (Section 151, Local Government Act 1972) pending a permanent appointment being made.

Accordingly the Cabinet recommends the Council to note and endorse the interim arrangements.

6. Proposed amendments to the Council's Delegation Scheme - Dog Control Orders

That they have given consideration to a joint report of Deputy Chief Executive and the Head of Law and Governance (copy attached) which sought approval to amend the Council's Delegation Scheme to authorise the Deputy Chief Executive to exercise the Council's full enforcement powers in respect of Dog Control under Part 6 of the Clean Neighbourhoods and Environment Act 2005.

Accordingly the Cabinet recommends the Council:-

- (i) to amend the Council's Delegation Scheme in Part 3 of the Constitution as follows:-

Paragraph 2.96(i) - (Deputy Chief Executive) be deleted and substituted as follows:-

“2.96 (i) Clean Neighbourhoods and Environment Act 2005 (Sections 3-9 Vehicles, sections 18 – 19 Litter, sections 55-68 Controls on Dogs (including, for the avoidance of doubt, the power to make dog control orders under section 55, subject to taking into account the views of the relevant Area Committee in cases where representations are received in response to consultation) and sections 69 -81 and 82 -86 Noise)”.

- (ii) to note and endorse that the amount of a fixed penalty payable in respect of an offence under a dog control order be set at £75 (discounted to £50 if paid within 10 days).

CABINET

FEED AND FOOD CONTROLS SERVICE PLAN 2013/14

REPORT OF THE DEPUTY CHIEF EXECUTIVE

1. Purpose of the Report

- 1.1 The purpose of the report is to advise Cabinet of the Feed and Food Controls Service Plan to be used by the Public Protection and Regulatory Services section of the Street Scene service.

2. Description of Decision

- 2.1 Cabinet is recommended to approve the Feed and Food Controls Service Plan for 2013/14.

3. Introduction/Background

- 3.1 The Food Standards Agency ("the Agency") is an independent government department responsible for food safety and hygiene across the United Kingdom. It works with businesses to help them produce safe food, and with local authorities to enforce food safety regulations.
- 3.2 The Agency pursues a programme of auditing local authorities with the aims of helping to protect public health by promoting effective local enforcement of animal feed and food law and maintaining and improving consumer confidence.
- 3.3 The Agency considers that service plans for feed and food controls are an important part of the process to ensure that national priorities and standards are addressed and delivered locally. Service plans are intended to help local authorities to follow the principles of good regulation and focus on key delivery issues and outcomes.
- 3.4 To assist in the service planning process the Agency has developed a Framework Agreement on Official Feed and Food Controls by Local Authorities in consultation with the Local Government Association. This document recommends a format for feed and food controls service plans and gives detailed guidance on the content of such plans.
- 3.5 The Council has followed this format in preparing the Feed and Food Controls Service Plan 2013/14 which is Appendix 1 to this report.

4. Current Position

- 4.1 The Feed and Food Controls Service Plan for 2013/14 has been developed by the Council in order to comply with the recommendations of the Food Standards Agency's Framework Agreement. It would be necessary to produce this plan in the event of an audit by the Agency.

5. Reason for Decision

- 5.1 The reason for the decision is to facilitate the compliance of the Council with the requirements of the Food Standards Agency.

6. Alternative Options

- 6.1 The option of not producing a Feed and Food Controls Service Plan would place the Council at risk of receiving criticism in the event of an audit by the Food Standards Agency. It would also weaken the reputation of the Council and our ability to influence businesses with regard to matters of food safety. It has been discounted on these grounds.

7. Impact Analysis

- 7.1 **Equalities** There are no equalities implications as a result of this decision. Equalities are embedded within the national framework with which the Feed and Food Controls Service Plan complies.

8. Glossary

- 8.1 None.

9. List of Appendices

- 9.1 Appendix 1 - Feed and Food Controls Service Plan of Public Protection and Regulatory Services for 2013/14

10. Background Papers

- 10.1 Framework Agreement on Official Feed and Food Controls by Local Authorities

APPENDIX 1

FEED AND FOOD CONTROLS SERVICE PLAN 2013/14

1. Service Aims and Objectives

1.1 Aims and objectives

The aims of Public Protection and Regulatory Services (“the Service”) are to protect the health and wellbeing of all persons within the City in relation to food safety matters and, in relation to animal feed, to protect the health and welfare of livestock and prevent the outbreak of animal disease.

Our objectives are:

- To secure compliance with food safety law having regard to official codes of practice; particularly concerning the frequency of food safety interventions;
- To seek to secure the protection of consumers from the potential dangers of suspect or contaminated food; particularly those which may result in foodborne infections;
- To ensure so far as is reasonably practicable that food is fit for human consumption and free from extraneous matter;
- To increase the knowledge of food handlers, food managers and the general public about the principles and practice of food hygiene and food safety management;
- To increase the knowledge of food business operators of food safety management; thereby assisting the raising of standards and enabling improved food hygiene rating scores under the National Food Hygiene Rating Scheme;
- To assist in the control and prevention of the spread of foodborne diseases;
- To carry out food safety interventions (activities that are designed to monitor, support and increase food law compliance within a food establishment) in accordance with minimum frequencies and to standards determined by the Food Standards Agency (“the FSA”);
- To respond to and investigate Food Standards Agency ‘Food Alerts and Allergy Alerts for Action’ in accordance with published guidance where these impact upon food originating or traded within the City;
- To investigate all notified cases of foodborne disease and take effective action to control the spread of infection;
- To undertake the inspection of ships visiting the Port of Sunderland in accordance with current guidance;
- To carry out inspections at premises presenting the highest potential risk for contamination of the feed chain;
- To conduct on farm visits in order to examine primary production and animal feeding;

- To investigate complaints about feed and, where necessary, take samples;
- To give guidance to people supplying material into the feed chain and also to new livestock keepers.

1.2 Links to corporate objectives and plans

The Sunderland City Council Corporate Plan sets out the vision for the Council and outlines the strategic direction of the Council over a 3 year period. The Corporate Plan can be found on the Council's website and highlights three strategic priorities:

People – raising aspirations, creating confidence and promoting opportunity.

Place – leading the investment in an attractive and inclusive city and its communities.

Economy – creating the conditions in which businesses can establish and thrive.

The People priority encompasses the protection and improvement of the health and wellbeing of the people of Sunderland. The delivery of the Feed and Food Controls Service Plan 2013/14 will contribute positively to the achievement of the People priority by ensuring the protection of public health through inspection and education activity and the improvement of wellbeing through initiatives to promote healthier eating.

The Place priority is addressed in that the livestock of our local farms will be protected from contaminants in their feed that could harm their health and welfare.

The Economy priority is addressed by enforcement action and advice given to businesses. Proportionate enforcement provides a fair and equitable trading environment in which businesses can develop and be protected from those who fail to comply with the law. Initiatives to develop best practice in small to medium enterprises will assist them in promoting their businesses.

2. Background

2.1 Profile of the Local Authority

Sunderland City Council serves an area of 137 square kilometres and has a population of around 281,000 people resident in some 121,000 households. The City principally comprises urban areas, the City Centre and Washington, as well as the former coalfields communities of Easington Lane, Hetton-le-Hole and Houghton-le-Spring. A small number of farms surround the urban population centres.

2.2 Organisational Structure

The Council is composed of 75 councillors within 25 wards. Governance is through the Leader and Cabinet model with an annual budget expected to be in the region of £264.8 million for the financial year 2013/4.

The Council delivers services through the Office of the Chief Executive, the People Services Directorate and the Commercial and Corporate Services Directorate. This Feed and Food Controls Service Plan is delivered by staff from Public Protection and Regulatory Services within Street Scene, which is part of the Office of the Chief

Executive within the responsibility of the Deputy Chief Executive. The service operates within the remit of the City Services Portfolio and works closely with the Portfolio Holder.

The Head of Street Scene reports to the Deputy Chief Executive on a number of matters including feed and food control. Public Protection and Regulatory Services deliver the Environmental Health, Trading Standards and Licensing functions on behalf of the Council. These services are led by the Assistant Head of Street Scene (Public Protection and Regulatory Services) who has overall responsibility for delivery of the Feed and Food Controls Service Plan.

The Environmental Health Manager has specialist responsibility for food hygiene and standards matters and health promotion. The Principal Trading Standards Officer has specialist responsibility for feedingstuffs.

The Council uses the services of Public Health (England) Laboratories, a Public Analyst and an Agricultural Analyst as necessary. The Public Analyst and Agricultural Analyst appointed by the authority is Public Analyst Scientific Services Limited.

2.3 Scope of the Feed and Food Service

The activities relating to feed and food in the City are undertaken by the Trading Standards and Environmental Health teams respectively.

The Environmental Health team undertake a programme of food hygiene and food standards interventions as well as responding to requests for service and infectious disease notifications. Sampling of foodstuffs, both microbiological and compositional, is also undertaken. The team has for many years enforced health and safety at work legislation in most food premises in line with recommendations in the Lord Young report: "Common Sense, Common Safety". However now, as a consequence of the Lofstedt Report, the team undertakes primarily hazard spotting during planned interventions. Serious contraventions may, however, result in a full inspection and enforcement action based on risk. Officers also respond to Port Health requests and food hygiene inspections are undertaken in connection with Ship Sanitation Certificates required under international health regulations.

The Environmental Health team provide Chartered Institute of Environmental Health (CIEH) Level 2 and Level 3 Food Safety in Catering training courses. Officers organise campaigns and develop award schemes in order to promote the public health agenda, including healthy eating, to local businesses. The Heart of Sunderland Award and the Healthy Home Award schemes are promoted and managed by the team, with inspections being undertaken at relevant premises. The Healthy Home Award, presented to the City's nursing and residential homes, supports the Council's People service's Care Quality Standards. Homes achieving the award achieve a higher grading.

The City has a small agricultural sector, principally arable with a few livestock holdings. The Trading Standards team carries out the enforcement of primary production and feedingstuffs legislation and provides advice to farmers and retailers.

2.4 Demands on the Feed and Food Service

2.4.1 Food establishments profile

There are 2161 food premises currently operating in the City, including one registered primary producer.

Types of Food Premises in the City	No.	Food Hygiene High Risk (A)	Food Hygiene Medium Risk (B)	Food Hygiene Medium Risk (C)	Food Hygiene Medium Risk (D)	Food Hygiene Low Risk (E)	Not rated
Primary producers/ manufacturers/ processors	93	0	3	44	11	30	20
Packers/ importers/ exporters/ distributors etc.	38	1	2	5	6	24	0
Retailers	535	0	12	197	152	154	20
Restaurants/ other caterers	1462	1	150	825	190	215	81
Contact materials and articles	0	0	0	0	0	0	0
Total food premises	2161	2	167	1071	359	423	121
Outside the programme	18						

Most of Sunderland's food premises are classified in the restaurant/catering outlet group (1462) whilst there are 535 food retailers. These categories feature a large number of changes of food business operators. This creates additional demands for the Service in educating new operators.

The unrated premises are those which have recently opened or changed proprietor since the last inspection. These premises are, where notification takes place, visited initially and are assessed according to risk for further inspection and rating within 6 to 24 months in order for the Service to make an informed judgement of on-going standards.

The Stadium of Light can accommodate over 48,000 seated spectators, with significant catering provided from the outlets within the stadium. This summer, three major music events requiring the attention of Environmental Health Officers occurred at the stadium.

There are a significant number of outdoor events held regularly each year (e.g. the International Air Show) which are attended by up to 1.5 million visitors. Various

mobile caterers and food businesses from around the region visit the City to cater at the events.

Port health inspections which require inspections of food hygiene and standards on board vessels coming into the port are undertaken. The provision of fifteen Ship Sanitation Certificates was requested from the Service last year in addition to eight visits to take water samples being undertaken.

2.4.2 Feed establishments profile

There are currently 29 premises registered as Feed Business Operators.

Types of Feed Premises	Number
Arable farms	10
Livestock farms	9
Manufacturers and packers	1
Food businesses selling co-products/surplus food	6
Distributors / transporters	1
Stores	2
Total	29

The arable farms principally produce cereal for food production or for incorporation in animal feed. Inspections of these premises are on a low risk basis. Several of the farms are members of farm assurance schemes.

The livestock farmers generally grow arable crops for feeding to their own livestock along with silage. The use of supplementary feed is generally restricted to sheep and pigs. Visits to these premises are generally scheduled when the animals are housed and are undertaken in conjunction with animal health and welfare visits.

The single manufacturer and packer makes pet foods and has been assisted with advice on legal requirements. The premises may be visited for sampling purposes.

An increasing number of businesses are being found to send waste food into the feed chain. Following potential issues previously identified on inspection all premises registering to supply waste food into the feed chain will be inspected.

The registered transporter removes waste food from shops for use in the manufacture of feed.

Increased vigilance continues to be undertaken with regard to the inland enforcement of imported feed legislation in an effort to prevent the spread of disease in food animals.

2.4.3 Service delivery points

The officers who undertake feed and food controls work are based at Jack Crawford House, Sunderland. The Council's Customer Service Centre in Fawcett Street, Sunderland is open to the public in normal working hours throughout the week, 8.30am to 5.15pm (4.45pm Friday), although officers from the Environmental Health

team may be contacted by businesses directly. There is an evening and weekend service arrangement for contacting managers for out-of-hours emergencies. Visits are conducted at events and as necessary outside normal working hours.

The Council website www.sunderland.gov.uk encourages the public to communicate with the Service by email and makes information constantly available. Letters from the Service to customers / companies encourage the use of email. Initial contact for services to the public is through the Council's Customer Services Network.

The Council displays current food hygiene ratings on the www.sunderlandcitycouncil.com website. This website may also be accessed from the [sunderland.gov.uk](http://www.sunderland.gov.uk) website (Food Hygiene). The Council also regularly updates data on the Food Standards Agency national scheme. Ratings can be found at <http://ratings.food.gov.uk>

The Food Hygiene Rating Scheme involves the publication of a food safety rating for catering premises in the City based on standards of structure and hygiene ratings and confidence in management scores assessed during programmed inspections. Following inspections, business owners are advised in writing that the information may be released on the website in the future and in response to third party requests as required by Freedom of Information legislation. Food business operators have the right to appeal against a rating which may result in a revisit for re-inspection after three months.

