


CITY HALL,
SUNDERLAND.
4 NOVEMBER 2022.

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, City Hall, Plater Way, Sunderland, SR1 3AA** on **WEDNESDAY 16 NOVEMBER 2022** at **4.00 p.m.** at which it is proposed to consider and transact the following business:-

- | | | |
|----|---|---|
| 1. | To read the Notice convening the meeting. | - |
| 2. | Apologies. | - |
| 3. | To approve the minutes of the Meeting of the Council held 22 June 2022 (copy attached). | 1 |
| 4. | Receipt of Declarations of Interest (if any). | - |
| 5. | Announcements (if any) under Rule 2(e). | - |
| 6. | Citywide approach to carbon reduction – Verbal update by the Deputy Leader of the Council | - |
| 7. | Reception of Petitions. | - |
| 8. | Written Questions by Members of the Public (if any) under Rule 10. | - |

9.	Written Questions by Members of the Council (if any) under Rule 11.	-
10.	Report of the Cabinet (copy attached).	21
11.	Report of the Audit and Governance Committee (copy attached).	61
12.	Report of the Licensing and Regulatory Committee (copy attached).	69
13.	Report of the Hearing Sub Committee of the Standards Committee (copy attached).	79
14.	To consider a report on action taken on petitions (copy attached).	89
15.	To consider the following reports:-	
	(i) Report on Special Urgency Decisions – report of the Leader (copy attached).	95
	(ii) Appointments to Committees and Outside Bodies – report of the Assistant Director of Law and Governance (copy attached).	97
16.	To consider the attached Motions (copy attached).	101



PATRICK MELIA, CHIEF EXECUTIVE.

Note it is intended that the meeting will be livestreamed for the public to view on the Council's YouTube channel at

https://www.youtube.com/watch?v=ByUwy9KqiFA&list=PLz3yV2kde1-OSz_J_aev1wd0yQp4s61FZ

Minutes

Sunderland City Council

At a meeting of SUNDERLAND CITY COUNCIL held in the COUNCIL CHAMBER, CITY HALL, SUNDERLAND on WEDNESDAY 22 JUNE 2022 at 4.00pm

Present: The Mayor (Councillor A Smith) in the Chair
The Deputy Mayor (Councillor D Trueman)

Councillors	Ali	Farthing	McDonough	Snowdon, D
	Ayre	Fletcher	Miller, F	Snowdon, D.E.
	Bewick	Foster	Miller, G.	Speding
	Blackburn	Gibson, P.W.L	Mordey	Stewart
	Bond	Gibson, P.	Morrissey	Thornton
	Burnicle	Greener	Mullen	Trueman, H.
	Burrell	Guy	Nicholson	Tye
	Chequer	Hartnack	O'Brien	Usher
	Crosby	Haswell	Peacock	Vera
	Curtis	Heron	Potts	Walker, M.
	Dixon	Herron	Price	Walker, P.
	Dodds	Johnston, K.	Reed	Warne
	Donaghy	Johnston, S.	Rowntree	Williams
	Doyle	Lauchlan	Samuels	Wood, A.
	Dunn	Laws	Scott	Wood, P.
	Edgeworth	Mann	Smith, G.	
	Fagan	Mason-Gage	Smith, P	

Also Present:-

Honorary Alderman Greenfield

The notice convening the meeting was read.

Apologies

Apologies for absence were submitted to the meeting on behalf of Councillors Butler, Chisnall, Hodson, McKeith, Scanlan, S. Watson and Wilson together with Aldermen Forbes and Tate.

Minutes

6. **RESOLVED** that the minutes of the Annual Meeting of the Council held on 18 May 2022 be confirmed and signed as a correct record subject to the following amendment:

Item 8 – Election of the Leader of the Council – Councillor Haswell advised that Councillor Nicholson's vote against had not been recorded and requested that this be noted.

Declaration of Interests

There were no declarations of interest.

Announcements

(i) Maintaining Excellence of the North East Better Health at Work Awards

Councillor Chequer informed the meeting that Sunderland Council had received the top level of the Better Health at Work Award which was Maintaining Excellence.

The Award recognised the efforts and achievements of the Council in addressing health issues within the workplace including areas where structured development was required to enhance staff wellbeing.

This was a fantastic achievement and recognition for the Council and all the hard work the Wellness Service do to help the staff stay well.

(ii) Platinum Jubilee Queen's Birthday Honours List

The Mayor informed the Council that Jill Colbert, Chief Executive of Together for Children and Director of Children's Services in Sunderland had been awarded the honour of Officer of the Order of the British Empire (OBE) after Children's Services was transformed from Inadequate to Outstanding in a national first and had helped to make a real difference to children's lives in the City.

The Council thanked all those who had worked so hard to achieve this transformation in Children's Services and congratulated Jill Colbert on this award.

Covid-19 – Verbal Update by the Leader of the Council

The Mayor invited the Leader to provide a verbal update on the Covid-19 pandemic.

The Leader began by stating that although the virus was still very much present, the Council, city and country were largely back to normal now. He paid tribute to colleagues and also to the Council's partners, for all the hard work and dedication that had gone into not only supporting the city and its people through the response phase and the lockdowns of 2020 and 2021, but also the phenomenal effort and innovation that had gone into driving the beginnings of a strong recovery.

The Leader commented that it was simply a joy to see businesses open, children going to school and playing out, as well as those of GCSE and "A" level age actually sitting their exams. He was delighted that the Sunderland What's On Guide was brimming with events and activities, including some significant ones such as two international superstars, Ed Sheeran and Elton John, playing concerts in a packed-out Stadium of Light in the past couple of weeks.

The Leader added that Sunderland had led the way with the rollout of the vaccines and getting jabs into people's arms, and also the extraordinary acts of kindness and efforts of an army of volunteers helping with everything from food and essential items to dog walking, or simply making those all-important calls to check in with people living alone.

The Leader advised that the City now lives in the context of guidance nationally, rather than restrictions, so responsibility very much lay with all residents, individually and collectively, to keep doing the right thing when it came to living with Covid. The virus had not gone away and it could still cause harm. First of all, it could make particularly the more vulnerable people very poorly, and secondly, it was still causing all sorts of disruption as it spread, with people having to be away from work, school, caring responsibilities and other commitments.

