

**CABINET MEETING – 13 MARCH 2013**  
**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

MINUTES, PART I

**Author(s):**

Head of Law and Governance

**Purpose of Report:**

Presents the minutes of the last meeting held on 16 January 2013 Part I.

**Action Required:**

To confirm the minutes as a correct record.



**At a meeting of the CABINET held in the CIVIC CENTRE (COMMITTEE ROOM NO. 1) on Wednesday 16 January 2013 at 2.00pm.**

**Present:-**

Councillor H. Trueman in the Chair

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

**Also present:-**

Councillor Wood

**Part I**

**Minutes**

The minutes of the meeting of the Cabinet held on 20 December 2012 Part I (copy circulated) were submitted.

(For copy report - see original minutes).

1. RESOLVED that the minutes of the last meeting be confirmed and signed as a correct record.

**Receipt of Declarations of Interest**

Councillors G. Miller and P. Smith declared interests in relation to item 10, "Review of the Non-Domestic Rates Discretionary Relief Policy to Academy and Voluntary Aided Schools," as Governors of Academy or Voluntary Aided Schools and withdrew from the meeting during consideration of the report.

**Apologies for Absence**

An apology for absence was received from Councillor P. Watson.

## **Establishment of Sunderland Events Management Company**

The Director of Corporate Affairs and Communications and the Executive Director of Commercial and Corporate Services submitted a joint report (copy circulated) to provide an update on changes to the proposed approach to the development of the Sunderland Events Management Company and to set out a series of next steps for action in order to establish the Company as a local authority owned company at the earliest opportunity.

(For copy report – see original minutes).

Councillor Kelly highlighted that following an earlier report on establishment of Sunderland Events Management Company presented to Cabinet in July, this report was to request consideration of a series of next steps actions required in order to establish the Company and to seek to recommend to Council to appoint three Directors to the Company board.

Cabinet Members were reminded that the previous report described the background to the proposals to establish the Events Management Company. Councillor Kelly reported that the Council had a very successful track record in delivering an exciting programme of high profile, important events including the Airshow, the annual switch-on of Christmas Lights, the Remembrance service, the Sunderland Festival and many others. He added that it was the aim to make sure that these highest priority events continued to be delivered to a high standard and that opportunity to expand the existing programme of events be created despite the tremendous financial pressures faced by the Council. The establishment of such a Company would provide a unique and exciting opportunity to build upon this success and to generate additional sources of income from commercial activity, sponsorship and other means. This would not only consolidate our existing events 'offer,' but give the Council the best possible chance of improving the range and quality of events delivered in the future. The Company could explore options and re-invest the funds which it generated into a wider range of events that the public could continue to enjoy, that would bring even more visitors to the City every year and that keep Sunderland very firmly, very positively on the map.

Councillor Kelly reported that it was the aim to establish the Company and transfer Council Events functions to it by April 1<sup>st</sup> 2013. He advised that the proposals would also involve the transfer of a small number of Council employees to the new Company. He assured Cabinet Members that the unions were aware of this and that all individuals concerned continued to be consulted on transfer.

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

### **2. RESOLVED that:-**

- (i) the establishment of the Company as a local authority owned company and on the terms set out in this report be approved;

- (ii) the Chief Executive and the Executive Director of Commercial and Corporate Services be authorised to take all necessary steps and to execute all relevant documents as may be required in order to secure the establishment of the Company;
- (iii) the Chief Executive be authorised to nominate a member or officer of the Council to exercise the shareholder rights in respect of the Company on behalf of the Council;
- (iv) it be recommended to Council to appoint three directors to the Board of the Company;
- (v) approve the award of a contract and funding arrangements between the Council and the Company for the delivery of agreed events on terms to be determined by the Executive Director of Commercial and Corporate Services and the Director of Corporate Affairs and Communications in consultation with the Leader and the Portfolio Holder.

### **Green Deal Options including the Warm Up North Initiative**

The Deputy Chief Executive submitted a report (copy circulated) to explain the forthcoming introduction of the Green Deal and to consider the various options available to the Council including joining the Warm Up North (WUN) Initiative before making recommendations for a way forward.