2.4.4 External factors impacting on the Service

The Freedom of Information Act 2000 impacts on the workload of the Service due to the administration of requests and time spent recovering the information. Press and other enquirers often request specific information with a view to making comparisons of businesses in various local authority areas. In the past year, the Service responded to eleven requests for information regarding food premises.

The Service's responsibilities under the Licensing Act 2003 also impact on workload. Officers consider applications for new and varied licences for food premises in pursuance of duties as responsible authorities.

There is a possibility that any large outbreak of food poisoning or illness, or a serious accident at food premises, would impact significantly on the routine activities of the Service.

There are no other likely major impacts upon the Service expected, e.g. significant food imports, seasonal variations or an increase in the number of food manufacturing businesses. However, where food alerts necessitate a significant response, this will impact upon the Service.

Food alerts are notified to local authorities by the Food Standards Agency. During 2012/13 the Service received 62 alerts of food problems occurring elsewhere in the country and twelve updates. Many of these alerts were product recalls where the response required from the Service was limited.

The Food Standards Agency also notifies local authorities of allergy alerts, e.g. instances of food labelling errors or contamination of specific ingredients. There

were 67 such alerts received in 2012/13. Whilst not critical to general public health, such incidents can have serious effects on persons who are allergic to specific ingredients.

Last year the Food Standards Agency was heavily involved in responding to incidents of meat products being contaminated with horse meat. The Service investigated all twelve relevant premises in the City in order to ensure that all reasonable steps were being adopted to ensure the traceability of raw products. It is expected that, in future, samples of meat will be required to ensure that correct descriptions are being used.

2.5 Regulation Policy

Public Protection and Regulatory Services has a documented Enforcement Policy covering the Environmental Health, Trading Standards and Licensing functions of the Council. The Service works within the principles of the Regulators' Compliance Code.

3. Service Delivery

3.1 Interventions at Food and Feedingstuffs establishments

Food premises in the City have been found to demonstrate relatively static level of compliance over the last five years with between 83 and 85% of all premises achieving a three star rating or above. Within this figure there has been a year on year improvement in the numbers of premises achieving five stars thus demonstrating that the good premises are getting better

In April 2012 the Food Standards Agency reviewed their Food Law Code of Practice (England) and now local authorities are encouraged to spend more time at targeted businesses rather than spreading resources over the whole range of premises. So, in accordance with the reviewed guidance, the Service plans this year to place a greater emphasis on targeting lower-rated businesses. It is envisaged that those premises which are found to have poor structures or hygiene standards or where there is low confidence in management will be monitored in order to drive improvements.

To this end the Service will follow the FSA Food Hygiene and Food Standards Intervention Rating Schemes, as prescribed in the revised Food Law Code of Practice (England), in order to determine the frequency and type of intervention appropriate to the risk posed by the premises.

The Service will use the wide range of interventions described by the FSA guidance in order to monitor and increase business compliance in the most efficient and proportionate way.

Interventions are defined as activities that are designed to monitor, support and increase food law compliance within a food establishment and they include but are not restricted to the following "official controls":

- Inspections and audits (full/partial inspection and audits);
- Monitoring;

- Surveillance;
- Verification; and
- Sampling and analyses where examination is carried out by an Official Laboratory.

When undertaking official controls, officers will take account of any identified risks, the food business operator's past record and current knowledge, an examination of practices and procedures in place, a physical inspection of the premises, the reliability of an operator's own checks, and any information that may indicate non-compliance.

Other interventions that do not constitute official controls can be undertaken in some premises in addition to the official control or at an interval between official controls. These include:

- Education;
- Advice and coaching;
- Information and intelligence gathering; and
- Sampling where examination is not carried out by an Official Laboratory.

Premises will continue to be risk rated depending on the previous level of food safety and structural compliance together with confidence in management. Factors also taken into account are the types of food prepared and the type and number of consumers potentially at risk.

The minimum intervention frequencies for the different rating categories for premises subject to food hygiene and food standards interventions are shown below:

FSA Food Hygiene Risk Category and Intervention Frequency

PREMISES RATING CATEGORY	MINIMUM INTERVENTION FREQUENCY
A	At least every six months
B	At least every 12 months
C	At least every 18 months
D	At least every 24 months
E	A programme of alternative enforcement strategies or interventions every three years

Those food premises which fall into Category A are considered to be those with the highest risk, whether as a result of the nature of the main activities undertaken on the premises or because of the relatively poor operating conditions which have prevailed previously.

FSA Food Standards Risk Category and Intervention Frequency

PREMISES RATING CATEGORY	MINIMUM INTERVENTION FREQUENCY
A	At least every 12 months
B	At least every 24 months
C	A programme of alternative enforcement strategies or interventions every five years

Where premises are rated for both food hygiene and food standards the food hygiene risk rating will take precedence with food standards being considered at the next appropriate intervention.

The predicted numbers of interventions are as follows:

- All Category A and B premises will receive an inspection (169 visits);
- All unrated premises (new businesses) will receive an inspection (110 visits);
- Category C premises which are not “Generally Satisfactory” and those which supply food to vulnerable groups such as the young or elderly will receive an inspection (107 visits);
- Category C premises which were previously found to be “Generally Satisfactory” will receive monitoring visits to determine whether standards have been maintained. Where this is not the case a full inspection will be carried out (611 visits); and
- Category D and E premises will be targeted by other enforcement measures as detailed in the revised FSA Code of Practice. This may include the sending of self assessment questionnaires with the results informing rating decisions (394 interventions).

The total estimated number of interventions is therefore 1391 in addition to those pertaining to any new businesses established within the year. Alternative strategies for lower risk premises will result in fewer such premises being visited than in previous years but, potentially, more visits being made to less well performing premises in order to promote and confirm improved standards.

In line with our commitment to carry out revisits to check on compliance, where necessary, it is estimated that the above-mentioned planned inspections will generate a further 350 revisits.

The Service aims generally to undertake the relevant intervention at the premises within one month of the due date for inspection; the only exceptions being those businesses that operate seasonally and those which may be subject to alternative enforcement strategies.

Secondary inspections (including revisits and requests for revisits by operators of food businesses) will be undertaken as necessary on a risk assessed basis in order to ensure that significant material defects are rectified. Those premises which are not broadly compliant will be visited with a view to enforcing compliance standards.

Individual businesses may be visited more frequently or the planned date for intervention may be brought forward if a problem is identified such as:

- A complaint about the food premises or notification of an issue received from another authority which requires further investigation;
- An unsatisfactory sampling result is received;
- The business is implicated in a food poisoning outbreak;
- There is a change in business operations resulting in a higher risk;
- A request for a re-rating revisit under the FSA Food Hygiene Rating Scheme is received; or
- A notification is received from the FSA regarding a food safety incident or food alert.

All requests for revisits by businesses wishing to amend their risk ratings as part of the National Food Hygiene Rating Scheme will be carried in accordance with FSA procedures. Whilst the published rating of the business may be changed as a result of this revisit, the Service will need to examine sufficient elements of the business and have sufficient evidence from this intervention if any change to the intervention frequency for the business is to be considered. Otherwise the business will retain its original risk rating score for frequency of intervention

The City, being principally urban in nature, has only a small number of feedingstuffs premises registered. None of the premises registered are considered to be high risk. The premises will be visited on a risk assessed basis. Last year there were twelve inspections and one revisit undertaken at feed establishments.

All businesses that register as food businesses will be subject to inspection. With the increase in co-products (i.e. products produced together with another product) entering the food chain a project will be undertaken to identify premises not currently registered that may be supplying products to be used in the manufacture of feed.

The Service has good working relations with neighbouring authorities and the Public Analyst should any specialised process be identified.

3.2 Feed and Food Complaints

The Service is committed to responding to all complaints about feed or food. The extent of the investigation will depend on the merits of the complaint. This can range from re-assuring the complainant to a more formal process, including reference to home or originating authorities in accordance with the guidance and the relevant Code of Practice. Officers also liaise with any relevant primary authority in pursuance of the relevant scheme administered by the Better Regulation Delivery Office.

In 2012/13, 624 requests for service requiring a response from officers were made (this being a near 100% increase upon the previous year), including ten complaints

relating to food standards or labelling, and 104 requests relating to unfit or contaminated food.

Due to the relatively few number of feedingstuffs establishments, it is not anticipated that there will be a significant number of complaints received by the Service. Any complaints will be investigated in line with Service procedures. The Service received no complaints last year which related to feedingstuffs. Pet foods are anticipated as being the most likely subject of complaints.

3.3 Home Authority Principle and Primary Authority Scheme

The Service undertakes to comply with all the relevant legal requirements of the Primary Authority Scheme and liaises with other relevant local authorities within the context of the Home Authority Principle

3.4 Advice to Business

The Service seeks to assist local businesses in order to encourage the success of our local economy. Last year 190 specific requests for advice were received by the Environmental Health team (an increase of over 100% compared to the previous year). Additionally, advice is given by officers informally at every visit to food premises, as appropriate.

The Service is committed to promoting the Food Standards Agency's project: "Safer Food, Better Business" which is intended to support food businesses in complying with the food safety management principles. There will continue to be great efforts to educate businesses in complying with their requirement to implement a suitable food safety management system, which some smaller food businesses seem to find difficult

In correspondence to food businesses, a standard invitation is given to them to seek advice from the Service.

Close links are maintained with many business organisations in the City and informal agreements reached to cooperate more fully with businesses through these contacts.

Feed businesses are provided with business advice on inspection and new livestock keepers are provided with guidance when registering their premises.

3.5 Feed and Food Sampling

The Service is committed to sampling foods in order to determine compliance with compositional and bacteriological standards. Sampling of imported and locally produced foods is undertaken proactively and the Service participates in national and regional surveys arranged by the regional food authorities group and Public Health (England) Laboratory Service.

As a consequence of demand, i.e. complaints, food alerts, food poisoning outbreaks, etc., further samples will be taken. Last year 304 samples were taken.

An estimated 300 samples will be taken for bacteriological examination / compositional analysis in the year 2013/14, including 30 water samples. As a consequence of new legislation, private water supplies and distribution systems may require some sampling and work to identify such systems is on going. Some of the analysis costs for this work will be met by the FSA and operators.

The Health Protection Agency Laboratory transports samples from the region as necessary by courier to Leeds. The Service liaises with the management of the laboratory and neighbouring authorities in order to facilitate an effective and coordinated sampling programme with flexibility for local needs.

Participation with neighbouring authorities in sampling and other food related matters ensures that the Service works in a co-ordinated and compatible way.

Sampling of feed will take place where a complaint justifies a sample be taken, though there is no expectation of any complaints. Samples may be taken to assist in projects instituted by the Food Standards Agency or the North East Trading Standards Association or to maintain competence levels.

3.6 Control and Investigation of Outbreaks and Food Related Infectious Disease

The Service has agreed with Public Health (England) a policy for considering the investigation of confirmed food poisoning cases. The unwell people involved in most cases, other than in the case of suspected viral infections or Campylobacter infection, are usually visited by officers in order to trace the source of the infection and prevent further spread. People involved in Campylobacter cases are contacted by letter.

The local Consultant for Communicable Disease Control, employed by Public Health (England), will provide the Service with advice regarding specific problems relating to infectious disease.

Advice on food poisoning is available on the Council's website.

The number of reported cases of food poisoning depends on persons suffering attending their doctor or hospital, where, if samples are taken, and found to be positive, the medical practitioner has a legal duty to inform the Council. The Service liaises closely with relevant laboratories and the Health Protection Agency in order to effectively investigate all positive cases.

The Service maintains close links with Public Health (England) in order to respond to incidents of ill health. Regular meetings to discuss various matters relating to food poisoning cases and sampling programmes take place. The Public Analyst and Health Protection Agency will be contacted in order to assist with expertise where any additional problems arise. Similar networks exist within the region, nationally and with the Chartered Institute of Environmental Health and the Food Hygiene Forum.

Relevant policies published by Public Health (England) include:

- Policy for the investigation and control of a Cryptosporidiosis outbreak in the community associated with mains water supply;

- An agreed approach to Campylobacter investigations in the North East;
- Standard Salmonella questionnaires;
- Standard Verocytotoxin-producing Escherichia coli (VTEC) questionnaire; and
- Standard NE HPT Cryptosporidium surveillance questionnaire.

Statistics of cases notified over recent years

Year to 31 March	Campylobacter	Salmonella	Cryptosporidia	Food poisoning & suspected FP	Shigella	Esch. Coli	Other miscellaneous organisms	Totals
2009	306	58	26	24	5	2	2	423
2010	357	52	38	12	4	4	4	471
2011	440	28	27	11	3	2	0	511
2012	286	38	17	6	2	12	2	363
2013	329	40	48	19	2	3	3	444

Year to 31 March	April	May	June	July	August	September	October	November	December	January	February	March	Totals
2009	19	35	50	48	48	41	50	36	22	20	28	26	423
2010	28	38	66	44	40	56	56	41	24	21	24	33	471
2011	37	28	57	90	58	47	57	46	23	21	23	24	511
2012	26	43	30	39	47	32	33	27	24	24	26	12	363
2013	27	36	56	38	36	65	54	29	20	24	29	30	444

3.7 Feed/Food Safety Incidents

The Service is committed to responding appropriately to all Feed and Food Alerts issued by the Food Standards Agency in accordance with the relevant code of practice. The level of response is determined by the category of response required and the individual circumstances of the incident.

3.8 Liaison with other organisations

Both teams seek to cooperate in joint working with other local authorities in the North East. In relation to animal feed, information sharing and joint working is coordinated by the North East Trading Standards Association (NETSA) and via the Local Government Association Knowledge Hub. In respect of food matters, Environmental Health Officers liaise with colleagues via the North East Food Liaison Group and the North East sampling and Public Protection Groups.