The Leader informed Council that residents must continue to follow their consciences and keep themselves and those around them as safe as possible and that the guidance should continue to be followed including:-

- Getting all recommended doses of the Covid vaccine as soon as possible – it was never too late for people to start their vaccination course and when invited forward for further boosters, these were vitally important to keep protection levels up;
- Continuing to wear face coverings in enclosed and crowded public places would make a difference;
- Meeting up outside with others continued to be safest and if inside, good ventilation and opening a window would help blow Covid particles away;
- It was so important to stay at home when required – this really was a key step in reducing the spread of the virus;
- The advice remained that if anyone tested positive for Covid-19, they should remain at home and avoid contact with other people for five days after they had carried out a test. Those aged 18 and under were advised to stay home for three days;
- And finally, like face coverings and being in open spaces as much as possible, the hands part of 'hands, face, space' remained equally important with good hand hygiene and thorough washing recommended at all times, and following the advice of "Catch it, Bin it, Kill it"

The Leader informed Council that at the end of last week, ONS data showed that infections in the UK had risen from the week before, as they had done in the week or two before that, and 1 in 50 people in England had Covid-19. So whilst it was being described as post-pandemic, this was a warning that there was the potential for continued increases in infection rates, and therefore everyone should do all they could to keep themselves and those around them safe and well, and people's lives and livelihoods on track.

The Leader suggested that this be his final, regular Covid-19 update to Council for now and concluded that they would keep the situation under close scrutiny, and should things change, and a significant rise in infection rates be experienced with the associated impacts, he would update Council again at that time.

7. RESOLVED that the update from the Leader be noted.

Citywide approach to carbon reduction – Verbal update by the Deputy Leader of the Council

The Deputy Leader provided an update regarding ongoing progress being made in relation to carbon neutral goals. Work had continued to progress in each of the strategic priority areas set out in the Low Carbon Framework in recent months which included:-

- The Council's Low Carbon Action Plan (which was first published in January 2021) was being updated currently. The updated Action Plan would take on board the learning since the original Action Plan was adopted and set out a series of over-arching objectives and individual actions within each strategic priority area. Delivery would be monitored against key milestones and targets, and reported on an annual basis, as work continued towards the ambitious targets in this important area.
- The Deputy Leader wished to recap on the first year of developing the North East Community Forest. The Council had secured £193,000 in external funding, which had been used to plant more than 17,000 trees across 5 schemes, and this had included 1.3km of new hedgerow, 2 new orchards and over 7 hectares of wildflower meadow;
- In addition, the £250,000 Green Recovery Challenge Fund project - 'Healing Nature' - was completed in March 2022. Public events were attended by more than 800 people, and over 500 children from 29 schools engaged with nature through the project. Ten wildlife sites were improved in Sunderland with works including scrub removal, pond and wet grassland restoration and access improvements;
- Furthermore, £149,462 funding had been awarded from the National Lottery Heritage Fund to support a Development Phase for a new project called 'Link Together'. The Coalfield Area Committee had also provided £20,000 match funding towards the project that ultimately aimed to restore nature in 13 green spaces across Sunderland's Coalfield area. The project would work closely with local residents, as well as the Sunderland GP Alliance and Wear Rivers Trust, and provide opportunities to deliver schemes through volunteering and social prescribing that would also support individual physical and mental well-being;
- In green economy terms, the regional BEST project - which provided grant funding for small and medium sized businesses (SMEs) - was now complete. Sunderland had outperformed all of the other regional Local Authorities with the highest number of SMEs assisted (44), and with a total value of £205,340 of energy efficiency works installed;
- Through the city-wide ERDF-funded BREEZ project, 124 SMEs had been engaged with to date with support including energy audits, advice and guidance and grants awarded for lighting, heating, insulation and solar PV improvements. There were currently 28 new applications being considered and grant funding was available until July 2023;
- As the end of the ECO3 and ECO FLEX delivery process was approaching in Sunderland, the Deputy Leader reported that the Council had assisted 357 properties with heating and insulation measures. ECO4 was expected to launch in July 2022 and would be available until March 2026;

- Following a competitive tender process, £78,000 had been awarded to the Council to carry out a heat network feasibility study adjacent to Northern Spire. This would explore options for the cost-effective delivery of low carbon heat in the local area and support the sustainable redevelopment;
- Regarding Riverside Sunderland, the Council had completed market engagement and was currently finalising the specification to procure a drilling contractor, with a view to being on site and creating pilot boreholes as part of the mine-water heating project this year;
- In terms of active and low carbon transport, the Council had successfully received funding for 2 schemes under the Active Travel Fund. These initiatives proposed to introduce fully segregated cycling facilities on Pallion New Road and European Way, and also on Dame Dorothy Street. Subject to public consultation, the schemes could progress in the summer of 2023;
- The Council had also submitted an Expression of Interest for the Local Electric Vehicle Infrastructure (LEVI) pilot scheme and had been in discussion with the Energy Savings Trust regarding potential support. The Sunderland residential project, if successful, included infrastructure to support EV Community Hubs located on-street (with over 100 charge-point sockets) and in Council-managed off-street car parks (with a further 115 sockets provided).
- In terms of reducing consumption and waste, the Council had signed a Memorandum of Understanding with 'City to Sea' which was announced on World Refill Day (16th June) to launch a 'Refill Sunderland' scheme to connect consumers via an app to places they can eat, drink and shop without single use packaging. City Hall's Brew & Bake had already signed up to this initiative and the Council would be looking to sign-up more businesses during Plastic Free July and into the future.