(For copy report – see original minutes).

Councillor Miller highlighted the forthcoming introduction of the Green Deal and a proposal to join the Warm Up North Initiative which offered an effective way of the Council partnering with a private sector provider to deliver a clear Green Deal option to local residents. He explained that the Council had a history of providing support for households to improve the energy efficiency of their homes and thereby reduce fuel poverty and minimise carbon emissions and to date this has been done through the Sunderland Energy Efficiency Partnership (SEEP). He advised that the government programmes that funded SEEP ended on the 31<sup>st</sup> December 2012 and these programmes were being replaced by the Green Deal.

Cabinet Members were advised that the Green Deal would allow private firms to offer specified energy efficiency improvements to householders. The cost of the improvement would be repaid by the householder through an additional charge on the energy bill over a 25 year period.

Councillor Miller reported that it was estimated that there were almost 50,000 properties in the city that would benefit from some form of energy efficiency improvement. He added that therefore it was important that the Council engaged with the Green Deal in some way and by partnering with a private sector partner to deliver this offered the best option as this would minimise costs to the Council and also provide a reasonable degree of control over the delivery of the programme in the city.

Councillor Miller advised that the Association of North East Councils had developed a scheme for the region and local authorities had been invited to join the initiative which was called Warm Up North and to date five councils had signed up. He added that under this scheme a private sector partner would be procured to undertake the improvement works and resources from the Green Deal Finance Company would be used to fund the improvements

Cabinet Members having been advised that the Council would need to pay a maximum of £50,000 towards the cost of Warm Up North procuring the private sector partner by 31<sup>st</sup> of March and sign the Memorandum of Understanding, it was:-

3. RESOLVED that:-

- (i) the options set out in the report be noted: and
- (ii) approval be given for the Council to join the WUN Initiative subject to confirmation that the Green Deal Finance Company has been established and has the funds available to support the initiative as proposed.

### **Procurement of a Stores Service Contract**

The Deputy Chief Executive submitted a report (copy circulated) to seek approval to procure a stores service contract for the Integrated Transport Unit vehicle maintenance and horticultural equipment workshops.

(For copy report – see original minutes).

Councillor Blackburn reported that the proposal outlined in the report would improve the way the Council managed the stores at its vehicle maintenance workshops. He highlighted that estimated savings of around £200,000 would contribute to the £2.5m efficiency target under the Fleet and Transport Service Review.

Councillor Blackburn explained that currently parts and equipment were ordered either separately as needed, or in quantity and kept in store. He added that the required financial transactions were time consuming and the stores took up considerable space at a time when the Council was seeking to reduce its building portfolio.

Cabinet Members were advised that the recommended action was to procure a contractor to deliver what was known as an “imprest stock “service, where they delivered parts and equipment when they were needed and paid on a set price schedule of rates. This would cut out the complicated financial transactions and the need to hold parts on stock. In addition contractors might also be able to source parts at a lower unit cost. The procurement would follow European procedure and timetable, and if approved could be in place by late spring or early summer.

4. RESOLVED that approval be given to the procurement and award of a new Stores Service Contract to deliver efficiencies and reduced service costs.

## **National Minimum Price of Alcohol Consultation**

The Deputy Chief Executive, the Assistant Chief Executive and the Director of Public Health submitted a joint report (copy circulated) seeking agreement to respond to the Government consultation on the national minimum price level of the unit cost of alcohol, as part of a consultation on the National Alcohol Strategy.

(For copy report – see original minutes).

Councillor Kelly reported that when the National Alcohol Strategy was launched by the Government in March 2012, it stated it would introduce a minimum unit price or MUP for alcohol. He added that this had been supported in the north east by the Association of North East Councils and by the Safer Sunderland Partnership, Adult Board and Children's Trust in Sunderland.