Officers of the Service meet with our six neighbouring authorities, i.e. those in Tyne and Wear and Durham and Northumberland, in the North East Food Liaison Group. This group facilitates close cooperation between the representatives. Officers are

also involved with sampling sub-groups and South of Tyne meetings involving Public Health (England), Local Authorities and the Primary Care Trust. These meetings involve representatives from the relevant bacteriological laboratories and communicable disease specialists.

Officers liaise frequently with Council colleagues in connection with food matters, including catering and school meals, and with regard to building control and planning applications.

3.9 Feed and Food Safety and Standards promotional work

Officers give advice and information in the course of inspections and other visits. The Environmental Health team also offer training for the CIEH Level 2 and 3 awards in Food Safety in Catering.

The Heart of Sunderland award replaced the Heartbeat award in 2012. The award recognises and rewards businesses that offer healthy food options, promotes healthy eating and makes it easier for customers to make an informed choice.

There are three award categories:

- Bronze - awarded to premises which make food healthier by reducing fat, salt and sugar content, but may have a limited menu;
- Silver - awarded to premises which are committed to improving the nutritional quality of the food and helping customers make informed choices; and
- Gold - awarded to premises which can demonstrate a healthy eating policy with nutritionally trained staff.

In addition, all award premises must demonstrate a hygiene rating of three or above and a no smoking policy must be in place with support given to staff wishing to quit.

A total of 136 premises achieved the award:

- 55 Gold;
- 73 Silver; and
- 8 Bronze.

The Healthy Home award scheme was first provided by the Service in 1997, and has developed and expanded. A total of thirty Healthy Home awards were presented in 2012/13.

Homes must have a food hygiene rating of three stars or above, have a balanced menu and have good documented health and safety procedures.

During 2012/13:

- Eighteen courses in Level 2 Food Safety in Catering were attended by 190 delegates; and
- Three courses in Level 3 Food Safety in Catering were attended by 21 candidates.

The very small number of feed establishments registered within the City does not make promotional work on any scale viable. Imparting information on the importance of feed control is restricted to business advice given on inspection.

Basic food hygiene information for consumers is available on the Council's website. Similarly, advice is also available on food poisoning organisms and what to do in the event of suspicion of illness caused by the consumption of contaminated food.

4. Resources

4.1 Financial Allocation

For 2013-14 the budget for food control is £365,612 of which £195,911 is delegated (i.e. controlled by the Service manager). The sampling budget is £7, 000.

Health promotion has a general budget of £70,691 (of which £28,426 is delegated) including anticipated income of £24,275; partly from food hygiene training

The feedingstuffs element of the Trading Standards budget relating to inspection, training and business advice is approximately £2,500, equating to approximately 111 officer hours per annum.

4.2 Staffing Allocation

Environmental Health personnel specialising in food comprise:

- 1 Principal Environmental Health Officer / Team Leader (0.5 Full Time Equivalent (FTE))
- 3 Senior Environmental Health Officers (2.5 FTE)
- 1 Technical Officer (1 FTE – working towards Higher Certificate)
- 2 Senior Environmental Health Officers (Part time on food and working on acquiring advanced competency for complex processes) (1FTE)
- 1 Health Promotion Specialist Environmental Health Officer (Part time on food matters) (0.3 FTE)
- 1 Health Promotion Assistant (Part time on food matters) (0.5 FTE)

All food specialist Environmental Health Officers have over two years' experience in food matters and are fully competent in accordance with the Food Law Code of Practice.

Additionally, Environmental Health Officers working on other specialist areas of law will be building competencies in food safety in order to provide support and assist in periods of high demand.

Total of Environmental Health Officers allocated to Food work: 4.3 FTE
Total of other officers: 1.5 FTE

Trading Standards personnel specialising in feed law comprise:

- 3 Trading Standards Officers (Part time on feed matters) (0.3 FTE)

4.3 Staff Development Plan

Staff appraisals are undertaken regularly and the findings are included in staff development and training plans. A competency matrix has been developed in line with the requirements of the Food Law Code of Practice and training needs have been assessed. An action plan in order to ensure that personnel are fully competent commensurate with the activities assigned will be delivered during the current year. Individuals will receive specific training where appropriate and all food specialist Environmental Health Officers will complete the required ten hours of food specific Continuing Professional Development.

The Service cooperates regionally through the Food Liaison Group and with the Food Standards Agency in order to source low cost training.

Training days and training sessions on subjects are programmed as necessary.

Any inexperienced officers assigned to food work are supervised and receive training commensurate with the Code of Practice.

Officers enforcing feed work undertake training provided by the FSA and will utilise online training provided by the Trading Standards Institute.

5. Quality Assessment

A documented internal monitoring procedure in accordance with Article 8 of Regulation (EC) No. 882/2004 (Official Feed and Food Controls), the Food Law Code of Practice and centrally issued guidance will be developed this year.

Monitored inspections will be recorded on a database during this year in addition to random file checks, case load meetings and specific premises interventions. Consistency checks will be adopted and a peer review training course will be undertaken.

Visits to feed establishments are recorded and feedback on the inspection provided to the business operator. Annual returns on activities are provided to the FSA.

6. Review

6.1 Review against Service Plan

The Service Plan is approved by Cabinet annually and a review against the plan is undertaken mid-year with consideration of achievements against targets. In the periods either side of the mid-year review, managers monitor progress with case loads and regular meetings

The Service achieved high rates of inspections of food premises in 2012/13 with 1348 different food premises being visited and 1373 inspections undertaken. A total of 1748 visits were made including inspections, revisits and sampling. Sixteen inspections were outstanding at the year end. These were completed early in April 2013.

6.2 Identification of any variance from the Service Plan

Any variance from the Service Plan will be reported at the Service's senior management team meetings. Any proposed changes and redeployment of resources will be entered into the meeting minutes.

6.3 Areas of Improvement

A review of the Environmental Health team with regard to the food safety function has been undertaken in order to address the requirements of the amended Food Law Code of Practice and an action plan has been developed in response.

A review of future interventions in light of the additional freedoms offered by the Food Law Code of Practice has been undertaken in order to ensure the resources of the Service are utilised in the most effective way.

EQUALITY ANALYSIS

Please refer to Part 2 of the Equality Analysis Guidance

Name of Policy/Decision/Project/Activity:

Feed and Food Controls Service Plan 2013/14

Equality Analysis completed by:

Name / Job Title
Marion Dixon Environmental Health
Manager
Date: 16.08.13

Responsible Officer:

Name /Job Title:
Tom Terrett Assistant Head of
Street Scene (Public Protection
and Regulatory Services)

Date: 16.08.13

Is this a: Policy () Strategy (x) Function ()
Service () Project () Other ()

Is it: New/Proposed (x)
Changing/Being Reviewed () Other ()

1. Purpose and Scope

Purpose

In this section outline briefly what the policy, decision or activity is, what the intended outcomes/benefits (linked to the Corporate Outcomes Framework) are and over what period of time will the outcomes be achieved. Why does it need to be implemented or revised?

The Food Standards Agency requires local authorities to create, annually, a Feed and Food Controls Service Plan. The plan sets out the Council's strategy for monitoring feed and food standards throughout the City in 2013/14.

Scope

In this section consider who or where is the target for the policy or activity, this could be specific groups of people or organisations, individual wards, neighbourhoods or communities or the entire city. Links to, and overlap with, wider, local, sub-regional, regional or national priorities or activities should also be considered.

The target beneficiaries of the plan are all of the residents and feed and food businesses of the City.

Intelligence and Information

What sources of information have been used to inform this assessment/analysis? This should include but is not limited to consultations, resident/service user feedback and statistical data and intelligence.

The plan follows the format prescribed by the Food Standards Agency's Framework Agreement on Food and Food Controls by Local Authorities.

The plan uses data which collates the results of food and food work undertaken by the Council in 2012/13.

2. Analysis of Impact on People

This section offers an opportunity to assess the intended and potential impact of the policy, decision or activity on the people of Sunderland. This includes specific consideration of the impact on individuals, groups with protected characteristics and communities of interest within the city. Please briefly outline any positive, negative or neutral impacts on the specific groups below. In this assessment it is important to remember the Council is required to give due regard to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Characteristic	List of Impacts		
	Positive	Neutral	Negative
Age	Access in the City to safe and fairly described food.	None	None.
Disability	Access in the City to safe and fairly described food.	None	None.
Gender/Sex	Access in the City to safe and fairly	None	None.

	described food.		
Marriage and Civil Partnership	Access in the City to safe and fairly described food.	None	None
Pregnancy and maternity	Access in the City to safe and fairly described food.	None	None.
Race/Ethnicity	Access in the City to safe and fairly described food.	None	None.
Religion/belief	Access in the City to safe and fairly described food.	None	None.
Sexual Orientation	Access in the City to safe and fairly described food.	None	None.
Trans-gender/gender identity	Access in the City to safe and fairly described food.	None	None.

Other individuals or groups impacted on:

The policy or action may also have an impact on other groups or individuals which are not covered by the statutory requirements. Please outline any additional individuals or groups which have not already been covered. This could include socio-economic groups, voluntary and community sector, carers or specific communities which face additional challenges (such as former coal mining areas or areas of high deprivation)

It is not anticipated that any specific groups or communities would be affected by this project other than the benefits they will receive as part of the general population.

Gaps in intelligence and information:

Having undertaken the analysis are there any areas of intelligence or information which need to be improved? Please outline and areas where the current information is not complete enough to take a decision. Addressing this gap should be covered in the action plan.

None.

Policy/Decision/Project/Activity Title:

Feed and Food Controls Service Plan 2013/14

Responsible Officer: Tom Terrett, Assistant Head of Street Scene
(Public Protection and Regulatory Services)

3. Summary of Impacts and Response to Analysis

Please provide a summary of the overarching impacts that have been highlighted through the analysis process through the three questions below. It is important to recognise that individuals may belong to one or more of these characteristic groups and the combined impact could be greater than any single impact.

Who will the policy/decision/project/activity impact on and who will benefit?

The plan will directly impact upon feed and food suppliers in the City. All consumers and feed and food businesses in the City will benefit

Who will not benefit and why not?

It is not anticipated that any specific group would not benefit as a direct result of the plan

Who should be expected to benefit and why don't they?

No-one is expected to fail to benefit..

4. Response to Analysis, Action Plan and Monitoring,

In this section please outline what actions you propose to take to minimise the negative, and maximise the positive, impacts that have been identified through the analysis. By considering and implementing these actions the policy or action can be refined to make sure that the greatest benefits are achieved for the people of Sunderland. The performance monitoring process should also be set out to explain how ongoing progress is going to be followed to make sure that the aims are met.

From the analysis four broad approaches can be taken, (No major change, continue with the policy/action despite negative implications, adjust the policy/decision/action or stop the policy/action). Please indicate, using the list below, which is proposed.

No Major Change (☒)

Continue Despite Negative Implications (☐)

Adjust the Policy/Decision/Project/Activity (☐)

Stop

()

Action Plan

ACTION	WHO	WHEN	MONITORING ARRANGEMENTS

Cabinet 9th October 2013

**Budget Planning Framework 2014/2015 and Medium Term Financial Strategy
2014/2015 – 2016/2017**

**Report of the Chief Executive and Executive Director of Commercial and Corporate
Services**

1 Purpose of Report

This report identifies the key factors influencing the development of the Council's financial plans into the medium term and sets out the Budget Planning Framework for the Council for 2014/2015. The report sets out the headlines and context for Medium Term Financial Strategy 2014/2015 to 2016/2017 which will be formally considered in due course.

2 Description of Decision

Cabinet is recommended:

- to agree the proposed Budget Planning Framework summarised at Section 10 of the report which will guide the preparation of the Revenue Budget for 2014/2015;
- to note that the full Medium Term Financial Strategy 2014/2015 to 2016/2017 will be presented to Cabinet in February

3 National Economic Context

3.1 Impact of the Deficit Reduction Plan

The Government is continuing with its deficit reduction plan and announced a further £10bn reduction to department budgets in the Spending Round 2013, in addition to a £1.5bn cut announced in the Budget 2013. The Government indicated this was as a result of lower growth and lower tax revenues than anticipated.

Recent data has provided encouraging signs for the economy with Bank of England growth forecasts increasing for 2013 (from 1.2% to 1.4%) and for 2014 (from 1.7% to 2.5%). However, there is unlikely to be any reversal to Government spending plans which now show a fall in real terms until 2017/2018 at the same rate as over the Spending Review 2010 period.

3.2 Inflation

The Consumer Price Index (CPI) has been above the Government's target level of 2% since December 2009 placing additional pressures on the Council's finances.

CPI inflation reduced from 2.9% in June to 2.8% in July and the Bank of England predict that inflation will continue to fall and that they will meet their 2% inflation target within two years.

3.3 Base Rate

The Bank Base Rate has remained at an all time low of 0.5% since March 2009. The Bank of England announced forward guidance on their future plans in their Quarterly Inflation report (August 2013), stating that any increase in the current Base Rate would only be considered once the jobless rate has fallen to 7% or below. They forecast that an increase is therefore unlikely before the end of December 2016. This policy will be reconsidered if Consumer Price Index (CPI) inflation is judged likely to be at or above 2.5% over an 18 month to two year horizon.

A number of forecasters think that increased growth and employment creation will lead to Base Rates increasing before December 2016. This position will continue to be monitored and reviewed and the impact taken into account in budget planning.

4 Government Funding - 2014/2015 and 2015/2016

4.1 In January 2013 the Government provided indicative settlement figures for 2014/2015 alongside the final funding settlement for 2013/2014. However in March 2013 the Government announced a further 1% cut in funding.