And finally, in terms of engagement:

- In May the Council hosted a Low Carbon event in partnership with the University of the Third Age (U3A). The session was designed to share information on Low Carbon work across Sunderland to help engage residents in contributing to the citywide 2040 carbon neutral target. Delegates gave feedback and discussed topics, including local growing and recycling with follow-up activity planned to continue to increase recycling across the city;
- For the first time, following earlier incoming visits, the Council had been able to support young people from Sunderland College to travel to the city's German twin town, Essen to work with counterparts from THG high school on the CLIMATE project. Joint work between Essen and Sunderland students had included meeting with the European Green Capital Agency, a reception at the Town Hall of Essen, joint student-led projects, visiting the THG school, and exploring local sites in Essen. The project was co-financed by the city of Essen and its region, North Rhine Westphalia;
- Following the third meeting of the young persons' EGS Group – the Environmental Green & Sustainable Group - in March, a number of EGS group members had taken part in a practical volunteering session at the University's Space 2 Grow Community Garden, as requested by the young people. This had led into the preparations for the June meeting with the young people continuing to explore and contribute to topics of interest and feed into the city-wide 2030 Shadow Board; and

- Council Low Carbon and Active & Sustainable Travel team representatives attended a staff travel event at City Hall to promote cycling and active travel. The team met with employees and residents to discuss Low Carbon plans and commitments with a particular focus on travel, including the mobility hub, e-scooters, e-bikes, cycling and walking.

The Deputy Leader stated that she hoped this provided a useful and positive update on work that was ongoing within the Council and with its partners and that she would continue to provide updates to Council as appropriate going forward.

8. RESOLVED that the information be noted.

Outstanding Motions from the last ordinary meeting of the Council

(i) Armed Forces Act 2021

Councillor Tye, duly seconded by the Leader of the Council, moved the following motion: -

This Council stands firmly behind our UK Armed Forces and fully supports the aims of the Armed Forces Covenant, welcomes the new Armed Forces Act, but sees the legislation as a missed opportunity to improve the lives of veterans here in Sunderland.

This council therefore notes with disappointment:

- that the Act which makes Sunderland Council and local public bodies legally bound to have “due regard” to the Covenant when providing support to Forces communities but exempts central government from any such duty, creating a two-tier Covenant for veterans.
- that Labour led proposals backed by the Royal British Legion and ex-Service chiefs to enshrine the Covenant fully into law but Conservative MPs voted down these plans to improve Armed Forces accommodation, employment support and pensions and to end the scandal of visa fees for Commonwealth and Gurkha personnel.

This Council therefore resolves to continue the campaign with Forces charities to see the Government strengthen the Covenant and improve vital services to veterans.

Councillor P.W.L. Gibson, duly seconded by Councillor Haswell, moved the following amendment: -

Bullet point 2 – delete “Labour led” and replace with “Labour-led”, after “into law” delete “but Conservative MPs” and replace with “were” and after “voted down” insert “by Conservative MPs.” Capitalise “These” and after plans insert “were”. After “Commonwealth” insert “citizen veterans”. After “Gurkha personnel.” insert “Council believes these should be extended to non-Commonwealth citizens who served with or materially assisted our armed forces in conflict zones such as Afghanistan

So that the amended motion would read as follows:

This Council stands firmly behind our UK Armed Forces and fully supports the aims of the Armed Forces Covenant, welcomes the new Armed Forces Act, but sees the legislation as a missed opportunity to improve the lives of veterans here in Sunderland.

This Council therefore notes with disappointment:

- that the Act which makes Sunderland Council and local public bodies legally bound to have “due regard” to the Covenant when providing support to Forces communities but exempts central government from any such duty, creating a two-tier Covenant for veterans.
- that Labour-led proposals backed by the Royal British Legion and ex-Service chiefs to enshrine the Covenant fully into law were voted down by Conservative MPs. These plans were to improve Armed Forces accommodation, employment support and pensions and to end the scandal of visa fees for Commonwealth citizen veterans and Gurkha personnel. Council believes these should be extended to non-Commonwealth citizens who served with or materially assisted our armed forces in conflict zones such as Afghanistan.

This Council therefore resolves to continue the campaign with Forces’ charities to see the Government strengthen the Covenant and improve vital services to veterans.

Upon being put to the vote the amendment was defeated with 30 Members voting in favour: -

Councillors	Ali	Doyle	Johnston, S	Potts
	Ayre	Dunn	Mann	Reed
	Bond	Edgeworth	McDonough	Smith, G
	Burnicle	Fagan	Morrissey	Vera
	Crosby	Gibson, P.W.L	Mullen	Wood, A.
	Curtis	Greener	Nicholson	Wood, P.
	Dixon, M.	Hartnack	O'Brien	
	Donaghy	Haswell	Peacock	

37 members voting against:-

The Mayor (Councillor A Smith)

The Deputy Mayor (Councillor D Trueman)

Councillors	Blackburn	Heron	Price	Thornton
	Burrell	Herron	Rowntree	Trueman, H.
	Chequer	Johnston, K.	Samuels	Tye
	Dodds	Lauchlan	Scott	Usher
	Farthing	Laws	Smith, P.	Walker, M.
	Fletcher	Mason-Gage	Snowdon, D.	Walker, P.
	Foster	Miller, F.	Snowdon, D.E.	Warne
	Gibson, P	Miller, G.	Speding	Williams
	Guy	Mordey	Stewart	

And 1 Abstention

Councillor Bewick

Councillor Donaghy, duly seconded by Councillor Peacock, moved the following amendment: -

To add to the end of the motion:

- 'This Council will therefore seek to join the award winning Armed Forces Outreach Scheme (AFOS), a partnership of the Local Government authorities dedicated to the pledge of the Armed Forces Covenant.'

So that the amended motion would read as follows:

This Council stands firmly behind our UK Armed Forces and fully supports the aims of the Armed Forces Covenant, welcomes the new Armed Forces Act, but sees the legislation as a missed opportunity to improve the lives of veterans here in Sunderland.

This council therefore notes with disappointment:

- that the Act which makes Sunderland Council and local public bodies legally bound to have “due regard” to the Covenant when providing support to Forces communities but exempts central government from any such duty, creating a two-tier Covenant for veterans.
- that Labour led proposals backed by the Royal British Legion and ex-Service chiefs to enshrine the Covenant fully into law but Conservative MPs voted down these plans to improve Armed Forces accommodation, employment support and pensions and to end the scandal of visa fees for Commonwealth and Gurkha personnel.