Councillor Kelly advised that the purpose of minimum unit price was to reduce excessive alcohol consumption by linking the price of alcohol to its strength and it was designed to increase the price of the cheapest and strongest alcohol. He highlighted that the government consultation period ran from 28 November 2012 to 6 February 2013 and was on a MUP of 45p.

Cabinet Members were advised that a MUP at a higher level of 50p was supported by the British Medical Association, the Association of Chief Police Officers, Alcohol Concern and Balance (the North East regional alcohol office) as they believed this level would impact more significantly on alcohol consumption and generate better health and wellbeing and community safety outcomes.

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

5. RESOLVED that approval be given to respond to the Government consultation on the National Alcohol Strategy by indicating support for the establishment of a Minimum Unit Price for alcohol in the range of 50 – 60p in order to generate better health and wellbeing and community safety outcomes.

## **Localisation of Council Tax Support Scheme**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to provide an update on the consultation results for the proposed Local Council Tax Support Scheme, to explain the implications of the Government's Transitional Grant Scheme and to recommend the Local Council Tax Support Scheme for implementation with effect from 1 April 2013.

(For copy report – see original minutes).

Councillor Speding, in highlighting the report, advised that the Council must have a Local Council Tax Support Scheme approved by 31 January 2013, otherwise, the statutory default scheme would be imposed, and this would have significant financial disincentives. He reported that responsibility for Council Tax Support, previously known as Council Tax Benefit, would transfer from the Department for Work and Pensions (DWP) to the Council in 2013/2014. He explained that the Government had reduced the grant funding for the Council by £2.8m or 11.7% and this imposed reduction meant that there was significantly less resource available for the new scheme as opposed to the scheme currently in place.

Cabinet Members were advised the Council had consulted on its proposed Scheme in relation to working age households from 5 October to 30 November 2012. The results from the consultation were outlined in the report and in broad terms showed support for the Scheme. Fire and Police Authorities were also consulted, as their budgets could be impacted, and there were no significant issues of importance raised. No separate scheme for pensioner households was consulted upon because it was intended from the outset that the government default scheme be followed in relation to such households.

Councillor Speding drew attention to an announcement by Government during October, when the consultation was well underway, that one off funding that could be accessed on the basis of adopting a scheme that complied with the criteria for a Transitional Grant with a grant of £0.566m excluding preceptors available for Sunderland. He also highlighted that the government default scheme, which the Council was proposing to implement for pensioner households, was a compliant scheme for the purposes of obtaining transitional grant but the Council's proposed scheme for working age households was not. He added that however, it would be possible for the Council to adopt a compliant "Transitional Grant Scheme" by applying the government default scheme to working age households in its area in addition to pensioner households but modifying it within the constraints of the Transitional Grant criteria to incorporate key features of the original proposed scheme that was consulted upon.

In drawing attention to paragraphs 5.2 to 5.6 of the report, Councillor Speding advised that the Transitional Scheme that was now proposed broadly followed the approach taken by the original proposed Sunderland Local Council Tax Support Scheme. He explained that it would mitigate against the adverse impact of these changes on those most vulnerable and for those directly impacted, they would be better off under the Transitional Grant Scheme.

Councillor Speding therefore recommended that a Transitional Grant Scheme as proposed in the report be adopted; this being based on the scheme set out in the Council Tax Reduction Schemes (Default Scheme) Regulations 2012, modified as outlined in Appendix B of the report and that the Executive Director of Commercial and Corporate Services be given delegated power to prepare the detailed scheme document in consultation with the Leader and Cabinet Secretary, for submission to Council. With that one amendment, which was for the purposes of clarification, he requested the Cabinet to approve the recommendations as set out in paragraph 2 of the report.