4.2 On June 26th 2013 the Government announced the outcome of its Spending Review 2013. This set out a 10% real terms cut in overall funding for local government from the DCLG for 2015/2016. The Government also stated that taking account of all sources of local government funding, the spending round set out an overall local government spending reduction of 2.3%

4.3 On the 25 July 2013 the Department for Communities and Local Government (DCLG) published three consultation papers:

- Local Government Finance Settlement for 2014/2015 and 2015/2016 (response deadline 2nd October 2013);
- New Homes Bonus (NHB) (response deadline 19th September 2013);
- Use of capital receipts to fund transformation costs (response deadline 24th September 2013).

4.4 At the same time Government published exemplifications for each authority reflecting the financial impact of:

- the extra 1% government cut in funding for 2014/2015 announced in their March 2013 budget;
- additional proposed holdbacks in funding for 2014/2015 and
- a £3.1bn cut in core funding in 2015/2016.

4.5 The implications nationally and locally are set out below. The Council's responses to the consultation documents, submitted in accordance with Government deadlines, are set out at Appendix 1, 2 and 3 for information.

4.6 National Position

4.6.1 The latest exemplifications present a £3.1 billion cut (13.1% cash cut and 15% real cut) in core funding in 2015/2016, compared to the £2.1 billion 10% real terms cut announced in the Spending Review. The difference of £1bn is due to holdback of funding by Government and a cut of £0.8m to fund initiatives and funding allocations proposed by Ministers.

4.6.2 The £1 billion of top slicing and holdbacks is to be allocated outside the main business rates retention system, so some authorities will benefit but not all. The £1billion additional cut comprises:

- £0.8 million top sliced by Government for grants and other allocations some of which involve extra costs to local authorities. Funding will not be available to all authorities.

	Amount £m	Note
Collaboration and Efficiency Fund	100	Announced in the Spending Review. Allocation will be to participating authorities on a basis to be determined
Fire transformation fund	30	Announced in the Spending Review. Allocation will be to fire authorities on a basis to be determined
Social care new burdens (Dilnot)	335	Announced in the Spending Review. Allocation to social care authorities. £50m of this is capital
Independent Living Fund	188	Transfer from DWP to fund the costs of closing down the Independent Living Fund
Other Allocations	147	Announced in the Spending Review. Troubled Families and other Local Government allocations to be determined
Total	800	

- Additional funding is also being withheld by Government for New Homes Bonus, Business Rates Retention Safety Net and to support capitalisation.

The amounts held back in 2014/2015 and 2015/2016 are set out below:

Holdbacks	2014/15 Original £m	2014/15 Revised £m	2015/16 £m
New Homes Bonus	800	800	1,100
Safety Net*	25	120	50
Capitalisation	100	50	0
Totals	925	970	1,150
Changes		45	180

*The Safety Net is the funding that Government sets aside to fund payments to authorities whose local business rates income reduces by more than 7.5%.

4.6.3 Analysis of the cuts reveals that core funding in 2015/2016 will be cut by over £5.5billion nationally compared with 2013/2014 – a 21% cash cut and a real cut of 25%.

4.6.4 In addition to the above from 2015/2016, the Government announced that £400million of New Homes Bonus will be pooled into the Local Growth Fund and transferred to Local Enterprise Partnership areas. £400million equates to 35.09% of the National Audit Office's forecast total value of NHB Bonus for 2015/2016.

4.7 General Commentary on the Proposals

4.7.1 The proposals within the consultation documents raise a number of concerns which are articulated in the responses:

- The cuts, as currently exemplified are not evenly distributed across local authorities. This is because the new Business Rates Retention system works in such a way that the grant cut is taken as a % cut from Revenue Support Grant. While there is some adhoc protection of a few specifically identified funding streams e.g. council tax freeze grant, this results in an increased level of cut (25%) for all other services within the general funding block which includes funding for Children's Social Care, Older Peoples Social care, Council Tax (Benefit) Support and Supporting People Grant. The outcome of this approach is that areas with higher needs, such as Sunderland, get a higher cut. Therefore key statutory services attract cuts in funding that are extremely difficult to achieve from those service areas.
- The top slice of existing funds to be redirected to fund new burdens e.g. Social Care (Dilnot) is inappropriate as the new burdens bring with them additional costs. Government should be providing genuine new funding to meet these costs.
- There are issues with the proposed holdbacks of funding:
 - It is understood that the increase in safety net holdbacks is due to concern from the government over the impact of successful business rates appeals for only a few authorities, using potentially over cautious estimates of business rate income.
 - The proposed increased holdback of New Homes Bonus funding of £210m in 2015/2016 only adds to the inherent unfairness and inequity of the NHB methodology which significantly disadvantages deprived areas such as Sunderland. The proposed NHB holdback for 2015/2016 of £1.350bn in total appears to have been set at an excessively high and overly cautious level when compared to the NAO estimated requirement of £1.140bn.
 - The Capitalisation holdback is unjustified as it is an approval to spread costs rather than additional funding.
 - The council cannot plan its budget based on a 'potential' redistribution of any holdback funds unutilised, as redistributions of the held back amounts usually occur after the budget has been officially set and council budgets and service cuts made.
- It is currently unclear how the proposed national top slice of £400m will be distributed to the LEP's therefore any funding allocated to the NELEP is not guaranteed to equate to the amounts forfeited by the councils within its area. Even if funding is proportionately redistributed to local LEP's there can be no guarantee that Sunderland will receive the equivalent benefit to the funds they have forfeited. There is concern that LEP's with the strongest economies and biggest growth will receive a higher share of the Local Growth Fund.

- 4.7.2 While the Council's responses to the Consultation documents reflect the above concerns, the Council is also actively lobbying Government along with the LGA, SIGOMA and ANEC to ensure Government understands the local impact of their proposals.

4.8 Impact on funding for Sunderland

In overall terms the implications are that potential reductions between 2013/2014 and 2015/2016 could be in the region of £110m rather than £100m previously included in planning assumptions. Also the government have indicated similar levels of reduction may be in prospect to 2018 in order to meet their target to eliminate the structural deficit. The detail is set out below:

4.8.1 Settlement Funding Assessment

- 4.8.2 Based on the Settlement Funding Assessment (SFA - includes Revenue Support Grant and Business Rates baseline funding) exemplification set out by DCLG as part of the consultation documents, Sunderland will be required to make £42m of reductions over the two years 2014/2015 (£18m) and 2015/2016 (£24m).

This is before taking into account significant unavoidable spending pressures which the Council must meet.

Over the two year period the reduction is significantly higher, (circa £7m), than was expected following the SR2013 Government announcement and which had been provided for within the MTFS.

4.8.3 New Homes Bonus

- Sunderland will continue to be disadvantaged by the inherent unfairness within the NHB methodology through its continued use. It has been estimated that the net loss to the council under the New Homes Bonus funding arrangements arrangement in 2013/2014 is £1.6m.

As the national grant top slice increases to £800m in 2014/2015 and to £1,100m in 2015/2016 the council's net loss of funding increases in proportion, resulting in an estimated loss to the council from the NHB funding mechanism of £2.9m in 2014/2015 and £4.1m in 2015/2016.

- The above position assumes the Council would receive back a proportionate share of any undistributed NHB top-slice equating to £1.1m in 2014/2015, increasing to £1.6m in 2015/2016. However there is considerable uncertainty as to how much of this top slice will be redistributed, and therefore how much the council can prudently take into account in its budget planning.
- If the transfer of New Homes Bonus to Local Growth Fund is agreed then the council is projected to lose approximately £1m of its New Homes Bonus grant award in 2015/2016.

4.8.4 Revenue Spending Power

- As part of the indicative settlement figures for 2014/2015 provided by Government in January 2013, indicative grant funding levels were provided in respect on a number of other specific grants, which along with the SFA make up the Government's 'Revenue Spending Power' calculation e.g. NHS Funding to Support Social Care and Benefit Health.

While the Government have provided exemplification figures to show the financial impact in 2014/2015 on SFA of the additional cuts and holdbacks announced since January, they have not provided any further updates to other grants included within the Revenue Spending Power calculation. At this stage therefore it is assumed the levels of funding in respect of other grants within the Revenue Spending Power provided in the indicative settlement for 2014/2015 will be delivered.

- At the time of the Spending Review 2013 the Government stated that taking account of all sources of local government funding, the Spending Round set out an overall Local Government funding reduction of 2.3% for 2015/2016. At this stage Government have not provided any details of individual grant allocations for 2015/2016 which make up the Revenue Spending Power calculation, other than for RSG as set out at section 4.8.1. It is therefore not possible at this stage to identify how this significantly lower level of reduction is delivered.

There is the potential that the council will receive some allocation from the top-sliced funding streams referred to in paragraph 4.6.2; however at this stage it is not possible to quantify the potential amounts.

4.9 Other Funding Streams

4.9.1 Integrated Health and Social Care Pooled Budget

As part of the Spending Review the chancellor also announced a £3.8bn "pooled budget" to fund integrated health and social care in 2015/2016 to reduce hospital episodes for older and disabled people. £1.8bn is existing resources (for which the Council already receives allocation through RSG and the NHS Social Care grant). £2bn will be transferred from the NHS into the pooled budget. The Local Authority and the Clinical Commissioning Group (CCG) need to develop a 2 year plan for 2014/2015 and 2015/2016 which must be in place by March 2014 to show how the funding will be used across health and social care. Work is on-going to understand the detail and level of funding available to Sunderland and this will be included within the Budget Planning as details become clearer.

4.9.2 Public Health Funding

Public Health Funding of £20.656m is to be received in 2013/2014, and the Indicative Settlement for 2014/2015 included for £21.234m to be received by the Council.

Consultation on the basis of a future funding formula undertaken in 2012 enabled indicative allocations to be calculated from proposed formula recommendations

made by the Advisory Committee on Resource Allocation. The analysis indicates a potential substantial reduction in funding for Sunderland of £5.9m per annum if the formula was introduced. Sunderland have formally opposed the proposed funding allocation which is viewed as unfair and in particular does not take into account existing prioritised spend on Public Health within the city or reflect need appropriately.

Latest indications are that a new formula will not be introduced until after 2015/2016, therefore Budget Planning at this stage for 2014/2015 and 2015/2016 assumes funding will remain at the indicative level for 2014/2015.

4.9.3 Schools Funding

New funding arrangements were introduced from April 2013 for all schools and academies. This is the first stage of introducing a national funding formula in the next spending review period. The Government through the new formula is seeking to develop a clear and transparent funding formula that supports the needs of pupils and enables Schools and Academies to be funded on a broadly comparable basis.

The Department for Education undertook a short review in February this year to understand to what extent changes were needed in 2014/2015 in order to move closer to a national funding formula. They also wanted to understand whether any unintended consequences had arisen as a result of the arrangements for 2013/2014.

4.9.4 Education Services Grant (ESG)

The ESG is allocated on a simple per-pupil basis to local authorities and academies according to the number of pupils for whom they are responsible. The amount of funding to be received by the Council reduces with each school that transfers to an academy. Provision has been included within the Budget Planning Framework for the impact of academy transfers.

4.10 Other Issues which will impact on funding levels

- 4.11** It should also be noted that Government are currently undertaking a review of Adult Social Care Funding Formula which is planned will be implemented for 2015/2016. Exemplifications for 2015/2016 funding provided by Government do not yet reflect the potential impact of the outcome of the review.

5 Summary Outlook

- 5.1** At this stage, given the changes in the economic position and Government announcements regarding further funding reductions as part of the Spending Round, the outlook for local government funding continues to be bleak and subject to both unprecedented reductions and change up until 2017/2018 at least.

- 5.2 Final funding allocations will not be made available until the government releases its detailed information as part of the local government finance settlement for 2014/2015 in December, when it is hoped that indicative allocations will also be made available for 2015/2016 to help with longer term financial planning. At this stage however it is proposed to progress with planning based on the reductions in funding set out at is section 4.8.
- 5.3 There is no indication of funding allocations beyond 2015/2016, however at this stage it seems prudent to assume a similar level of reduction in SFA funding as is to be experienced for 2015/2016.

6 Local Income Position

6.1 Council Tax - Rate Increases

The Localism Act provides for the provision of referendums to veto excessive council tax increases. This effectively places a limit on council tax increases and if councils exceed the government limits then the public will be able to vote to agree or veto any considered 'excessive' increase.

As part of the Spending Review 2013 Government announced that a referendum will apply for proposed increases in Council Tax above 2%.

Government indicated as part of the Spending Review that Council Tax Freeze Grant would be made available for 2014/2015 and 2015/2016 at a rate of 1%. As the funding is not of a permanent nature any use of the grant to support on-going revenue expenditure will require alternative funding to be identified in the following years should the Council decide to access and accept the grant.

Consideration as to the affordability of this approach will be taken once firmer information on funding levels for 2014/2015 and 2015/2016 is available.

6.2 Council Tax and Business Rate - Growth in Base

Under the Retained Business Rates funding arrangement for local Government implemented from April 2013, the Council retains locally 49% of increased income arising from growth in Local Business Rates base (equally it shares the risk of any under achievement of income targets).

Processes are in place to ensure that the position in relation to both Business Rates and Council Tax future growth in bases and levels of collection are understood.

The position will be kept under review and additional income reflected in the Budget Planning Framework as appropriate.

6.3 Reserves and Balances

The Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

In accordance with the approach adopted to date all earmarked reserves will be revisited as part of the budget process to ensure they still accord with the Council's priorities and overall funding position.

7 Spending Pressures and Commitments

It is proposed to take into account the following spending commitments in the Budget Planning Framework for 2014/2015, noting that at this stage in a number of cases specific cost detail require finalisation and will be subject to review and refinement throughout the budget setting process:

7.1 Replacement of One-off Resources and Budget Pressures in 2014/2015

In meeting the funding gap for 2013/2014 the Council utilised £4.52m of one off resources. This therefore represents an on- going pressure into 2014/2015.

7.2 Pay and Pensions

7.2.1 Pay

The Government has indicated a limit on public sector pay of a 1.0% pay increase. For planning purposes a prudent provision has been built into the MTFS from 2014/2015.