This Council therefore resolves to continue the campaign with Forces charities to see the Government strengthen the Covenant and improve vital services to veterans.

- 'This Council will therefore seek to join the award winning Armed Forces Outreach Scheme (AFOS), a partnership of the Local Government authorities dedicated to the pledge of the Armed Forces Covenant.'

Upon being put to the vote the amendment was defeated with 31 Members voting in favour: -

Councillors	Ali	Donaghy	Haswell	Peacock
	Ayre	Doyle	Johnston, S	Potts
	Bewick	Dunn	Mann	Reed
	Bond	Edgeworth	McDonough	Smith, G
	Burnicle	Fagan	Morrissey	Vera
	Crosby	Gibson, P.W.L	Mullen	Wood, A.
	Curtis	Greener	Nicholson	Wood, P.
	Dixon, M.	Hartnack	O'Brien	

37 members voting against:-

The Mayor (Councillor A Smith)

The Deputy Mayor (Councillor D Trueman)

Councillors	Blackburn	Heron	Price	Thornton
	Burrell	Herron	Rowntree	Trueman, H.
	Chequer	Johnston, K.	Samuels	Tye
	Dodds	Lauchlan	Scott	Usher
	Farthing	Laws	Smith, P.	Walker, M.
	Fletcher	Mason-Gage	Snowdon, D.	Walker, P.
	Foster	Miller, F.	Snowdon, D.E.	Warne
	Gibson, P	Miller, G.	Speding	Williams
	Guy	Mordey	Stewart	

The Mayor then put the Original Motion to the meeting and it was declared to be carried unanimously :-

It was therefore:-

9. **RESOLVED** that:-

This Council stands firmly behind our UK Armed Forces and fully supports the aims of the Armed Forces Covenant, welcomes the new Armed Forces Act, but sees the legislation as a missed opportunity to improve the lives of veterans here in Sunderland.

This Council therefore notes with disappointment:

- that the Act which makes Sunderland Council and local public bodies legally bound to have “due regard” to the Covenant when providing support to Forces communities but exempts central government from any such duty, creating a two-tier Covenant for veterans.
- that Labour led proposals backed by the Royal British Legion and ex-Service chiefs to enshrine the Covenant fully into law but Conservative MPs voted down these plans to improve Armed Forces accommodation, employment support and pensions and to end the scandal of visa fees for Commonwealth and Gurkha personnel.

This Council therefore resolves to continue the campaign with Forces charities to see the Government strengthen the Covenant and improve vital services to veterans

Reception of Petitions

There were no petitions to be received.

Written Questions by Members of the Public under Rule 10

Pursuant to Rule 10 of the Council Rules of Procedure, the Leader and Members of the Cabinet were asked questions which had been submitted by members of the public.

Written Questions by Members of the Council under Rule 11

Pursuant to Rule 11 of the Council Rules of Procedure, the Leader and Members of the Cabinet were asked questions which had been submitted by Members of the Council.

Area Arrangements Annual Report 2021/2022

The Executive Director of Health, Housing and Communities submitted the Area Arrangements Annual Report which summarised the work of the five area committees during 2021/2022.

Councillor Williams, duly seconded by Councillor P Walker, moved the Area Arrangements Annual Report and accordingly it was: -

- 10. RESOLVED that** the achievements and impact of the work of the Area Committees and their supporting Neighbourhood and Community Boards during 2021/2022 as outlined in the Annual Report be received and noted.

Scrutiny Annual Report 2021/2022

The Assistant Director of Law and Governance submitted the Scrutiny Annual Report which summarised the work of the scrutiny committees during 2021/2022.

Councillor D E Snowden, duly seconded by Councillor Foster, moved the Scrutiny Annual Report and accordingly it was: -

- 11. RESOLVED that** the report on the operation of the scrutiny function for 2021/2022 be received and noted.

Action taken on petitions

The Council received and noted the report below which detailed the action taken in relation to the following petitions which had been presented to the Council.

(i) **Petition - Barnes Service Station, Durham Road**

At the meeting of the Council on 23rd March 2022, Councillor Antony Mullen presented a petition with 220 signatures. The petition set out an objection to planning application ref. 22/00399/FUL, which related to the demolition of the existing petrol station and the construction of a drive thru restaurant and associated works at Barnes Service Station, Durham Road.

The statement on the petition sheet reads as follows:

'We the undersigned oppose the proposal to convert the service station at the Barnes into a drive through restaurant.

The site is completely unsuitable for the proposed development. The proposed site layout provided in relation to the application reveals that from the first service window of the drive through, the site could hold a queue of 12 cars at most before Durham Road would be clogged with queuing cars. It is unrealistic to assume that the site would not exceed this level of popularity especially as residents have witnessed the large queues at the Farringdon McDonalds site and the KFC Pennywell site that regularly see queues that bring the highway to a standstill. The proposed drive through would also see peak use at certain times of the day with lunchtime and early evening usage most likely. This could result in the blocking off of the main roads and bus routes in the area. In contrast the usage of the existing petrol filling station sees its demand spread out more evenly throughout the day.

The traffic is already dangerous in this area as highlighted most recently by the crash in late February at the junction of Silksworth Lane and the A690. Residents and road users already have to navigate a stretch of road where many routes converge as part of one of the major routes into the city. The proposed development would add to the chaos and present a substantially increased risk of accidents and serious injury in an area where children from St Marys Primary, Richard Avenue Primary and Bede College are regularly crossing and which regularly sees the elderly and families with young children attempting to get to Barnes Park. The lack of crossing points in this area could see a real risk that a child is run over when attempting to reach the proposed drive through due to the increased traffic.

The proximity of the development to local places of education: St Mary's RC Primary School, Richard Avenue Primary school and Bede College, with pupils from Thornhill and St Aidan's also using the area means that the development makes a mockery of the councils policies on takeaways and fast food as set out in the Sunderland Healthy City Plan 2020-2030 and the Core Strategy Development Plan. The area is already well served with a number of takeaways and any further food outlets in the area would adversely impact the health of residents and students.

