

Minutes

Sunderland City Council

At a meeting of SUNDERLAND CITY COUNCIL held in the CIVIC CENTRE on
WEDNESDAY 5 MARCH 2014 at 2.00pm

Present: The Mayor (Councillor Heron) in the Chair
The Deputy Mayor (Councillor Porthouse)

Councillors	Allan	Gibson, P	Mordey	Thompson
	Bell	Gofton	Oliver	Trueman, H
	Blackburn	Jackson	Price	Turton
	Bonallie	Kay	Richardson	Walker
	Copeland	Kelly	Scanlan	Watson, P
	Curran	Lawson	Scott	Watson, S
	Davison	MacKnight	Shattock	Williams
	Dixon	McClennan	Smith, D	Wilson, A
	Emerson	Maddison	Smith, P	Wilson, D
	Fletcher	Martin, L	Snowdon, D E	Wood
	Forbes	Martin, T	Speding	Wright, N
	Francis	Miller, F	Tate	Wright, T
	Gibson, E	Miller, G	Taylor	

The Notice convening the meeting was read.

The Mayor having noticed that a camera was being used in the Public Gallery asked those present if they had any objections to being filmed. No objections were received.

Minutes

45. RESOLVED that the minutes of the last ordinary meeting of the Council held on 29 January 2014 be confirmed as a correct record.

Declarations of Interests

The Mayor reminded members that dispensations had been granted to members of the Council to enable them to speak and vote on setting the Budget and Council Tax.

The following Councillors declared interests as follows: -

Item 6 (i) – Report of the Cabinet – Capital Programme 2014/2015 and Treasury Management Policy and Strategy 2014/2015, including Prudential Indicators for 2014/2015	Councillor Fletcher Councillor Lawson Councillor A. Wilson	Board Member of CSSL and Sunderland Care and Support
	Councillor Heron	Chair of Governors, Bernard Gilpin School
	Councillor Price	Member of the Tyne and Wear

to 2016/2017 and Item 6
(ii) – Revenue Budget
and Proposed Council
Tax for 2014/2015 and
Medium Term Financial
Strategy 2014/2015 to
2016/2017

Councillor Williams

Fire and Rescue Authority
Governor of Millfield Nursery
and Southwick Primary School
Governor of Lambton Primary
School

Councillor T Wright

Chairman of the Tyne and Wear
Fire and Rescue Authority, Vice
Chairman of the Empire Theatre
Trust, Vice Chairman of Gentoo
Sunderland Ltd, Chairman of
Pennywell CA.

Announcements

The Mayor announced that today marked the 30th anniversary of the start of the 1984/85 Miners Strike. He paid tribute to the former striking miners, their families and supporters and in particular to the two people who died on the picket line.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Anderson, Atkinson, Ball, Ellis, Errington, Essl, Farr, Farthing, Foster, Howe, Lauchlan, Marshall, Padgett, Scaplehorn, D. Snowdon, Stewart, D. Trueman, Tye, Wakefield, Waller and Wiper.

The Cabinet reported as follows: -

That they had referred the initial proposals on these matters to the Scrutiny Committee which supported the recommendations set out in the report to the Cabinet dated 15 January 2014.

That they had also subsequently, on 7 February 2014, submitted the report referred to in item 1 to the meeting of the Audit and Governance Committee and also the reports referred to in items 1, 2 and 3 to the Scrutiny Committee on 13 February 2014.

The Scrutiny Committee, having expressed its disappointment with the final Local Government Finance Settlement for 2014/2015, commented that, having considered the proposals, it was happy to support the detail within the Budget and Service reports and therefore supported the Cabinet recommendation to Council that the budget proposals be approved.

The Scrutiny Committee thanked the Head of Financial Resources and her team for the work they had carried out to prepare the budget proposals in such difficult financial circumstances.

Subsequently the precept figures of the Tyne and Wear Fire and Rescue Authority (TWFA) and the Police and Crime Commissioner Northumbria (PCCN) had been confirmed as those set out in the report to Cabinet on 12 February 2014. For both the Tyne and Wear Fire and Rescue Authority and the Police and Crime Commissioner this would mean a freeze in the precept level for 2014/2015.