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



6. RESOLVED that it be recommended to the Council to:-

- (i) consider feedback received during the consultation period from
  - precepting authorities,
  - the public, including representatives/representative groups of Council Tax payers and Council Tax benefit claimants, voluntary organisations and community groups,and also consider the implications of the Government's Transitional Grant Scheme;
- (ii) approve the proposed Council Tax Support Scheme as described in the report to take effect from 1<sup>st</sup> April 2013;
- (iii) authorise the Executive Director of Commercial and Corporate Services to administer the Local Council Tax Support Scheme including undertaking the consideration and determination of applications for support and authorise the Head of Law and Governance to amend the constitution accordingly to reflect this; and
- (iv) authorise the publication of the approved Scheme on the Council's website and in any additional manner determined by the Executive Director of Commercial and Corporate Services in consultation with the Leader of the Council and Cabinet Secretary.

### **Review of Discretionary Council Tax Discount on Empty Properties and Second Homes**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to review the policy on Council Tax discounts for Empty Properties and Second Homes as a result of the change in legislation to Exempt properties and the introduction of the Empty Homes Premium.

(For copy report – see original minutes).

Councillor Speding advised that the report details the Council Tax Technical reforms introduced by the Local Government Finance Act 2012. He reported that the Act abolishes Class A exemptions which were properties undergoing or in need of structural alteration and Class C exemptions which were properties left empty for up to 6 months on 31<sup>st</sup> March 2013. He explained that these exemptions were to be replaced with a discount to be determined by the Council. In drawing attention to paragraph 2 of the report, he advised that the Act also empowered the Council to charge an additional premium of up to 50% on properties that had been empty for more than two years and reduce discounts on second homes from 10% to zero.

Councillor Speding highlighted the proposals recommended within the report to:-

- Reduce the discount from 100% to 25% for properties previously exempted under Class A;

- Reduce the discount from 100% to 25% for properties previously exempted under Class C except where the property was re-occupied within one month where the discount would be 100%,
- Reduce the second homes discount from 10% to zero, and
- Introduce the empty homes premium of an additional 50%.

Cabinet Members were advised that previous reductions in discounts from 50% to zero to properties empty for more than 6 months that came into effect on 1<sup>st</sup> April 2012 had seen a reduction in the number of long term empty properties from 738 to 617. The above changes would also encourage owners to bring empty properties back into use as well as raising an estimated additional £1.3m in revenue at a time of unprecedented financial challenge for the Authority. The changes would come into effect on 1<sup>st</sup> April 2013.

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

7. RESOLVED that it be recommended to Council to amend the current policy on Council Tax discounts for Empty Properties and Second Homes with effect from 1<sup>st</sup> April 2013 by:

- (i) Introducing the Empty Homes Premium of 150% on properties that have been empty and unfurnished for more than 2 years
- (ii) Awarding a discount of 25% on properties that have been empty for a period of up to 12 months that require, or are undergoing structural alterations.
- (iii) Awarding a discount of 25% on properties that are empty and unfurnished for up to 6 months with the exception of properties that are empty and unfurnished that are reoccupied within 1 month where the discount awarded will remain at 100%, and
- (iv) Reducing the discount on Second Homes from 10% to zero.

At this juncture, Councillors G. Miller and P. Smith withdrew from the meeting during consideration of the following report.

### **Review of the Non-Domestic Rates Discretionary Relief Policy to Academy and Voluntary Aided Schools**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to review the current policy of Discretionary Relief for Non-Domestic Rates awarded to Academy and Voluntary Aided Schools.

(For copy report – see original minutes).

Councillor Speding highlighted the report in relation to proposed changes to Non Domestic Rates Discretionary Relief which was currently awarded to Academy and Voluntary Aided Schools. He reported that the current policy predated the introduction of Dedicated Schools grant and the evolution of Academies.

Councillor Speding explained that currently the cost of discretionary relief was partly funded by the Council mainstream budget in respect of these schools. However the School funding reform from April 2013 would ensure that schools would receive budget equal to the cost of their Business rates through the Dedicated Schools Grant. The proposal was therefore to cease the allocation of discretionary relief to Academies and Voluntary Aided schools.

Cabinet Members having been assured that the proposed change would therefore not have any negative financial impact on the schools concerned, it was:-

8. RESOLVED that it be recommended to Council to amend the current policy on Non-Domestic Rates Discretionary Relief, by removing discretionary relief paid to Academy and Voluntary Aided Schools with effect from 1st April 2013.