Litter would adversely impact the area as can be seen from similar developments of this type (see Farringdon McDonalds, Pennywell KFC) where the impact of litter is felt a significant distance from the actual site. This and the loss of trees from the site will lead to a clear environmental and social loss from the proposed development. At a time when the Council has declared a climate emergency and Area Committees of the Council are endeavouring to improve the area for residents the loss of trees and adverse impacts of the development would set back these council priorities.

The supposed economic benefits claimed by the applicant are far outweighed by the economic losses that would be brought about by the development. The increased traffic problems in the area would adversely impact the existing businesses in the area such as the Toby Carvery as customers may be put off by the traffic issues. The traffic problems that would occur on one of the main routes into the city also has the potential to make Sunderland a worse place to do business if gridlock leads to difficulty for workers from outside the city getting to their place of work via one of the main routes into the city from the south.

Our signatures are to be found on the following pages. We live in a number of wards across the city but the traffic problems and dangers presented by the proposed development would impact upon us all'.

The petition is being treated as a formal representation in respect of planning application ref. 22/00399/FUL. The concerns raised within the petition that are 'material' planning considerations will be taken into account when assessing the acceptability, or otherwise, of the proposal ahead of its determination by the Planning and Highways Committee.

(ii) Petition – Request to reimburse residents of Vicarage Close for costs associated with damage done to properties by Persimmon Homes development

At the meeting of the Council on 23rd March 2022, Councillor Antony Mullen presented a petition with 47 signatures to members requesting that the Council reimburse residents of Vicarage Close for costs associated with alleged damage to their properties as a result of the adjacent Persimmon Homes housing development under construction.

The statement on the petition sheet reads as follows:

'Sunderland City Council should reimburse residents of Vicarage Close for costs associated with the damage done to their properties by the Persimmon development. We the undersigned support the above statement'.

After consideration by Council Officers, the outcome of the petition is as follows:-

To decline this petition as it is not considered appropriate for the Council, in this instance, to award individual resident's compensation for alleged damage caused as a direct result of the Persimmon Homes development. However, to ensure that any disruption caused, as a result of the development is kept to a minimum, the Council will continue to monitor the development to ensure all regulations/requirements/conditions imposed on the developers are being adhered to.

The Ward Councillors and Lead petitioner have been advised of the outcome.

Special Urgency Decisions

The Leader of the Council submitted a quarterly report on executive decisions which had been taken as a matter of special urgency. There had been no such instances since the last report.

12. RESOLVED that the report be received and noted.

Appointments to Committees and Outside Bodies

The Assistant Director of Law and Governance submitted a report and supplementary report seeking approval for a number of proposed changes to various committees and outside bodies which had arisen since the Annual Council meeting.

The Leader of the Council, duly seconded by the Deputy Leader, moved the report and accordingly it was: -

13. RESOLVED that the Council: -

- (i) appoint Councillors R. Elvin and D. Geddis to serve as the Hetton Town Council representatives on the Standards Committee;
- (ii) appoint Councillor K. Johnston, with Councillor Scott as the substitute member, on the Tyne and Wear Strategic Flood Group;
- (iii) appoint Councillor Usher in place of Councillor Price on the Tyne and Wear Fire and Rescue Authority;
- (iv) note the decision of the Leader of the Council to rename the Portfolio for the Deputy Leader as Deputy Leader Clean, Green City Portfolio Holder;
- (v) approve the nomination of the Leader as the main representative with the Deputy Leader and Clean, Green City Portfolio Holder as the substitute, on the NECA North East Joint Transport Committee and North East Joint Transport (Tyne and Wear) Sub-Committee
- (vi) note the following revisions to the nominations on the NECA North East Joint Transport Overview and Scrutiny Committee and the North East Joint Transport Audit Committee:-
 - Councillor D.E. Snowdon and Councillor P. Donaghy with Councillor S.Watson and Councillor J. Doyle as substitutes to the North East Joint Transport Overview and Scrutiny Committee, in place of the current 2 Labour representatives Councillors Price and D. Snowdon with Councillors D.E. Snowdon and Watson as Substitutes; and
 - Councillor S. O'Brien with Councillor P. Edgeworth as substitute to the North East Joint Transport Audit Committee, in place of the current Labour representative, the Cabinet Secretary – Councillor Stewart with Councillor Williams as Substitute
- (vii) approve the appointment of Councillor T. Dodds to the Coalfield Area Committee, the Standing Advisory Committee on Religious Education and its Agreed Syllabus Conference; and
- (viii) appoint Councillor J. Warne to the vacancy on the Tyne and Wear Anti-Fascist Association.

Chief Finance Officer – Section 151 Local Government Act 1972

The Chief Executive and the Assistant Director of Law and Governance submitted a joint report to propose interim arrangements for the allocation of Chief Finance Officer responsibilities.

The Leader of the Council, duly seconded by the Deputy Leader, moved the report and accordingly it was: -

14. RESOLVED that the Assistant Director of Finance be designated as the Chief Finance Officer in accordance with section 151 Local Government Act 1972, as set out in the report, on an interim basis, pending a permanent appointment being made.

Notices of Motion

(i) City of Sanctuary

The Deputy Leader of the Council, Councillor Rowntree, duly seconded by Councillor Laws moved the following motion:-

“This Council recognises:

- the need for our city to promote the welfare and inclusion of all people fleeing violence, persecution or who are isolated and seeking safety
- the positive contribution of refugees and those seeking asylum can make in our local communities across the whole city.

This Council therefore resolves to:

- Join the network of Cities and Towns which promote the inclusion and welfare of people fleeing violence, persecution and become a recognised “City of Sanctuary”
- Promote the inclusion and welfare of all who find themselves, homeless, destitute or isolated.
- Continue to be a welcoming place of safety for all by encouraging integration, community cohesion and challenging discrimination of all kinds.
- Continue to promote diversity through recognition and celebration of our different cultures across Sunderland.
- To encourage other Anchor institutions and Key Stakeholders to become part of the City of Sanctuary movement.”