7.2.2 Pensions

The Actuarial review of the Local Government Pension Scheme is currently underway, the results of which will impact from April 2014. The Government agreed to implement the recommendations from the Hutton Review and the cost implications of the new scheme will be reflected in the actuarial review. Indicative information will not be available until late 2013 although a spending pressure is anticipated.

At this stage some limited additional funding has been included for 2014/2015 however there is a risk that the impact could be significantly higher.

7.2.3 National Insurance

The Pensions Bill, which is expected to receive Royal Assent in spring 2014, contains provisions to reform the state pension system, introducing a single tier pension as a result. As part of these reforms, the contracting out for occupational pension schemes from April 2016 will be abolished. For employers, the abolition of contracting out will result in an increased cost of 3.4% on national insurance contributions. The Bill provides no method to alleviate the additional financial burden, although the LGA are seeking to work with Government to resolve this impact. At this stage it is prudent to reflect the impact for 2016/2017 within the medium term position.

7.2.4 Workforce Transformation

Financial implications associated with workforce transformation will be kept under review and accommodated from transitional resources set aside for this purpose.

7.3 Energy Prices

Energy and vehicle fuel prices continue to be particularly volatile. It is therefore proposed that prudent provision be included for continued annual increases in charges for gas, electricity and vehicle fuel for the medium term.

7.4 Waste Disposal

The PFI contract with a consortium led by SITA for the Treatment and Disposal of Residual Municipal Waste is expected to commence early 2014 subject to satisfactory completion of the current commissioning period. The impact of volume and cost variations have been factored into the Medium term Financial Strategy.

7.5 Adult Services Demand Issues

The increasing longevity of the national and specifically, the city's, population continues to place pressure on Adult Social Services budgets. In addition, client expectations and increasing demand to support clients with complex cases to enable clients to maintain independent living, is requiring reconfigured services and additional investment. The position will be kept under review and prudent provision included as appropriate.

7.6 Children's Services Demand Pressures

There continues to be increasing demand pressures in relation to safeguarding and specifically external placements and prudent provision will be made as appropriate to the strategy.

7.7 Economic Downturn

Whilst significant resources have already been earmarked to support service pressures and actions in response to the economic downturn as part of the previous years' budgets, given the continuing uncertainties, this will need to be kept under review and appropriate provision made throughout the budget process.

7.8 Welfare Reform

The Council continues to make plans for the significant number of Welfare Reform changes. These include measures that seek to mitigate against the significant adverse impacts anticipated across the city and changes to internal administration and support arrangements. This will need to be kept under review and appropriate provision made throughout the budget process.

7.9 Capital Financing

Prudential borrowing has been provided for within the medium term financial position in relation to known investments over that period, together with a provision to provide future flexibility at this stage to enable strategic priorities of the Council to proceed, in the future.

8 Spending Priorities

8.1 Priorities from Consultation

- 8.1.1 The Budget Consultation for 2013/2014 was undertaken within the context of the need to significantly reduce spending for a third year in light of the Government funding reductions. The findings demonstrated general support amongst respondents for the direction of travel of services and for the councils overall approach to making savings.
- 8.1.2 The proposals for the 2014/2015 Budget Consultation process are set out elsewhere on today's Cabinet agenda. The approach adopted will continue to explore views of residents about the direction of travel for services in response to the changing financial landscape.

9 Summary Resource, Pressures and Commitments Position

- 9.1 The total reduction in resources and spending pressures represents the estimated gross funding gap. However at this stage there is significant uncertainty in relation to:
- The general economic climate and public sector finances (direct connectivity between the economy and public finances)
 - Settlement confirmation for 2014/2015, probably not available until early December
 - The level of government funding reductions in 2015/2016, how the Government will respond to the outcome of the current consultations, and how this level of funding could further be impacted upon by Government formula reviews (Adult social Care, Public Health)
 - Significant other changes within the system (Welfare Reform, Schools etc.)
- 9.2 The level of funding reduction as currently presented represents a very significant challenge given the already compound impact of reductions since 2010. The prospect of significant reductions being required year on year continues over the medium term with further reduction in Council resources and capacity over the 2013-2017 period.
- 9.3 The table below summaries the best estimate of the resource and pressures position for the next two years taking account of the issues set out in paragraphs 4 to 8 above. Clearly this forecast is volatile due to the uncertainty surrounding the settlement and a number of other key financial issues.

MTFS 2013/2014 to 2015/2016	2013/14	2014/15	2015/16	Total
March 2013 Assumptions	£37.0m	£35.5m	£25.3m	£97.8m
Updated October following SR13	£37.0m	£35.5m	£35.3m	£107.8
Additional Requirement since March 2013			£10.0m	£10.0m

- 9.4 As outlined the savings requirement for 2014/2015 and beyond remains uncertain. However high level estimated reductions over the next three years are set out below

MTFS 2014/2015 to 2016/2017	2014/15	2015/16	2016/17	Total
Updated Three Year Planning	£35.5m	£35.3m	£40.0m	£110.8m

10 Budget Planning Framework

10.1 Community Leadership Programme

10.1.1 The Council has continued to develop its approach to meeting community needs by transforming services through some key programmes of work which will also support the delivery of the required financial savings over the medium term. The Council's Improvement Programme focuses on all services understanding and fulfilling their Community Leadership role which seeks to understand and meet a range of community needs through the following key elements:

- Demand Management - Developing the strategies and policies that enable the Council to manage demand and deliver services in a different and more agile way within communities;
- Development of an Intelligence Hub - with the aim of providing the Council with the information necessary to understand what it needs to do and ensure it is doing the right things to achieve the required outcomes;
- Cost of Supply and Customer Services Network (CSN) development - Increased focus on the CSN as the gateway and connector of demand and supply for services with the aim of targeting resources to areas of greatest need alongside continued delivery of efficiencies within Council services;
- Development of Alternative Service Delivery Models for services – continuing to look at the most effective and efficient models of provision for services over the short to medium term to ensure the residents of Sunderland are offered the best possible public services within the resources available;
- Strategic Services and Fixed Assets – further and continual review to meet the future needs of the Council and its communities and maximise use of Council assets.

10.1.2 Within that framework frontline services continue to be reshaped and refocused to:

- Ensure services are responsive to local needs;
- Protect core services particularly for those most vulnerable;
- Target resources rather than provide universal services.

10.2 Addressing the Savings Requirement

It is proposed the budget planning framework as set out below is adopted:

- General Issues
 - Budget planning to be based on high level position outlined at paragraph 9 and updated in light of the Local Government Settlement in December;
 - Provision for spending commitments be included at this stage on the basis set out at section 7 and kept under review;

- Spending priorities be considered in line with the finding of the budget consultation and emerging service improvement plans as set out in section 8;
 - Budgets be prepared on the basis that all spending pressures not specifically identified above as commitments be accommodated within Directorate cash limits;
 - All commitments against Delegated surpluses / reserves to be reviewed;
 - The position regarding Council Tax to be considered as part of the budget process
 - Commitments against general balances as set out in Appendix A be noted and updated throughout the budget process.
- Current Budget Savings Programme:

In accordance with the budget planning framework agreed for 2013/2014

- Original permanent planned savings for 2013/2014 will be achieved or an alternative must be delivered on an on-going basis in 2014/2015;
- Savings originally identified for 2014/2015 will be achieved. Alternative savings will need to be identified by Directorates where a proposal has become unviable;
- A programme of activity based around the Improvement Framework key principles as outlined at 10.1 be developed to address the gap;
- Continue to press forward with consideration of plans for new models of service delivery & improving services;
- Directorates be requested to bring forward additional savings plans to enable a programme of additional key service reviews to be proposed;
- Continued focus on Progressing Regeneration, Funding Leverage & Commercial Opportunities.

The framework will be robustly managed to ensure to ensure financial resilience is maintained

11 Reasons for Decision

- 11.1 The Budget Planning Framework forms an essential part of the process of the preparation and compilation of the Revenue Budget for 2014/2015.

12 Alternative Options

- 12.1 There are no alternative options recommended.

13 Impact Analysis

- 13.1 Impact assessments of Directorate actions to ensure the achievement of savings targets and a balanced budget position will be undertaken within Directorates as each action is developed.

Local Government Finance Settlement 2014-15 and 2015-16: Technical consultation

Response Consultation Questions

Question 1

Do you agree with the Government's proposal on how to implement the 1% reduction to the Local Government Expenditure Limit (LG DEL)?

NO

- We do not agree to the way the reduction is proposed to be made, when the Council fundamentally disagrees with both the level of funding reductions being incurred and the manner in which they are being allocated across local government. Sunderland is more reliant on government funding and yet it has incurred a higher disproportionate cut to its funding since 2010/11 and this trend is set to continue with the current proposals for both 2014/15 and 2015/16. To put this into context the Council has had to significantly transform its services to achieve savings of £136m and the revised funding cuts for 2014/15 to 2015/16 will require an additional £42m of budget cuts / savings, these can not be achieved without impacting on front line services which the council has managed to avoid up until now.
- Other important funding which is less visible is being subjected to deeper cuts without an understanding from government of the impact of the cuts and their deliverability. The consultation paper focussed only on the additional cut to that was previously proposed for 2014/15 but has not been adequately considered or debated in detail. The outcome of the overall cut in funding for 2014/15 must be considered in a far more transparent way. This is particularly important as it appears that the 2014/15 proposals produce a very significant redistribution of funding, with much higher cuts falling on the most deprived councils in the country such as Sunderland.
- From the cuts administered to date it is clear that there are huge variations in the level of cuts faced across local government and there is also clear evidence that councils that face the largest percentage cuts are those with the highest needs (eg highest proportion of children in need, highest proportion of low income pensioners etc.) combined with the lowest levels of income. Some of the more affluent councils have incurred some of the lowest cuts in funding to date and the consultation does not address this clear bias and unfairness.
- It is disappointing therefore that there are no alternatives being put forward to the Government's one proposal being consulted upon which will, if not addressed, continue the current unfairness of how the cuts in funding are being allocated and the Council would request that the government reconsiders this position and introduces a further paper to show alternative approaches on how to implement the 1% reduction in 2014/15 and the planned further significant cuts to funding in 2015/16. The LGA for example had set up an additional questionnaire (council

responses set out in this response) in relation to areas local government considered important in order to supplement the Government's consultation. There are alternatives that could be considered further such as applying grant cuts to deliver an average percentage cut in funding per dwelling or preferably a percentage cut per head of population. These are fairly simple and transparent ways to deliver the funding reductions required which the council considers would be much fairer.

- The additional reduction in funding for 2014/15 is not affordable for most deprived councils that are more reliant on government grant funding which are adversely being affected disproportionately from the funding reductions already being implemented for 2013/14 and in previous years. The scale of reductions in 2015/16 are significant and again analysis shows that the Metropolitan areas and those in the north east region are among those having to meet the biggest funding cuts and are significantly above the national average cuts exemplified.
- The council also has issues about the level of funds being held back particularly for both capitalisation and safety net funding in 2014/15 of £170m in total (a further increase of £45m) which benefits only a small minority of councils but which is in effect paid for by those that can least afford it by top slicing RSG and would request this hold back amount is withdrawn and included the resources made available to local government. If returned the Council would expect to see its resources increase by roughly £1.224m which would help its budget position in both 2014/15 and 2015/16.

Question 2

Do you agree with the proposal for reducing the funding available for capitalisation for 2014-15 by £50m and using this revenue to reduce the amount required to be held back from *Revenue Support Grant* to fund the safety net?

NO

- The Council does not agree with this proposal and reducing any amount held back by the government should be returned to local government as the Council fundamentally disagrees with safety net holdback, as it is considered unnecessary, and is based on estimates that may show that the hold back amount is in fact not needed or has been set far too high and is overly cautious and as mentioned above. Only a few councils benefit from the hold back amount (usually tariff authority's who are least reliant on government funding) – so for these reasons the Council does not support this action and would further question why all local authorities are being asked to pay via a reduction in national funding across the sector.
- We also do not consider it appropriate for there to be any reduction in funding for capitalisation directives in 2013/14 or for 2014/15 and future years. Alternative accounting solutions should be found that provide appropriate flexibility to spread significant one off costs over more than one year, without the necessity of a cut in revenue grant. The current approach results in an unfair outcome as all councils' revenue grants are being cut, for the Secretary for State to give permission to a few individual councils to use their **own funds** to fund capitalised expenditure, while

DCLG and Treasury appear to retain the cut in core funding. This anomaly within Central Government's accounting arrangement's needs addressing as a matter of urgency as this approach is resulting in real unnecessary cuts to core local government services.

Question 3

Do you agree with the way the Government proposes to hold back the funding that is necessary for New Homes Bonus and safety net support, and to return any surplus to authorities?

NO

- In the light of the severe impact of the funding holdbacks for these items we do not consider that any holdbacks of funding can be justified. In terms of the Safety Net Holdback, research has revealed that the need for the holdback is not justified. The costs primarily relate to the backdating cost of potentially successful rating appeals. Over the last two years DCLG has collected in over £600million of additional rates, some of which will be the subject of these appeals. In any event, the estimated Business Rates income to be collected in 2013/14 is likely to be underestimated by councils and the levy and central share available to fund the safety net is likely to have been overstated. With doubt about any actual year end costs DCLG should not be imposing up front cuts on services and jobs given the impact that it will have for councils, their service users; their employees and on the economy as a whole.
- The Council does not support this proposal for this and several other reasons and would request that the government considers ending the New Homes Bonus Grant funding mechanism altogether or as a minimum the Council would urge the government to fully fund a significantly reduced level of New Homes Bonus grant scheme if it is to be retained so that the significant and unfair redistribution impact of this funding stream is neutralised. Sunderland is currently losing significant net grant funding because of the way this mechanism is funded and allocated. The council contributes more into the top slice and benefits less as it has limited ability to grow additional new homes compared to the stronger economies.
- The Council is of the view that the NHB is fundamentally unfair, and is significantly redistributing funds away from the most deprived areas of the country such as Sunderland towards the higher growth and usually more affluent parts of the country. This means that the funding mechanism is flawed and is in need of an urgent review.
- The National Audit Office has also recently reported that the NHB is not achieving its desired objectives and has had a significant redistribution of funding impact across the country to the detriment particularly of the more deprived councils who are more reliant on government grant funding. They recommended that the government should review the New Homes Bonus Scheme to ensure the government understands the substantial financial risks to local authorities.
- Evidence provided by both ANEC and SIGOMA and which the LGA also recognises shows that this particular funding stream is one of the main causes of

the disproportionate impact of government funding cuts to councils such as Sunderland and the detrimental impact it has and continues to have on the most deprived councils across the country but especially in the North East region. A rebalance of resources is urgently required in order to smooth out and make the funding cuts more equitable across the country, to this end a radical review of the New Homes Bonus Scheme is seen as essential by this council.