### **Council Tax Base 2013/2014**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to detail the calculation of the Council Tax Base for 2013/2014 and to seek approval to recommend to Council the Council Tax Base for 2013/2014 in accordance with the Local Government Finance Act 1992 as amended by the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2012.

(For copy report – see original minutes).

Councillor Speding highlighted that the report advises of the Council Tax Base to be used in calculating the 2013/2014 Council Tax for the Council in accordance with relevant legislation. He reported that the Tax Base for the Council was to be set at £64,094 and in addition as the Council must also calculate the Tax Base for any Parish Councils within their Council boundary, the Tax Base for Hetton Town Parish Council would be £3,122.

Cabinet Members were advised that the calculations detailed in the report were very complex and must follow strict government regulation which specified the factors and formula to be applied and that the calculations must be based on all information available to the Council at 30<sup>th</sup> November of each year.

Councillor Speding drew attention to paragraph 3.6 of the report which explained that the introduction of the Localisation of Council Tax Benefit Scheme had a major impact on the Council Tax Base figures resulting in a reduction compared to previous years. The new scheme was treated as a council tax discount with the reduction in the base equivalent to the level of council tax which would not be collected because of awards made under the new scheme. The Tax base therefore fully reflected the impact of the Local Council Tax Benefit Scheme and other technical adjustments to Council Tax Discounts and Exemptions.

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

9. RESOLVED that it be recommended to Council that:-

- (i) to approve the report for the calculation of the Tax Bases for the City Council and Hetton Town Council for 2013/2014, and
- (ii) pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, as amended by Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2012 the amount calculated by Sunderland City Council as its Council Tax Base for the year 2013/2014, shall be £64,094 and for the area of Hetton Town Council shall be £3,122.

### **Business Rates Income Forecast 2013/14**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) detailing the new regulations of the Local Government Finance Act 2012 that required billing authorities from 2013/14 to have Cabinet and Council approve their NNDR1 form which estimated the business rates income for the coming financial year by 31 January.

(For copy report – see original minutes).

Councillor Speding reported that under the Business Rates Retention scheme, the forecast of business rates income had become a key component in setting the budget for the following year. He added that as Cabinet Members were already aware of the additional volatility the new funding regime brought to Council finances, the Executive Director of Commercial and Corporate Services had already implemented enhanced monitoring arrangements in this regard.

Councillor Speding advised that the estimated business rate income to be collected for 2013/14 would be allocated as follows:-

- £41.868m to be paid to Central Government
- £41.068m to be retained by the Council and
- £0.838m to be passed to the Tyne and Wear Fire and Rescue Authority

Councillor Speding explained that the details of the forecast income were set out in the NNDR 1 form which was attached as Appendix 1 to the report which must be submitted to Government following Council approval no later than 31st January 2013. He added that however, the government notified Councils the previous day of further changes to how the income forecast was calculated. Therefore he recommended that the Executive Director of Commercial and Corporate Services be given delegated power to prepare the final version of Appendix 1 if any further amendments were required in consultation with the Leader and Cabinet Secretary, for submission to full Council.

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

10. RESOLVED that as the government has notified Councils of further changes to how the income forecast is to be calculated, the Executive Director of Commercial and Corporate Services be given delegated power to prepare the final version of NNDR1 if any further amendments were required, in consultation with the Leader and Cabinet Secretary, for submission to Council. Further that Council be recommended to approve the final NNDR1 form of estimated business rates income for the year 2013/14 in accordance with new regulations which will form the basis of the necessary allocation of the estimated total business rate income for the year.

### **The Provisional Local Government Finance Settlement for 2013/14 and Indicative Settlement 2014/15**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to set out the detail of the Provisional Local Government Finance Settlement for 2013/14 and some key points in response to the consultation.

(For copy report – see original minutes).