Councillor Mullen, duly seconded by Councillor Doyle moved the following amendment:-

To insert after the final bullet point, an additional bullet point which states:

- “Acknowledge that the Leader of the Council has previously publicly objected to an initiative to house refugees in Sunderland, because of the inappropriateness of the location. To overcome this, the Leader of the Council will therefore present a report to the next meeting of Council which details examples of accommodation in each ward which he would consider suitable for housing refugees. In cases where he concludes there is no suitable accommodation in any given ward, his report will state this explicitly.”

So that the amended motion would read:

“This Council recognises:

- the need for our city to promote the welfare and inclusion of all people fleeing violence, persecution or who are isolated and seeking safety
- the positive contribution of refugees and those seeking asylum can make in our local communities across the whole city.

This Council therefore resolves to:

- Join the network of Cities and Towns which promote the inclusion and welfare of people fleeing violence, persecution and become a recognised “City of Sanctuary”
- Promote the inclusion and welfare of all who find themselves, homeless, destitute or isolated.
- Continue to be a welcoming place of safety for all by encouraging integration, community cohesion and challenging discrimination of all kinds.
- Continue to promote diversity through recognition and celebration of our different cultures across Sunderland.
- To encourage other Anchor institutions and Key Stakeholders to become part of the City of Sanctuary movement.”
- Acknowledge that the Leader of the Council has previously publicly objected to an initiative to house refugees in Sunderland, because of the inappropriateness of the location. To overcome this, the Leader of the Council will therefore present a report to the next meeting of Council which details examples of accommodation in each ward which he would consider suitable for housing refugees. In cases where he concludes there is no suitable accommodation in any given ward, his report will state this explicitly.”

Upon being put to the vote the amendment was defeated with 21 Members voting in favour: -

Councillors	Ali	Doyle	McDonough	Smith. G
	Ayre	Dunn	Morrissey	Vera
	Bewick	Greener	Mullen	Wood, P.
	Burnicle	Hartnack	Nicholson	
	Dixon, M.	Johnston, S	Peacock	
	Donaghy	Mann	Reed	

And 47 Members voting against:-

The Mayor (Councillor A Smith) in the Chair

The Deputy Mayor (Councillor D Trueman)

Councillors	Blackburn	Gibson, P.W.L	Mordey	Thornton
	Bond	Gibson, P.	O'Brien	Trueman, H.
	Burrell	Guy	Potts	Tye
	Chequer	Haswell	Price	Usher
	Crosby	Heron	Rowntree	Walker, M.
	Curtis	Herron	Samuels	Walker, P.
	Dodds	Johnston, K.	Scott	Warne
	Edgeworth	Lauchlan	Smith, P	Williams
	Fagan	Laws	Snowdon, D	Wood, A.
	Farthing	Mason-Gage	Snowdon, D.E.	
	Fletcher	Miller, F	Speding	
	Foster	Miller, G.	Stewart	

The Mayor then put the Original Motion to the meeting and there being no indication of dissent, unanimous agreement was signalled by acclamation. However, a request was made by a member that an electronic vote be taken, to which the Mayor agreed and accordingly, an electronic vote was also taken which recorded as follows:-

62 members voting for:-

The Mayor (Councillor A Smith) in the Chair

The Deputy Mayor (Councillor D Trueman)

Councillors	Ali	Farthing	Mann	Snowdon, D
	Bewick	Fletcher	Mason-Gage	Snowdon, D.E.
	Bond	Foster	McDonough	Speding
	Burnicle	Gibson, P.W.L	Mordey	Stewart
	Burrell	Gibson, P.	Morrissey	Thornton
	Chequer	Greener	Mullen	Trueman, H.
	Crosby	Guy	Nicholson	Tye
	Curtis	Hartnack	O'Brien	Usher
	Dixon	Haswell	Peacock	Vera
	Dodds	Heron	Potts	Walker, M.
	Donaghy	Herron	Reed	Walker, P.
	Doyle	Johnston, K.	Rowntree	Warne
	Dunn	Johnston, S.	Samuels	Williams
	Edgeworth	Lauchlan	Smith, G.	Wood, A.
	Fagan	Laws	Smith, P	Wood, P.

Note: After conclusion of the meeting, a number of councillors advised that they believed their vote may not have registered on the electronic voting system (which was being used for the first time at this meeting). The following named councillors requested a note be made that they had sought to vote “For” in favour of the motion. The councillors concerned were:-

Councillors	Ayre	F. Miller	Price
	Blackburn	G. Miller	Scott

It was therefore:-

15. RESOLVED that:-

This Council recognises:

- the need for our city to promote the welfare and inclusion of all people fleeing violence, persecution or who are isolated and seeking safety
- the positive contribution of refugees and those seeking asylum can make in our local communities across the whole city.

This Council therefore resolves to:

- Join the network of Cities and Towns which promote the inclusion and welfare of people fleeing violence, persecution and become a recognised “City of Sanctuary”
- Promote the inclusion and welfare of all who find themselves, homeless, destitute or isolated.
- Continue to be a welcoming place of safety for all by encouraging integration, community cohesion and challenging discrimination of all kinds.
- Continue to promote diversity through recognition and celebration of our different cultures across Sunderland.
- To encourage other Anchor institutions and Key Stakeholders to become part of the City of Sanctuary movement

The meeting adjourned at this point, having exceeded three hours’ duration.

(Signed) A SMITH,
Mayor.

Report of the Cabinet

The CABINET reports and recommends as follows:-

1. Honorary Freedom of the City

That at its meeting held on 14 October, Cabinet gave consideration to a report of the Chief Executive (copy attached) recommending that the Council consider formally conferring the Honorary Freedom of the City upon

- Gary Bennett MBE

In recognition of the example of commitment and achievement he sets in combatting racism in football and as an ambassador of Sunderland and role model for young people.

- Stephanie Darby MBE (Steph Houghton)

In recognition of the example of commitment and achievement she sets in women's sport and as a role model for young people in Sunderland.

- Jill Scott MBE

In recognition of the example of commitment and achievement she sets in women's sport and as an ambassador of Sunderland and role model for young people.