The Council noted that in relation to the report numbered 2 below entitled "Revenue Budget and Proposed Council Tax for 2014/2015 and Medium Term Financial Strategy 2014/2015 to 2016/2017", Appendix G had not been printed with this item, but the recommendation, which included all of the substantive content of the report, was set out in full at item 3 below.

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

That they had given consideration to a joint report of the Chief Executive and Head of Financial Resources and recommended that approval be given to:

- (i) the proposed Capital Programme for 2014/2015
- (ii) the Treasury Management Policy and Strategy for 2014/2015 (including specifically the Annual Borrowing and Investment Strategies)
- (iii) the Prudential Indicators for 2014/2015 to 2016/2017
- (iv) the Minimum Revenue Provision Statement for 2014/2015.

The Audit and Governance Committee had been consulted specifically on the Treasury Management Policy and Strategy for 2014/2015 and had been pleased to note that there were no major changes proposed to the overall Strategy and that the careful and prudent approach adopted by the Council in previous years would continue.

The Committee also noted the Borrowing and Investment Strategies and that Council continued to follow fundamental principles in relation to the prudent investment of its treasury balances which had resulted in the rate of return on investments being consistently higher than the benchmark rate.

The Committee were satisfied that the arrangements for Treasury Management were in an excellent position for the next and future years and resolved that the Council be advised accordingly.

Accordingly the Cabinet recommended the Council to approve:-

- (i) the proposed Capital Programme for 2014/2015
- (ii) the Treasury Management Policy and Strategy for 2014/2015 (including specifically the Annual Borrowing and Investment Strategies)
- (iii) the Prudential Indicators for 2014/2015 to 2016/2017
- (iv) the Minimum Revenue Provision Statement for 2014/2015.

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

That they had given consideration to a joint report of the Chief Executive and the Head of Financial Resources on:

- (i) the overall revenue budget position for 2014/2015;
- (ii) the projected balances position as at 31st March, 2014 and 31st March, 2015 and advise on their level;
- (iii) a risk analysis of the Revenue Budget 2014/2015;
- (iv) a summary of the emerging medium term financial position facing the Council from 2015/2016 to 2016/2017;
- (v) views received from the North East Chamber of Commerce and Trade Unions.

They had therefore recommended that the Revenue Budget for 2014/2015, as set out at Appendix K, be approved.

3. Determination of Council Tax 2014/2015

That they had given consideration to a report of the Head of Financial Resources making, subject to the approval of the Revenue Budget 2014/2015 (as set out at item 2 above), recommendations with respect to Council Tax levels for 2014/2015, and advising that the Council Tax had been calculated using the tax bases for the areas of the City Council and Hetton Town Council as approved by Council on 29 January 2014, and setting out a number of resolutions required to be made to determine the Council Tax, including the confirmed precepts from the Major Precepting Authorities and the Parish of Hetton Town Council.

They therefore recommended that the report having advised of the statutory requirements to recommend to Council a proposed Council Tax Requirement which for Sunderland will mean a freeze to the Council Tax for 2014/2015, Council confirm the Council Tax Requirement for its own purposes is £76,564,392 (excluding Parish precepts), and

- i) it be noted that at its meeting on 29 January 2014 the Council approved the following amounts for the year 2014/2015 in accordance with the amended regulations made under Section 31B(3) of the Local Government Finance Act 1992 (the 'Act'):
 - a) £64,559 being the amount calculated by the Council, in accordance with the above regulation of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended by Local Authorities (Calculation of Tax Base) (Amendment)

(England) Regulations 2012, as its Council Tax Base for the year (Item T).