Councillor Speding highlighted that the settlement reflected the first year of implementing the new approach to funding local government from 1<sup>st</sup> April 2013. He reported that the new system was very complex with a significant degree of risk transferred to local authorities. The new arrangements for business rates and council tax particularly bring significant challenge and volatility to Council finances.

Councillor Speding advised that the lateness of the settlement and its added complexity due to the fundamental changes to the structure of local government funding had made analysis very challenging. He explained that while some information was still outstanding, the analysis showed that the statements made in relation to the level of spending power reduction significantly understate the reduction in resources available to the Council in setting its budget for next year. For example this measure did not take into consideration the real impact of Early Intervention grant changes of almost £3m. In addition the government had made significant assumptions on the level of Business Rate and Council Tax income which the council must achieve.

Councillor Speding reported that taking these factors into account the overall the settlement impact was broadly in line with the Council's budget planning assumptions for 2013/2014. He advised that in relation to 2014/15 the grant funding cuts were significantly higher than assumed with £6m less funding available than anticipated with Sunderland and other areas in the north east and north west taking a bigger hit than the national average. He added that if this position was confirmed it would mean that over the three year period 2013/14 to 2015/16 the Council would need to make further savings of around £100m on top of what had already been achieved over the last three years.

Cabinet Members were advised that the Council's response to Government included pressing for a fairer starting point for deprived areas such Sunderland, and asked Government to address weaknesses in the new funding arrangements which would disproportionately and significantly impact on the Council in 2014/15 and going forward. It was important that these issues were addressed by Government given that the system was not to be reviewed until 2020.

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

11. RESOLVED that:-

- (i) the content of the impact of the provisional Local Government settlement for Sunderland and the potential implications for the development of the Council's Budget for 2013/14, 2014/15 and future years be noted; and
- (ii) the key issues and concerns raised in the report be developed into the City Council's formal response by the consultation response date of 15 January.

### **Revenue Budget 2013/2014 Proposals**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) on the provisional budget proposals for 2013/2014, as a basis for the continuation of budget consultation, prior to the receipt of the final Local Government Finance Settlement 2013/2014.

(For copy report – see original minutes).

Councillor Speding highlighted the report and drew attention to the reductions in government funding for the third year running which had a significant negative impact on the Council's position and there were a wide range of unavoidable spending pressures that the Council needed to address. He explained that the provisional proposals set out in the report followed the approach previously agreed through the Budget Planning Framework and provided more detailed proposals and actions underpinning the framework to ensure a balanced budget position going into 2013/2014.

Councillor Speding detailed that the report set out grant reductions and pressures of £37m in 2013/2014 together with proposals for a programme of savings to fully address this gap. Planning work was also in hand to address the budget requirement beyond 2013/2014 and in this context the Medium Term Financial Strategy would be updated in the report to Cabinet in February.

Cabinet Members were advised that the savings proposals represented a balanced approach to addressing the continued significant funding cuts and this involved:-

- progressing the existing improvement programme of savings, while protecting as far as possible core services and maximising non front line savings, and
- by reshaping and refocusing front line services by targeting resources to services to ensure they were responsive to local needs while protecting core services and particularly those most vulnerable.

Councillor Speding drew attention to the approach outlined in the report and the proposed programme of savings for 2013/14 in Section 8 and also confirmed that an updated approach to workforce planning would be implemented alongside the 2013/14 budget proposals.

Cabinet Members were advised that there were a number of outstanding uncertainties around the financial position which were still being confirmed. Therefore some final decisions remained to be taken, and, of course, the consultation which would be undertaken between now and the February meeting was very important to inform those final decisions.

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

12. RESOLVED that it be recommended to Council to approve the provisional budget proposals, as a basis for the continuation of budget consultation, prior to the receipt of the final Local Government Finance Settlement 2013/2014.

### **Revenue Budget Third Review 2012/2013**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to detail the outcome of the Revenue Budget Third Review for 2012/2013.

(For copy report – see original minutes).