Accordingly, the Cabinet recommended to Council that:-

- (i) in accordance with the provisions of Section 249 of the Local Government Act 1972,

- Gary Bennett MBE
- Stephanie Darby MBE (Steph Houghton); and
- Jill Scott MBE

as persons of distinction who have, in the opinion of the Council, rendered eminent services to the City, be admitted to be Honorary Freemen of the City; 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 at the earliest opportunity.

2. Budget Planning Framework and Medium Term Financial Plan 2023/2024 – 2026/2027

That at its meeting held on 13 October, Cabinet gave consideration to a report of the Assistant Director of Finance which:

- Identified the key factors influencing the development of the Council's financial plans into the medium term and set out the budget planning framework for the Council for 2023/2024;
- Set out the headlines and context for the Medium Term Financial Plan (MTFP) 2023/2024 to 2026/2027; and
- Set out the consultation / communication strategy for the budget 2023/2024.
- Sought a recommendation to Council for the approval of the updated Capital Strategy.

In accordance with the Council's Budget and Policy Framework Council, approval is required for changes to the Council Capital Strategy and an extract from the report on the Capital Strategy Update – 2022/2023 is attached.

The report was also considered by the Scrutiny Coordinating Committee on 13 October 2022. The comments of the Committee will be considered by the Cabinet at its meeting on 10 November 2022.

The comments of the Scrutiny Coordinating Committee and the Cabinet's recommendations to Council will be set out in a supplementary report.

3. Review of Council Size and Ward Boundaries

That at its meeting to be held on 10 November, Cabinet will give consideration to a report of the Chief Executive (copy attached) advising that the Local Government Boundary Commission for England (the Commission) has contacted the Council to indicate that it intends to carry out a review of the overall composition of the Council and Ward arrangements. The previous review was undertaken in 2002, with the final recommendations being published in October 2003, and whole-Council elections taking place in 2004.

This report recommends to Council the process to be adopted in relation to the completion of the Council's submission in relation to Council Size. Further reports to Council in relation to ward arrangements will be submitted in due course at the appropriate time.

Cabinet is to consider recommending to Council that:-

- i) it notes the commencement of the review of the overall composition of the Council and its Ward arrangements by the Commission;

- ii) the timetable for the review process and the date for the submission of the Council size proposal, in particular, be noted;
- iii) a politically balanced Boundary Review Working Group be established of seven members of the Council (4 Labour, 2 Conservative and 1 Liberal Democrat) to assist in the process of developing initially the Council Size Proposal document;
- iv) the terms of reference for the Boundary Review Working Group as set out in Appendix 1 be approved;
- v) the Chief Executive be authorised to draft the Council Size Proposal document in consultation with the Working Group and submit it for approval to the Council Meeting on 25 January 2023 prior to its submission to the Commission by 28 February 2023; and
- vi) it notes that further reports will be submitted to Council as the review by the Commission progresses to consider the Ward arrangements.

Cabinet's recommendations to Council will be set out in a supplementary report.

CABINET

14 OCTOBER 2022

HONORARY FREEDOM OF THE CITY

Report of the Chief Executive

1.0 Purpose of the Report

To consider recommending to Council that the Honorary Freedom of the City be conferred upon

- Gary Bennett MBE

In recognition of the example of commitment and achievement he sets in combatting racism in football and as an ambassador of Sunderland and role model for young people.

- Stephanie Darby MBE (Steph Houghton)

In recognition of the example of commitment and achievement she sets in women's sport and as a role model for young people in Sunderland.

- Jill Scott MBE

In recognition of the example of commitment and achievement she sets in women's sport and as an ambassador of Sunderland and role model for young people.

2.0 Description of Decision

To recommend to Council that

- i) in accordance with the provisions of Section 249 of the Local Government Act 1972
 - Gary Bennett MBE
 - Stephanie Darby MBE (Steph Houghton); and
 - Jill Scott MBE

as persons of distinction who have, in the opinion of the Council, rendered eminent services to the city, be admitted as Honorary Freemen of the City; 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 at the earliest opportunity.

3.0 Background

The Council has traditionally honoured those people who have made significant positive contributions to the reputation and wellbeing of the city and its residents by conferring upon them the Honorary Freedom of the City.

The City's footballing legends hold a special place in the hearts of the people of Sunderland and it was a cause for significant celebration when in January 2022, the Council conferred the Honorary Freedom of the City of Sunderland on the remaining members of the 1973 FA Cup winning team.

The Council had previously conferred the honour upon team manager Bob Stokoe in January 1974, and in May 2016 upon team goalkeeper Jim Montgomery BEM.

The team's victory had a hugely positive impact on the city and its people and the Honorary Freedom of the City was conferred upon them as a token of the esteem in which they are held in Sunderland and for the enduring example they set.

Members of the Council have now nominated three further, highly respected footballing figures for consideration as follows:

- Gary Bennett MBE
- Stephanie Darby MBE (Steph Houghton); and
- Jill Scott MBE

3.1 Gary Bennett MBE

In the 2022 New Year Honours list, Gary was appointed a Member of the Order of the British Empire (MBE) for services to anti-racism in football.

Gary began his professional football career as a defender at Manchester City in 1979 before signing for Cardiff City in 1981.

In 1984, he moved to First Division Sunderland AFC, becoming one of the highest outfield appearance makers during his 11 years playing for the club and cementing his status as a much-loved and respected Sunderland legend.

Moving on to play for Carlisle, Scarborough and Darlington, Gary then made the transition into coaching and management at the end of his playing career, taking over the reins as player-manager and then manager at Darlington FC.

Gary has since held a range of coaching roles including Head Football Coach at the University of Sunderland, where he has helped the men's and women's teams achieve equal success.

Gary was one of the first players in the game to work and campaign to eradicate racism in football and is one of the longest supporting patrons of the Show Racism the Red Card (SRTRC) organisation.

Using his own experiences of racism to help educate others in combatting it, Gary's unwavering support over the past 25 years has been crucial in establishing and growing SRTRC, and he has worked with thousands of young people throughout the North East to help educate them on the importance of being anti-racist.