- Local government itself is also recognising the inherent unfairness caused by this funding mechanism and the question should be how can the Government make the funding cuts fairer and more appropriate to the level of need and demands for services which the NHB currently does not address.
- It is therefore very difficult for the council to agree with new homes bonus holdback when it fundamentally disagrees with methodology for reapportionment due to its inherent inequity.
- Also the government must recognise that returning surpluses withheld to authorities is of no benefit in budget planning or to the local council tax payer when setting a level of council tax after as we do not know how much we will get back until after the budget has been set, thus implementing cuts to services that were subsequently not required. The current process does not help with budget setting or aid service planning at a time when all available resources need to be taken into account in the year they relate.
- On the question itself all unutilised funding should be returned based on the SFA / SUFA.

Question 4

Do you agree with the proposed methodology for calculating control totals for each of the elements within the *Settlement Funding Assessment*?

NO

The protections given to some funding streams that are visible is arbitrary and has the effect of increasing the cut in the general revenue funding block for all other services from -21% in cash terms over the two year to -25% over the two years. There is not a sufficiently strong case for giving some items a cash protection, allowing an inflationary increase in transport funding for London (while there is a 25% cut for transport funding for other areas). There is more merit in providing protection for other areas of funding, which cannot be given protection because the funding has not been kept visible, such as –

1. Children's Social Care
2. Concessionary Travel
3. Council Tax (Benefit) Support
4. Council Tax Resource Equalisation Adjustment (including compensation for student council tax exemptions)

5. Grants rolled in, including Supporting People Grant, Housing Strategy for Older People, HIV/AIDs and Preserved Rights
- The outcome is to increase the distribution of cuts towards areas that face the greatest pressure from deprivation (e.g. pressure on children's social care services); with higher proportion of pensioners (including frailer and poorer pensioners); with lower council tax bases; and with higher numbers of students.
 - The council would also seek clarity on the how the Council Tax Support Grant is being protected within the Settlement when it has been subsumed into the SFA / RSG mechanism. This would imply that to protect this element means a higher implied reduction for the remaining RSG general funding allocated. This leaves a difficult choice for councils especially those that receive the higher amounts for CTSG, which if they do not pass on the general funding reduction will have to find the additional savings from elsewhere within their budget. This impacts more in the deprived areas of the country where those on benefit are the highest. The council would request that the government fully funds this aspect of the settlement similarly to how they are protecting the Council Tax Freeze Grant so that there is transparency and it is clear that this is being protected within the funding system. Any funding implications arising from this should be borne fully by the government and not simply passed on in higher RSG cuts to funding.
 - It is also clear that Early Intervention Grant is being targeted with a further 8.5% reduction when most other specific grants rolled into the settlement are being 'protected'. The council would request the rationale behind this decision.

Question 5

Do you agree with the proposed methodology for transferring in the 2013-14 Council Tax Freeze Compensation?

NO

- While the freeze grant should be included, it should not be given a cash protection at the expense of a higher cut allocated to other services, including Council Tax Resource Equalisation Adjustment. In 2013/14 the Government accepted that the Council Tax Resource Equalisation adjustment should be restored. The current approach would see it cut again by 25% over the next two years. It is essential that it continues to have cash protection. Only then could it be justified to give protection to the council tax freeze grant.
- In respect of the question, the Council as an authority which has frozen its council tax since 2010/11 would seek an assurance that the freeze grant is fully protected within the new funding mechanism and it is also future proofed. This is considered very important so that this funding is transparent and is not eroded in future settlements to the disadvantage of those that took the difficult decisions to freeze council for its residents. We would prefer if this funding was kept as a separate grant outside of the SFA to ensure it can be tracked and protected.

Question 6

Do you agree with the proposed methodology for adjusting the 2015-16 settlement to take account of the loss of tax revenue due to the Exchequer from the local authorities who are too small to participate in the Carbon Reduction Commitment Energy Efficiency Scheme?

NO

The consultation paper proposes that the Exchequer should consider using the “New Burdens Principle” to take account of the lost tax revenue from the Local Authorities too small to participate in the Carbon Reduction Commitment Energy Efficiency Scheme.

The 2011 Guidance stipulates that ‘The new burdens doctrine only applies where central government requires or exhorts authorities to do something new or additional.’ However, this proposal does neither; it does not require authorities to do anything new or additional. If the government is to be consistent in its use of this principle it should reconsider its approach taken to the £800m designated as ‘New Burdens’ funding in the Spending Round announcement rather than cutting Core baseline funding as revealed in the settlement consultation. The Spending Round had given the impression that additional baseline funding would be available such as the £335m for social care new burdens associated with Dilnot reforms, rather than being part of it. New burdens funding is allocated to councils to meet new costs from the transfer of responsibilities or costs from central to local government. The £30m fire transformation fund and £100m collaboration and Efficiency Fund and the £188m costs associated with closing down the Independent Living Fund are further examples. Clearly these are instances that should have been dealt with under this doctrine and Core baseline funding should not have to be cut in this way.

In response to the question, any adjustment made to the 2015/2016 settlement must be targeted at those Authorities that have gained from dropping out of the CRCEE scheme and should not simply be another top slice to the system which is then funded by the majority of authorities. This is seen as another unnecessary cut to Sunderland’s funding which it can ill afford. The principle being more important than the level of funding involved.

For Information - Sunderland's Response to the LGA Survey

LGA Alternative Questionnaire

Q1. In allocating the cuts for 14-15 and 15-16 the government has protected funding for some elements, including the council tax freeze and for the learning disability and health forum transfer. Do you think this is the right approach? (See Table 2 in the consultation paper)

No

Comment

This results in an increased level of cut (25%) for all other services within the general funding block which includes funding for Children's Social Care, Older Peoples Social care, Concessionary Travel, Council Tax (Benefit) Support and Supporting People Grant. The perverse outcome of this approach is that areas with higher needs get a higher cash and higher percentage cut. It also means that some key statutory services attract cuts in funding that are extremely difficult to achieve.

Q2. Some authorities have raised what they regard as a fairer way of allocating cuts. In allocating the cuts for 14-15 and 15-16 should the government take into account of the fact that some authorities are more dependent upon government grant than others?

Yes

Comment

Resource equalisation has been further eroded in the new funding regime and a corrective adjustment is urgently required as the most deprived areas of the country are, as a result, bearing the deepest funding cuts.

Q3. For those that answered 'Yes' to number 2 above would you prefer?

A straight cut per dwelling split between tiers Yes

A cut allocated on a simplified spending power basis - eg Settlement Funding Assessment (revenue support grant plus business rates local share) plus council tax income Yes

Any other proposal – Yes - could base the cuts on a set % cut based on per head of population

Comment

All options are preferable compared to the existing methodology. No alternatives were, disappointingly, considered or provided within the consultation papers by the government – but options as set out above do exist and would help to: simplify and make the process more transparent and, would make the cuts in funding fairer across the country. These alternatives should be considered and exemplified by the government and be further consulted upon.

Q4. Is your authority likely to apply for capitalisation in 2013-14 or 2014-15

No

Comment

Q5. Do you agree that business rates appeal losses for 2012-13 and previous years should be set against the 'old' national NNDR pool?

Yes

Comment

The government has benefitted from surpluses generated from the NNDR system in the past and it is therefore considered fair that they should fund any successful appeals that relate to this period (up to 31st March 2013).

Q6. How is your authority dealing with estimated losses due to business rates appeals?

All estimated losses set against 2013-14 business rates income	Yes
Spreading over 5 years	No
Any other method	No

Comment

But would need to reconsider in light of any 'major' successful appeals

Q7. Do you agree that any amounts for the new burdens funding for social care should be genuine new money and not taken out of local government resources?

Yes

Comment

All new burdens funding should be genuine new money form central government and not simply being funded from the significant top slice proposed from existing local government resources.

Q8. Do you agree that in calculating the estimated New Homes Bonus for 2015-16 the government should use the NAO estimate of £1.140bn rather than the estimate in the consultation document of £1.350bn?

Yes

Comment

Essentially the New Homes Bonus methodology should be fundamentally reviewed given its inherent unfairness in the way funding is top sliced and then redistributed with the reward linked to council tax bands. This inevitably disadvantages more deprived lower tax based areas such as Sunderland. However if government insist on continuing with this methodology, would prefer the government uses the NAO estimates available.

Q9. In light of the grant reductions being consulted on, and the fact that Council Tax Support funding is no longer separately identified within the settlement, are you likely to reduce funding for your council tax support scheme in 2015-16?

Not Known - this will need to be considered once all of the data is known for the year ahead.

Comment

This funding should be preferably separated from the SFA and protected so that it is clear and transparent what the government's intentions are for this element of funding. The fact it is lost within the RSG implies a cut to this funding or a deeper cut to other services if this is 'protected'.

Q10. Do you think it is in line with the spirit of the business rates retention scheme for government to reduce RSG to take account of predicted RPI growth in the local share, as is proposed in the consultation document?

No

Comment

All funding generated by local government should be retained within the sector and should not be simply deducted from central government funding.

New Homes Bonus and Local Growth Fund: Technical Consultation

Response to the Consultation Questions

Specific responses to the individual questions posed within the consultation are as follows with the overarching principle that the council believes that the current level of funding should remain fixed at (2013/14) current levels until a fundamental review is carried out of the scheme.

Question 1:

We would welcome views on the underlying principles of pooling the New Homes Bonus in this way, with specific regard to ensuring that pooled funding remains in the Local Enterprise Area where it originates and that the method of calculating the Bonus remains unchanged?

The Council has significant concerns about the way in which the New Homes Bonus mechanism works, and the size and scale of the distributional impact the scheme has both on cutting formula funding by applying a simple percentage reduction to fund the scheme, and then by allocating the reward linked to council tax bands which broadens the distributional impact by benefiting wealthier less deprived high tax base Councils over poorer more deprived low tax base Councils such as Sunderland. This is because Councils such as ours with high needs and low tax base and high levels of council tax benefit costs have a larger top slice from their revenue support grant used to fund the scheme. We also in common with more deprived areas receive less reward grant back from the scheme as this is based upon housing growth which is generally constrained by lower market demand and lower council tax values.

The scheme therefore does not reflect the very different housing market conditions that councils are facing. Factors such as Councils facing much more difficult housing market conditions due to external factors – such as the economic downturn – are losing out not because they are not striving to build houses but simply because of the prevalent market conditions.

The Council is a net loser from the scheme, which is the case for all North East authorities, as its top sliced contribution is not matched by the Reward grant it receives each year. The gap for 2013/14 is £1.5m which will increase to an estimated £2.8m in 2014/15 and to £4.1m in 2015/16. If the LEP transfer is implemented the gap will grow further in 2015/16 to approximately £5.1m.

The New Homes Bonus scheme is an unringfenced revenue grant payable to each council for a period of six years. Two of its main principles are that it is Predictable and Flexible:

- a) "Predictable - the scheme is intended to be a permanent feature of local government funding and will therefore continue beyond the six-year cycle. The design features have been kept simple and stable to ensure that expected rewards for growth are delivered.
- b) Flexible - local authorities will be able to decide how to spend the funding in line with local community wishes..... This may relate specifically to the new development or more widely to the local community. For example, they may wish to offer council tax discounts to local residents, support frontline services like bin collections, or improve local facilities like playgrounds and parks."

Taking the above into account and in response to the question, the proposals outlined give no recognition of the current level of reward and how that has already been committed in council budgets and forward planning under the principles of the current scheme. Reward grant, earmarked and anticipated based on current levels rolling forward by Councils to use as they see fit, should remain intact. The issue with the proposals is that Government intend to take funding included in council base budgets and transfer 35% of it to the LEPs without recognition of the existing use / proposals and the potential impact on council budgets and forward planning.

Therefore, current levels of reward grant should remain intact with only a proportion of the new reward grant allocated to LEP's from 2015/16 within that authority area but only if the Government decide to increase their funding for the New Homes Bonus scheme.

In conclusion the Council is therefore of the view that the New Homes Bonus Scheme is in need of reform as it currently redirects resources away from the most deprived areas of the country such as Sunderland to the more affluent areas of the country, and is in urgent need of review. This is a view shared by the independent National Audit Office.

The Council would recommend that the government considers freezing the New Homes Bonus Reward Grant and Top slice at its current 2013/14 levels and reduce or preferably remove altogether the proposed transfer of New Homes Bonus of £400m nationally to the LEP's until a full review of the New Homes Bonus is carried out.

Question 2:

The first mechanism is that an equal percentage of all New Homes Bonus allocations will be pooled to the lead authority of their Local Enterprise Partnership, the precise percentage to be determined, but will be that necessary to make £400m nationally. Do respondents consider this to be an appropriate method?

Yes, this would be our preferred mechanism

Question 3:

The second mechanism would act as described above for all areas with a single tier of local government (unitary authorities, metropolitan boroughs, etc). Where areas have two tiers of local government (lower tier district councils and upper tier counties) the alternative distribution mechanism would operate whereby upper tier authorities would surrender all of their New Homes Bonus, with the balance coming from the lower tier. Do respondents consider this to be a preferable method of pooling for two tier areas?