Councillor Speding highlighted that the Council continued to face increasing challenges in delivering the required level of reductions and meeting demand pressures in 2012/2013. He reported that where delays in implementation of savings targets and budget pressures were identified Portfolio holders and Directors were progressing alternative actions to address the position.

Councillor Speding reported that given the demand pressures being experienced in relation to adult social care it was anticipated there would be a need to draw on some corporate funding. He advised that savings on capital financing and additional income from investments of £5m were to be used to meet the service pressures if required at outturn, and transitional costs or potential equal pay liabilities. The workforce planning project had enabled the successful mitigation of a projected overspending of £5m and enabled the early release of planned savings for 2013/2014.

Cabinet Members were advised that settlement discussions were underway in relation to equal pay claims, which would likely result in settlement payments being made from January onwards. These would be funded from a combination of earmarked reserves, provisions and borrowing.

Councillor Speding reported that whilst a positive outturn overall would be achieved, clearly the financial position of the Authority was becoming increasingly challenging as the compound impact of Government funding reductions and unavoidable spending pressures continued to impact.

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

13. RESOLVED that approval be given, and where necessary recommended to Council, to the contingency transfers proposed at Appendix A and budget transfers.

### **Capital Programme - Third Review 2012/2013, Provisional Resources 2013/2014 and Treasury Management Review 2012/2013**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) which detailed:-

- the reprofiling of projects since the Second Capital Review for 2012/2013 was approved in October 2012;
- the inclusion of additional schemes and revisions to costs and resourcing for 2012/2013 since the Second Capital Review was reported;
- the allocation of capital resources for 2013/2014, as set out in Section 5 of the report, subject to any adjustments required when final resource announcements were made; and
- the progress in implementing the Treasury Management Strategy for 2012/2013.

(For copy report – see original minutes).

Councillor Speding drew attention to the anticipated spend in 2012/2013 which had reduced by £10 million since the Second Capital Review was reported after taking into consideration technical adjustments. He reported that this included £9m of expenditure that had been re-profiled into 2013/2014 either as a result of external factors outside of the Council's control, a review of the timing of schemes to complement other works being undertaken or to maximise external grant funding.



Councillor Speding advised that the Council had not yet been notified of number of its expected allocations for 2013/2014. However, it was anticipated that grants would be awarded at similar levels to those in 2012/2013 following savage cuts across all services in the previous two years. He concluded that overall progress on the current year programme therefore remained positive with the Council continuing to invest to support its priorities despite significant Government funding reductions.

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

14. RESOLVED that:-

- (i) in relation to the Capital Programme for 2012/2013, approval be given, and where necessary recommended to Council, the inclusion of additional schemes or variations to existing schemes for 2012/2013 detailed at Appendix A, as a variation to the Capital Programme,
- (ii) in relation to the Capital Programme for 2013/2014, it be noted that the allocation of resources as set out in Section 5 will be subject to final resource announcements; and it be noted that Cabinet Members with Portfolios for areas covered by the Children's Services, Adult, Housing, Highways and Other Services Blocks will consider proposals for new starts based on resource allocations to be confirmed in due course in order to incorporate proposed new starts in the 2013/14 Capital Programme to be presented to Cabinet in February 2013, and
- (iii) in relation to the Treasury Management Strategy and Prudential Indicators, the continued very positive progress made in implementing the strategy for 2012/2013 be noted.

**Sure Start Review and Integrated Early Intervention Service – Proposals to extend Children's Centre Commissioning Arrangements for a further 12 months from 1 April 2013**

The Executive Director Children's Services submitted a report (copy circulated) to seek approval to extend Children's Centre commissioning arrangements for a further 12 months from April 2013 in order to allow Children's Local Area Boards, established in September 2012, to be fully involved in the shaping of future children's centre service delivery and to consider alternative models for delivery as appropriate.

(For copy report – see original minutes).

Councillor Smith reminded Cabinet Members of the number of reports in relation to the review of early years services and early intervention through Children's Centres which had been undertaken over the past eighteen months. She explained how the review had provided £1.8 million of efficiencies initially by introducing key improvements in the way that services were delivered.