- b) £ 3,230 being the amount calculated by the Council, in accordance with the Regulations, as the amount of it's Council Tax Base for the year for dwellings in the area of the Parish of Hetton Town Council.
- ii) That the Council Tax Leaflet be made available via the Council's website rather than enclosed with Council Tax bills which reflects a relaxation of the rules and that, to meet timescales for publication, responsibility for finalising the document be delegated to the Head of Financial Resources in consultation with the Leader of the Council and the Cabinet Secretary.
- iii) That the following amounts be now calculated by the Council for the year 2014/2015 in accordance with Sections 31 to 36 of the Local Government and Finance Act 1992 as amended:
 - (a) £678,802,893 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £602,196,156 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
 - (c) £76,606,737 being the amount by which the aggregate at iii (a) above exceeds the aggregate at iii (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax Requirement for the year including Parish Precepts (Item R in the formula in Section 31A(4) of the Act)
 - (d) £1,186.6159 being the amount at iii (c) above (Item R) all divided by Item T (i (a) above), calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) £42,345 being the precept notified by Hetton Town Council as a special item under Section 34 (1) of the Act.
 - (f) £1,185.9600 being the amount at iii (d) above less the result given by dividing the amount at iii (e)

above by the Item T (i (a) above), calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

- (g) £1,199.0699 being the amount given by adding to the amount at iii (f) above the amount iii (e) divided by the amount at i (b) above, calculated by the Council in accordance with Section 34 (3) of the Act as the basic amounts of its Council Tax for the year for dwellings in the area of the Parish of Hetton Town Council.

(h)

Valuation Band	Parts of the Council's Area	
	Hetton Town Council	All other parts of the Council's Area
A	£ 799.38	£ 790.64
B	£ 932.61	£ 922.41
C	£ 1,065.84	£ 1,054.19
D	£ 1,199.07	£ 1,185.96
E	£ 1,465.53	£ 1,449.51
F	£ 1,731.99	£ 1,713.05
G	£ 1,998.45	£ 1,976.60
H	£ 2,398.14	£ 2,371.92

being the amounts given by multiplying the amounts at iii (f) and iii (g) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- iv) it be noted that for the year 2014/2015, the Tyne and Wear Fire and Rescue Authority and the Police and Crime Commissioner for Northumbria have confirmed the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings as follows:

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

- v) having calculated the aggregate in each case of the amounts at (iii) h and (iv) above, and having received confirmation of the precept in paragraph (iv), the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2014/2015 for each of the categories of dwellings shown below:

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

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

(i.e. the proposed Council Tax Freeze for 2014/2015 means that the Council does not need to hold a referendum on its proposed council tax. The regulations set out in Section 52ZC of the Local government Finance Act 1992 requires all billing authorities (councils and precept authorities (i.e. Fire and Police authorities)) to hold a referendum on their proposed level of basic Council Tax each year if they exceed government guidelines set out annually.

For 2014/2015 the guideline increase for the council was 2%.

As the council is proposing a council tax freeze for 2014/2015 then the above regulations have no impact for 2014/2015.)

It was then moved by Councillor P. Watson and seconded by Councillor H. Trueman that the report of the Cabinet be approved and adopted. Councillor H. Trueman moved that the time limit for the Leader's speech to the motion be extended and upon being put to the meeting this procedural motion was agreed.

In response to an enquiry from the Mayor, it was confirmed that there were no amendments to be moved. A general discussion then ensued following which the motion to approve and adopt the report of the Cabinet was put to the vote and carried unanimously with 53 Members voting in favour as follows: -

The Mayor (Councillor Heron)

The Deputy Mayor (Councillor Porthouse)

Councillors	Allan	Gibson, P	Mordey	Thompson
	Bell	Gofton	Oliver	Trueman, H
	Blackburn	Jackson	Price	Turton
	Bonallie	Kay	Richardson	Walker
	Copeland	Kelly	Scanlan	Watson, P
	Curran	Lawson	Scott	Watson, S
	Davison	MacKnight	Shattock	Williams
	Dixon	McClennan	Smith, D	Wilson, A
	Emerson	Maddison	Smith, P	Wilson, D
	Fletcher	Martin, L	Snowdon, D E	Wood
	Forbes	Martin, T	Speding	Wright, N
	Francis	Miller, F	Tate	Wright, T
	Gibson, E	Miller, G	Taylor	

With no Members voting against and no abstentions, accordingly it was:-

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

(Signed) R. HERON
Mayor