Not applicable.

Question 4:

Do respondents consider that the content of the proposed condition placed on the section 31 grant will be sufficient to enforce the local pooling of the New Homes Bonus funds?

Yes.

Question 5:

The government considers that the existing accountability arrangements for Local Enterprise Partnership should apply to pooled funding as these are considered to provide sufficient safeguards for the protection of spending. Do recipients agree?

Yes.

Question 6:

Do recipients agree that locally pooled New Homes Bonus in London should pass to the Greater London Authority to be spent under existing arrangements?

Not Applicable but would suggest that this should be determined by London Councils.

Question 7:

Do you agree that where an authority is a member of more than one Local Enterprise Partnership, then the proportion to be pooled should be divided equally amongst the Local Enterprise Partnerships?

This seems a sensible view unless it would make sense to split proportionately according to the size of the LEPs.

Question 8a:

The Government proposes that where local authorities can demonstrate that they have committed contractually to use future bonus allocations on local growth priorities, Local Enterprise Partnerships should take this into account when determining their local growth plan and their priorities for using pooled funding. Do respondents agree with this proposal?

As highlighted in Question 1 the New Homes Bonus final scheme design payment is an unringfenced revenue grant payable to each council for a period of six years with one of the key principles of the scheme being it's flexibility for local authorities to be able to decide how to spend the grant within their local communities and the predictability that the funding is a permanent feature of local government funding captured for six years for each years reward.

Under the principles of the final scheme design we believe that Council's should not have to be required to demonstrate that they have committed contractually to use future bonus allocations. It should be sufficient that it has been budgeted for and used under the flexibility principle of the scheme in line with Council priorities.

Question 8b:

If respondents disagree with question 8a are there alternative approaches for dealing with such commitments?

Please refer to comments in 8a.

Question 8c:

Are there other circumstances in which a spending commitment should be taken into account by the Local Enterprise Partnership?

Yes, where New Homes Bonus has been incorporated into base budgets whether that is for growth priorities or in line with local community priorities as highlighted under the flexibility principle.

Proposals For The Use Of Capital Receipts From Asset Sales To Invest In Reforming Services

Response to the Consultation Questions

Question 1:

Do you consider that the proposal to allow some flexibility for use of capital receipts from new asset sales will provide you with a useful additional flexibility for one-off revenue costs associated with restructuring and reforming local services to deliver long term savings?

Yes - the ability to use capital receipts could provide additional flexibility in reforming services to deliver long term savings. The process however needs to be simple, timely and practical in its application.

Question 2:

To evidence base the response to Question 1, we would welcome (in no more than 400 words) your initial ideas for change(s) that you consider would benefit from the flexible use of capital receipts policy?

Information could include the level of funding required, type of asset(s) to be disposed, details of the service transformation and savings that could be achieved and future use of the asset(s).

The Council is looking into bids to use the flexibility provided to develop reform of IT processes, for initial consultancy work design to facilitate long term savings and to use as funding to facilitate the reduction of staffing numbers necessary within the Council as it transforms services. Assets proposed to be sold will generally be those assets that are no longer required by the Council following initial restructuring of services and a property rationalisation programme that the council has undertaken. At this stage we are unable to quantify the savings that could be achieved or the future use of the asset(s). The requirements from government in this area however should allow a high degree of local flexibility and not be unnecessarily prescriptive.

Question 3:

Do you agree that these criteria should be used, or would you suggest alternative or additional measurements to decide a bid based approach and ensure a fair distribution for the proposed flexibility?

No - We do not think that the forward use of an asset should be part of the criteria on which bids are assessed. Assets should be sold with the purpose of achieving the highest value receipt possible which may not be received if conditions must be attached to sales i.e. developers must build social housing.

Question 4:

Do you agree that a direction letter mechanism would be the best method of delivering the aims of the policy proposal?

Yes - Under a bid based system the direction letter mechanism is the best method of delivering the aims of the policy proposal. An alternative would be to allow a general use of capital receipts to be spent on revenue items where an authority can prove that this is for one off spending that can deliver savings over, say, at least a 5 year period.

Question 5:

Is the proposed timetable realistic to allow for the practical implementation of the flexible use of capital receipts proposal?

No - the proposed timetable is inflexible and should allow for expenditure over more than one financial year. In particular there should be further flexibility especially where councils are collaborating with other organisations.

Question 6:

If you felt the timetable was not realistic, what changes would you make to the proposed implementation of the policy to allow for the practical delivery of the flexible use of capital receipts?

It should allow for revenue expenditure to take place over the period October 2014 to March 2017 and disposal of assets to take place over the period August 2013 to March 2017. Depending on the size and / or complexity of the scheme it may not be possible to contain spend within one financial year. There is often a time delay in placing assets for sale and receiving a capital receipt. Unless asset management plans are sufficiently developed then it is also not certain that disposal will take place before March 2016. Both of these limitations could be exacerbated where a council is working in collaboration with other organisations to achieve efficiencies.

Statement of General Balances

	£m
Balances as at 31st March 2012	7.570
Use of Balances 2012/2013	
- Transfer to Strategic Investment Reserve	(6.031)
Additions to Balances 2012/2013	
- Ring Fenced Salaries, Unutilised Contingency and non-delegated budget savings	6.031
Balances 31st March 2013	7.570
Use of Balances 2013/2014	
- Contribution to Revenue Budget	(2.572)
Additions to Balances 2013/2014	
- Transfer from Strategic Investment Reserve to support transitional costs	2.572
Estimated Balances 31st March 2014	7.570

CABINET

6 November 2013

ANNUAL AUDIT LETTER 2012/2013

Report of the Executive Director of Commercial & Corporate Services

1.0 Purpose of Report

- 1.1 This report details the external auditors (Mazars) Annual Audit Letter (AAL) covering the year 2012/2013. A copy is attached.

2.0 Description of Decision

- 2.1 Cabinet is recommended to:

- Note and comment on the contents of this very positive report, and
- Refer the report to Council for their consideration.

3.0 Introduction

- 3.1 The Audit Commission's Code of Audit Practice requires auditors to prepare an AAL and issue it to each audited body. The purpose of preparing and issuing AALs is to communicate to the audited body and key external stakeholders, including members of the public, the key issues arising from the auditors' work, which auditors consider should be brought to the attention of the audited body.
- 3.2 The AAL summarises the findings of the 2012/13 audit, which comprises of two elements:
- An audit of the Council's financial statements
 - An assessment of the Council's arrangements to secure value for money in the use of its resources

4.0 Summary Position

- 4.1 The AAL is extremely positive overall providing a strong endorsement of the financial management and planning and governance arrangements in place across the Council.
- 4.2 The Auditor issued an unqualified audit opinion on the Council's financial statements and an unqualified Value for Money conclusion. The report confirms that the Council:

- Produced accounts for 2012/13 that gave a true and fair view of the council's financial position and that no objections to the accounts were received
- Accurately reported its financial performance to government via the Whole of Government Accounts process
- Had proper arrangements in place to secure value for money.
- Was financially resilient and had managed its financial position very well as both budget setting and close budget monitoring were considered robust which had culminated in an underspend of £6m despite having to successfully deliver continued significant financial savings in 2012/13.
- Is aware of the continued and significant reductions in funding it is facing and in this context is continuing to identify ways of ensuring service sustainability and new ways of working, the details of which are set out on page 7 of the Auditors AAL.

5. Alternative Options

5.1 Not applicable as the report is for information only.

6. List of Appendices

Appendix A - Sunderland City Council Annual Audit Letter 2012/2013

Annual Audit Letter to:
Sunderland City Council

Appendix A



Audit 2012/13

October 2013



Contents

- 03 Key messages
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- 06 Securing economy, efficiency and effectiveness
- 08 Fees and closing remarks

Our reports are prepared in the context of the Audit Commission's 'Statement of responsibilities of auditors and audited bodies'. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Council and we take no responsibility to any member or officer in their individual capacity or to any third party.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.

Key messages

The 2012/13 audit for Sunderland City Council was completed by the statutory deadline of 30 September 2013.

The Accounts for 2012/13 gave a true and fair view of Sunderland City Council's financial position.

The Council accurately reported its financial performance to Government through the whole of government accounting process.

Sunderland City Council had proper arrangements in place to secure value for money.

There were no objections to the Council's accounts and we have certified closure of the 2012/13 Audit.

This letter represents the completion of our first year as your appointed auditor. We are grateful for the cooperation and assistance provided by officers and Members in completing our work.

Looking to the future

In our view Sunderland City Council will have to respond to some key challenges over the next few years:

- Continuing to deliver good quality services but with fewer resources, and delivering some services in new ways and using alternative models of service delivery
- Making a success of major projects such as the local asset backed vehicle (LABV), City Deal and new Wear crossing
- Working with its partners to deliver the proposals for a Combined Authority and for the North East Local Enterprise Partnership (NELEP).

Our 2013/14 audit will focus on the risks that these challenges present to the Council's financial statements and its ability to maintain proper arrangements for securing value for money.

We will also share relevant insights that we have as a national and international accounting and advisory firm with experience of working with other public sector and commercial service providers.

Financial statements

The financial statements are an important tool for Sunderland City Council to communicate how it has used public money. We issued an audit report including an unqualified opinion on the financial statements on 30 September 2013.

The draft financial statements were of a very good quality overall, as were the supporting working papers. The Council's accountancy team was very helpful and cooperative, enabling us to complete our audit work efficiently and effectively.

Audit findings

Our detailed findings were reported in our Audit Completion Report to the Audit and Governance Committee on 27 September 2013.

We did not identify any significant deficiencies in the accounting and internal controls systems during the course of the audit.

Our audit identified a small number of minor misstatements, presentational and disclosure issues and management amended the Accounts for nearly all issues. There was one unadjusted presentational error of £607k which was not material and officers and Members felt it unnecessary to make a correction.

Securing economy, efficiency and effectiveness

We are required to conclude whether the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We issued an unqualified conclusion on 30 September 2013 stating that the Council had proper arrangements to secure economy, efficiency and effectiveness in the use of its resources.

We assessed your arrangements against the two criteria specified by the Audit Commission and set out below our conclusion against each of them.

Financial resilience

The Council managed its financial position very well. Budget setting was robust, and its close monitoring ensured delivery of spending within budget. The outturn report for 2012/13 shows that the Council underspent against its annual revenue budget by £6 million, whilst at the same time delivering the services it had specified. This saving will contribute towards helping the Council manage the further significant reductions in Government funding it faces in future years.

The latest VFM profiles, produced by the Audit Commission, show the General Fund Balance was close to the average for similar authorities, and that the Council is prudent in setting aside earmarked reserves. Earmarked reserves are in place for specific plans and projects and will help the Council manage the financial challenges it faces over the next few years. During 2012/13 the Council's usable reserves reduced by £15m overall and assisted in change management.

The Council is financially resilient. The Medium Term Financial Strategy sets out how the Council proposes to deal with the difficult economic prospects and the cuts in central government grant funding. The Council has also considered the impact of the retention of business rates and localisation of council tax support, which also has a potentially adverse financial impact, and is monitoring these areas closely.

Securing economy, efficiency and effectiveness

In recent years, the Council has made significant changes to secure its future viability as a community leadership council. In the financial years 2010/11, 2011/12 and 2012/13 the Council has delivered savings of almost £100m to meet grant reductions and cost pressures, and in the next 3 year period it is expecting to have to deliver a further similar amount.

The Council has delivered ambitious plans and has recognised that there is more to do:

- By redesigning key activity areas so they are financially sustainable, including exploring alternative models of service delivery, such as local authority trading companies, joint ventures and mutuals, and working more closely with local communities, partners and the community and voluntary sector
- Addressing the financial pressures in social care, created by the demand for services from an ageing population, in a time of financial constraints
- Promoting economic regeneration through a local asset backed vehicle (LABV) with a private sector partner
- Delivering its City Deal with Government, including developing a new advanced manufacturing site near Nissan, and developing the Vaux site and the city centre
- Delivering the new Wear crossing, and trying to maintain a strong capital programme to improve infrastructure and provide stimulus to the local economy
- Working with its local authority partners to develop a Combined Authority to deal with economic growth, skills and transportation and making a success of the North East Local Enterprise Partnership (NELEP), where the Council has a lead role as accountable body.

Fees and closing remarks

Our audit fees for the year are in line with those communicated in our Audit Strategy Memorandum dated 19 February 2013, being £179,562 (plus VAT). In addition we carried out the audit of three grant claims and returns at an estimated cost of £16, 050 (plus VAT).

We have also undertaken one non-audit service for the Council relating to 2012/13; the Executive Director of Commercial and Corporate Services commissioned a Review of Internal Audit for a fee of £3,500 (plus VAT).

We have discussed and agreed this letter with the Executive Director of Commercial and Corporate Services and copies will be provided to all Members. Further detailed findings and conclusions in the areas covered by our audit are included in the reports issued to the Council during the year.

Report	Date issued
2012/13 Audit Fee Letter	November 2012
Audit Strategy Memorandum	February 2013
Audit Completion Report	September 2013
Audit Opinion on the Financial Statements	September 2013
Audit Certificate	September 2013

Steve Nicklin
Director
Mazars LLP
October 2013

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CABINET

6 NOVEMBER 2013

CHIEF FINANCE OFFICER - SECTION 151 LOCAL GOVERNMENT ACT 1972

Report of the Chief Executive and Head of Law and Governance

1. PURPOSE OF THE REPORT

- 1.1 To propose interim arrangements for the allocation of Chief Finance Officer responsibilities.

2. DESCRIPTION OF THE DECISION

- 2.1 That Council be recommended to note and endorse the interim arrangements for the allocation of Chief Finance Officer responsibilities (Section 151 Local Government Act 1972) set out in the report, pending a permanent appointment being made.