Cabinet Members were advised that the review of commissioning focused on both internal and externally commissioned services and new contracts were awarded from April 2012, initially for a 12 month period. These included contracts to provide early years health services, community involvement, mobile crèche, portage and safety equipment.

The full value of the external contracts was £720.000.

Councillor Smith highlighted that five Children's Local Area Boards were also established in September 2012 with wide representation including parents, local schools and with a link through to the five People Boards through the People Boards Vice-Chair sitting on the Children's Boards. She added that in order to understand and assess whether services were indeed making a difference, the Boards had requested that external contracts were extended for a further 12 months and this extension would also allow People Boards to be fully involved.

Cabinet Members having been advised that if approval was given to extend the contracts for a further 12 months, an exercise would be undertaken with providers to realise efficiencies where appropriate.

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

15. RESOLVED that:-

- (i) the proposal to extend external contracts for service delivery in Children's Centres for a further 12 months from April 2013 in line with the request of Children's Local Area Boards be approved, and
- (ii) a further report on the outcomes of the review of the commissioning arrangements be submitted to Cabinet for consideration at the appropriate time.

### **Maximum Contribution for Social Care Charging**

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) to seek agreement to the proposed changes to the Social Care Contributions Policy.

(For copy report – see original minutes).

Councillor Miller reminded Cabinet Members that the Contributions Policy for Social Care was agreed by Cabinet in February 2012 and has been live since April 2012. He explained that a policy was needed that could ask customers to make a contribution against their personal budget and not against individual services. He added that by changing the cap for the maximum contribution would make the provision of services more equitable with all customers being assessed to pay no more than they could afford.

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

16. RESOLVED that approval be given to:-

- (i) the review of the maximum contribution a customer can make towards their personal budget for non residential social care,
- (ii) the removal of the maximum contribution cap to bring this in line with the standard rate of residential care (currently £394.80), and
- (iii) to update the contributions policy in line with Department of Health Guidance

### **Sunderland City Council Strategic Tenancy Policy.**

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) to seek approval for the adoption of the Council's first Strategic Tenancy Policy.

(For copy report – see original minutes).

Councillor Miller highlighted that the Localism Act 2011 placed a new duty on every local authority to publish a Strategic Tenancy Policy, (STP), by January 2013. He explained that the purpose of the Policy was to outline a local authority's broad objectives for the allocation of social rented properties within its administrative area and how they expected Registered Providers to allocate and manage their properties. He added that it must also outline how they expected Registered Providers to use newly introduced mechanisms such as flexible tenancies and affordable rent, which were set out in the report and the Policy.

Councillor Miller reported that there was an obligation to show that policies were based on clear evidence and consultation. He advised that according to the legislation the policies outlined within the Policy must be taken into consideration by registered providers who should align their own allocations policies accordingly.

Cabinet Members were advised that the changes would only apply to new tenancies and existing secure and assured tenants' rights would not be affected. This included their succession rights and their security of tenure.

Attention was then drawn to other proposed reforms in the Policy in relation to housing such as, whether a local authority would dispose of their homelessness responsibilities via an offer of a suitable private rented property and how they would manage their own waiting lists or housing register.

Cabinet Members were assured that consultation had taken place with Elected Members and with Registered Providers and their views had been taken in to account within the Policy. In addition the Policy would be monitored on an ongoing basis as set out in the report.

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

17. RESOLVED that the Strategic Tenancy Policy and the policies outlined within, regards the letting of social housing across the City be endorsed.

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

At the instance of the Chairman it was: -

18. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it was considered to involve a likely disclosure of information relating to the financial or business affairs of any particular person (including the authority) (Paragraph 3 of Part 1, Schedule 12A of the Local Government Act 1972). The public interest in maintaining this exemption outweighs the public interest in disclosing the information.

(Signed) H. TRUEMAN,  
Chairman.

**Note:-**

The above minutes comprise only those relating to items during which the meeting was open to the public.

Additional minutes in respect of other items are included in Part II.