3. APPOINTMENT OF CHIEF FINANCE OFFICER

- 3.1 It is necessary to designate an officer as Chief Finance Officer (Section 151 Local Government Act 1972) for the purposes of Article 12 of the Constitution with effect from 1st December 2013, following the resignation of the Executive Director of Commercial and Corporate Services. It is proposed that the council's Head of Financial Resources should be designated Chief Finance Officer, to fulfil this role pending permanent appointment as she has the required qualifications and experience to carry out this role.
- 3.2 In the event of a Chief Officer post being vacant, the Council's delegation scheme permits the relevant Heads of Service within that Department to exercise delegated powers so far as permitted by law. This will enable continuity of services within each of the existing Directorate service areas to be maintained.

4. REASONS FOR DECISION

- 4.1 It is necessary for the council to designate an interim Chief Finance Officer pending a permanent appointment, and to re-allocate responsibilities for the reasons set out in the report.

5. ALTERNATIVE OPTIONS

- 5.1 No alternative options are submitted for consideration.

6. BACKGROUND PAPERS

- 6.1 Sunderland City Council Constitution.

CABINET

6 NOVEMBER 2013

PROPOSED AMENDMENTS TO THE COUNCIL'S DELEGATION SCHEME – DOG CONTROL ORDERS

Report of Deputy Chief Executive and the Head of Law and Governance

1. Purpose of the Report

- 1.1 To seek approval to amend the Council's Delegation Scheme to provide for the following:

To authorise the Deputy Chief Executive to exercise all necessary operational enforcement powers expeditiously under the Clean Neighbourhoods and Environment Act 2005 in respect of Dog Control Areas.

And to set the amount of the fixed penalty for breach of a Dog Control Order.

2. Description of Decision

- 2.1 That Cabinet approve the course of action set out in this report and recommend to Council:-

(1) that the Council's Delegation Scheme in Part 3 of the Constitution be amended as follows:-

Paragraph 2.96(i) (Deputy Chief Executive) be deleted and substituted as follows:-

"2.96(i) Clean Neighbourhoods and Environment Act 2005 (Sections 3-9 Vehicles, sections 18 – 19 Litter, sections 55-68 Controls on Dogs (including, for the avoidance of doubt, the power to make dog control orders under section 55, subject to taking into account the views of the relevant Area Committee in cases where representations are received in response to consultation) and sections 69 -81 and 82 -86 Noise)."

and

(2) that the amount of a fixed penalty payable in respect of an offence under a dog control order be set at £75 (discounted to £50 if paid within 10 days).

3. Introduction and Current Position

- 3.1 Dog fouling is a consistent issue raised both by residents during consultation and elected members through Place Boards. At present powers are limited to officers issuing fixed penalty notices under The Dogs (Fouling of Land) Act

1996. Officers have been working with all Place Boards to develop a more effective approach to tackling dog fouling by examining the powers available to the Council under the Clean Neighbourhoods and Environment Act 2005 ("the Act").

- 3.2 This Act gives broader powers to Local Authorities to deal with dog control through what are termed Dog Control Orders. It includes 5 offences where measures could be implemented in defined areas as deemed appropriate by Council.

The offences are:-

- Failing to remove dog faeces;
- Not keeping a dog on a lead;
- Not putting, and keeping, a dog on a lead when directed to do so by an authorised officer;
- Permitting a dog to enter land from which dogs are excluded;
- Taking more than the specified number of dogs onto land.

- 3.3 These powers enable greater control to be placed on dog handlers where required and where a Dog Control Order is made in respect of any land that was previously designated land for the purposes of the Dogs (Fouling of Land) Act 1996, the provisions of the 1996 Act will cease to apply in respect of the area that is subject to the Dog Control Order.

- 3.4 DEFRA guidance advises local authorities that the making of a Dog Control Order should be "a necessary and proportionate response to problems caused by the activities of dogs and those in charge of them." Authorities need to balance the interests of those in charge of dogs against the interests of those affected by the activities of dogs and due consideration must be given to those factors. The procedure for making a Dog Control Order is set out in The Dog Control Orders (Procedures) Regulations 2006. Before making an order, an Authority must consult and publish notice of its proposal in the local press. Any representations received as a result of the consultation must be considered and if an Order is subsequently made, it must be publicised by signs on the land to which it relates (where practicable) and by notice in the local press and on the Authority's website. Breach of the provisions of a Dog Control Order is a summary offence that carries a maximum penalty of a fine of up to £1,000. Under section 60 of the Act, the fixed penalty payable in respect of an offence under a Dog Control Order may be specified by the Authority, at a value between £50 and £80 (with a default level of £75 being applied if the Authority does not specify a sum). Following the initial implementation of the Act in 2007, the Council resolved that the level of fixed penalty for an offence under any Dog Control Order that may be made should be £75, discounted to £50 if paid within 10 days, in order to bring the matter in line with penalties for littering offences.

- 3.5 All Place Boards support the introduction of Dog Control Orders and have identified locations where their implementation would improve the environmental quality of their areas. Recommendations identified by Place Boards will be referred to Area Committees for consideration. The existing Delegation Scheme requires updating so that the Deputy Chief Executive has the required powers to subsequently approve the orders. It is proposed that the Deputy Chief Executive will undertake the necessary consultation process in respect of any Dog Control Order proposed by an Area Committee. In cases where no representations were received in response to consultation, the Deputy Chief Executive would be authorised to approve the making of the Order without further report to the Area Committee. In cases where representations were received, these would be reported back to the relevant Area Committee for further consideration. The Deputy Chief Executive would then be authorised to approve the making of the Order in appropriate cases after taking into account the recommendations/views of the Area Committee and to take all necessary action to publicise the making of the Order, in line with the requirements of the Procedures Regulations.

4. Reasons for Decision

- 4.1 To ensure that the Deputy Chief Executive is authorised to exercise all necessary operational enforcement powers expeditiously under the Clean Neighbourhoods and Environment Act 2005 in respect of Dog Control Areas. The development and implementation of Dog Control Orders will be coordinated through Place Boards and Area Committees.

5. Alternative Options

- 5.1 The only alternative option is to require the making of Dog Control Orders to remain a Cabinet decision. This would prolong the process for introducing Dog Control Orders and make the process less responsive to local Area needs.

6. Impact Assessment

- 6.1 Any proposal to implement a Dog Control Order would be developed by Place Boards and Area Committees and be subject to formal public consultation. The formal making of a Dog Control Order would be subject to an individual decision by the Deputy Chief Executive after taking into account the recommendations of the relevant Area Committee.

7. Background Papers

- 7.1 There are no background papers associated with this report.

Notices of Motion

NOTICES OF MOTION

Council Members are asked to consider the under mentioned Motions:-

(i) Notice of Motion – 21st Anniversary of the Award of City Status

This council congratulates the City of Sunderland on the 21st anniversary of the award of city status and notes its successes and failures.

Councillor R. Oliver
Councillor P. Wood
Councillor G. Howe
Councillor R. Francis
Councillor J. Wiper

(ii) Notice of Motion – British Nuclear Tests Veterans Association

This Council notes that its commitment to the Armed Forces Community Covenant ensures the needs of those residents of Sunderland who serve, or have served, the country are recognised and supported at a local level.

Further notes that many other residents have, through a range of professions, served the country in equally significant measure, such as in national security and defence – including those who participated in the testing of Britain's nuclear weapons in the 1950s and 1960s.

Welcomes that, following a Ministry of Defence commissioned Health Needs Analysis in 2011 of British nuclear test veterans, the NHS have introduced a number of practical measures to support them.

Believes that other parts of the public and voluntary sector should seek to introduce similar measures to support nuclear test veterans, and that the Council should lead this at a local level by extending the provisions of the Armed Forces Community Covenant to those veterans who live in Sunderland.

Furthermore this Council urges the Government to support the campaign of the British Nuclear Tests Veterans Association by:

- Officially recognising the unique service of the veterans and acknowledge the nation's continuing debt to them; and
- Supporting the intention to establish a Benevolent Fund of £25million to provide assistance for those veterans and their descendents in need.

Agrees to ask our Member of Parliament to back this campaign and join the Council in urging the Government to support the requests outlined above.

Councillor H. Trueman
Councillor R. Oliver
Councillor P. Wood
Councillor P. Watson
Councillor M. Speding
Councillor B. Scaplehorn
Councillor R. Francis
Councillor M. Forbes
Councillor C. Wakefield

(iii) Notice of Motion – Sunderland Royal Hospital

This Council condemns the decision by the Tory led Coalition not to include Sunderland Royal Hospital in the proposed, NHS £235million winter planning, funding programme.

Councillor J. Kelly
Councillor G. Miller
Councillor M. Speding
Councillor H. Trueman

Reports

Quarterly Report on Special Urgency Decisions

Report of the Leader

The Council's Constitution requires that a quarterly report be submitted to Council on executive decisions which have been taken as a matter of special urgency. This requirement is now contained in Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

This is the special urgency provision under which key decisions may be taken by the executive, although not contained in the 28 day Notice of Key decisions (whether proposed to be taken in public or private), where compliance with Regulation 10 (the general exception) was also impracticable.

There have been no such instances since the last quarterly report.

Recommendation

That the Council notes the content of this report.

COUNCIL**27 NOVEMBER 2013****APPOINTMENTS – INDEPENDENT MEMBER OF THE AUDIT AND GOVERNANCE COMMITTEE, SUNDERLAND BUSINESS IMPROVEMENT DISTRICT COMPANY, ADULT PARTNERSHIP BOARD AND SUNDERLAND HEALTH AND WELLBEING BOARD****Report of the Executive Director of Commercial and Corporate Services****1.0 Introduction**

- 1.1 The purpose of this report is to consider the appointment of an Independent Member to the Audit and Governance Committee and appointments to the Sunderland Business Improvement District Company and Adult Partnership Board and to note an appointment to the Sunderland Health and Wellbeing Board.

2.0 Independent Member of Audit and Governance Committee

- 2.1 The Council recognises the need to ensure good governance in delivering public services and has an audit committee to:
- Provide independent assurance of the adequacy of the risk management framework and the authorised control environment
 - Provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects exposure to risk and weakens the control environment
 - Oversee the financial reporting process
- 2.2 The Council's Audit and Governance Committee includes two independent members (one of whom acts as Independent Chair) to oversee and assure these arrangements. The other independent member has recently retired from the Committee.
- 2.3 A recruitment process to select and recommend an appropriately experienced new independent member to the committee has been undertaken. The role was advertised in the Echo and Journal with a closing date for applications of 25 October.
- 2.4 Three candidates have been shortlisted. The Chair of the Audit and Governance Committee and the Deputy Leader interviewed the short-listed candidates on 15th November, and recommend that Mr Martin Knowles be appointed for a period of three years with an option for the Council to renew annually thereafter.

- 2.5 Mr Knowles, is currently retired, but has recently been Interim Chief Executive of South Tyneside Homes. Previously Mr Knowles has worked at CEO level for 14 years with Four Housing Group, and has also held Director of Finance roles with a number of NHS Trusts. In addition, Mr Knowles currently serves on the Audit Committees of New College Durham (where he is Audit Chair) and Two Castles Housing Association. As such, Mr Knowles has a vast range of experience relevant to the work of the Audit and Governance Committee.

3.0 Sunderland Business Improvement District Company (BID)

- 3.1 The Cabinet at its meeting held on 9 October 2013 considered a report of the Deputy Chief Executive on the Sunderland Business Improvement District (BID). It is anticipated that from January 2014 the new BID Model / Company will be agreed and a CEO will be in place, with the rest of the BID Team coming on board shortly thereafter.
- 3.2 The BID Board will be recruited via an elected process and will be made up of representatives from city centre stakeholders covering all geographical areas and all business sectors. The City Council will hold two seats on a board of approximately 15.
- 3.3 The BID Company will formally launch and begin delivering activities on 1st April 2014.
- 3.4 The Council is accordingly asked to appoint two Directors to the Board of the BID company.

4.0 Adult Partnership Board

- 4.1 At the Annual Meeting of the Council on 15 May 2013 the Council appointed Councillor Oliver to the Adult Partnership Board. Councillor Oliver has indicated that he is unable to attend the meetings, resulting in a vacancy on the Board. At present there is no nomination from the majority group in opposition for a replacement.
- 4.2 The Council is therefore requested to note the vacancy on the Board.

5.0 Sunderland Health and Wellbeing Board

- 5.1 The Sunderland Health and Wellbeing Board was established under the provisions of the Health and Social Care Act and brings together key NHS, public health and social care leaders in the local authority area to work in partnership.
- 5.2 Local Healthwatch organisations were established to be a strong and independent consumer champion and have a statutory entitlement to a seat on their local Health and Wellbeing Board. Healthwatch Sunderland have recently appointed Kevin Morris as the Chair of their Executive Board and he will formally take up the position of Healthwatch representative on the

Sunderland Health and Wellbeing Board from the next Board meeting in January 2014.

- 5.3 The Council is therefore requested to note the change in representation on the Sunderland Health and Wellbeing Board.

6.0 Recommendations

- 6.1 The Council is accordingly recommended to:-

- (i) consider the appointment of the recommended candidate to the Audit and Governance Committee for a period of three years with the option for the Council to renew annually thereafter;
- (ii) appoint two Directors to the Board of the Sunderland Business Improvement District (BID) Company;
- (iii) note the vacancy on the Adult Partnership Board; and
- (iv) note the change in representation on the Sunderland Health and Wellbeing Board.

COUNCIL

27th NOVEMBER 2013

ANNUAL MEETING OF THE COUNCIL 2014

Report of the Chief Executive

1.0 Introduction

- 1.1** The purpose of this report is to fix the date of the Annual Meeting of the Council for 2014.

2.0 Background

- 2.1** Following approval by Parliament, the Local Elections (Ordinary Day of Elections in 2014) Order 2013 has now been made. As a result the date of local elections in England in 2014 will be the same as the date of the European Parliamentary elections, which are to take place on 22 May 2014.

3.0 Recommendation

- 3.1** The Council is asked to fix the date of the Annual Meeting of the Council for 2014 for Tuesday 10th June, 2014 at 6.00 pm.