Gary continues to play an important and inspirational role in promoting sport and football in the community and has mentored many young people working towards coaching and officiating awards, as well as being a hugely dedicated patron and ambassador for local charities and for the City of Sunderland.

3.2 Stephanie Darby MBE (Steph Houghton)

In the 2016 New Year Honour list, Steph was appointed a Member of the Order of the British Empire (MBE) for services to football.

Steph was first scouted to train with the Sunderland AFC Under 16s side at the age of nine and is a much-admired figure in the city's proud footballing story, having come up through the ranks from local grassroots to achieve international success.

In 2002, she began her senior career with Sunderland helping them win promotion from the Northern Division in 2005-6.

Steph went on to join Leeds United Ladies and was named the FA Women's Young Player of the Year in 2008. She was amongst the first 17 female players to be given central contracts by the FA and helped Leeds win the Women's Premier League Cup in 2010.

Subsequently, she signed for Arsenal and in 2014, completed a move to Manchester City where she has lifted eight trophies and been named Player of the Year twice.

On the international stage, she has made over 120 appearances for England, playing at every level and also represented Team GB at two Olympic Games. At the London Olympics in 2012, Steph scored in all three group matches including the winning goals against New Zealand and Brazil.

In 2014, she was awarded the England captain's armband, leading the Lionesses to World Cup qualification and a bronze medal in Canada.

An inspirational role model and hugely respected pioneer and ambassador for women's football, Steph's MBE was awarded for her achievements and contribution both on and off the pitch.

Showing real passion and determination to come back from two serious injuries during her career, Steph regained her place as an integral player for both club and country, and last season, continued to break records and boundaries becoming the first player to reach 100 Women's Super League wins.

3.3 Jill Scott MBE

Jill was appointed a Member of the Order of the British Empire (MBE) in the 2020 New Year Honours list for services to women's football.

Born in Sunderland, she is one of the city's much-loved footballing legends, starting at grassroots level from a young age and coming up through the ranks to start her senior career with Sunderland in the 2004-5 season.

Aged 18, in September 2005 Jill was named the Women's Player of the Month based on her performances for both club and country (at under-19 level).

From there Jill has gone on to be one of England's most decorated players and is one of only a few Lionesses to have been capped over 150 times.

She has played in nine major tournaments during her international career and the people of Sunderland were bursting with pride when she played an influential role in helping the Lionesses lift the Euro 2022 winners' trophy this summer.

Making her England debut in 2006, Jill has delivered some unforgettable strikes and displays of skill at key moments including scoring the winner in the Euro 2009 semi-final and the equaliser against Belgium in the Euro 2017 qualifiers.

Shortly after her first appearance for England she was called up to the World Cup squad where in China in August 2007, she scored in the 6-1 win against Argentina.

When starting the England-Cameroon match in France in 2019, it was Jill's 18th World Cup Finals appearance – the most of any England player in history.

At club level, Jill has won every domestic honour with Manchester City, and scored in their FA Cup Final victory in 2017.

Leaving a legacy that will benefit girls' and women's sport for generations to come, Jill announced her retirement after the Lionesses' Euro victory and remains a hugely inspirational role model and record holder in women's football.

4.0 Financial Implications

The costs associated with this proposal are estimated to be circa £12,000 which will be met from the Council's general contingency provision. This includes the cost of the memorabilia given to each of nominees as well the cost of the ceremony itself. There are a number of variables relating to the cost of the ceremony and these will become clearer once preparations commence.

5.0 Current Position

Given Sunderland's long tradition of conferring the Freedom of the City on those notable individuals who, through their various achievements, have contributed positively to the reputation of the city and are held in high regard by its citizens, it is considered appropriate to recommend the Council to confer the Freedom of the City upon the nominees.

6.0 Reasons for Decision

The proposal will formally recognise the achievements and contribution of Gary Bennett MBE, Stephanie Darby MBE (Steph Houghton) and Jill Scott MBE and the respect that the people of Sunderland hold for them.

7.0 Alternative Options

The alternative option would be to not agree the proposal, however conferring honorary freedom is considered to be appropriate in order to recognise the outstanding contribution made by the nominated individuals.

8.0 Background Papers

None.

Budget Planning Framework and Medium Term Financial Plan 2023/2024 – 2026/2027

Extract from report of the Assistant Director of Finance to Cabinet 13 October 2022

CAPITAL STRATEGY UPDATE - 2022/2023

1. INTRODUCTION

1.1 Background

- 1.1.1 The overarching aim of the Council's Capital Strategy ("the Strategy") is to provide a framework within which the Council's capital investment plans will be prioritised and delivered in line with the City Plan (2019 – 2030) with an overall ambition that by 2030 Sunderland will be a connected, international city with opportunities for all. This reflects the ongoing commitment to ensure the Council puts residents and customers at the heart of everything we do, reflecting the diversity of the city.

The Capital Strategy is intended to give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

- 1.1.2 The Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management in the Public Service Code of Practice were updated by the Chartered Institute of Public Finance and Accountancy in December 2021.
- 1.1.3 The Prudential Code refers to the need for a clear and integrated treasury strategy which, by the application of set prudential and treasury management financial indicators enables the Council to assess and monitor the prudence, affordability, and sustainability of the capital programme.
- 1.1.4 The updated Prudential Code includes the following as the focus of the substantive changes:
- The provisions in the code, which prevent the approach to borrowing in advance of need in order to profit from additional sums borrowed, have been strengthened. The relevant parts of the code have augmented to be clear that borrowing for-yield investment is not permissible under the Prudential Code. This recognises that commercial activity is part of regeneration but underlines that such transactions do not include debt-for-yield as the primary purpose of the investment or represent an unnecessary risk to public funds.
 - Proportionality has been included as an objective in the Prudential Code. New provisions have been added so that an authority incorporates an assessment of risk to levels of resources used for capital purposes.
 - A new requirement has been added so that capital strategies are required to report investments under the following headings: service, treasury management and commercial investments.

1.1.5 The Council's Capital Strategy has been prepared to provide a framework within which the Council's capital investment plans will be prioritised and delivered, ensuring it adheres to the requirements of the Prudential Code. This is covered over the following key areas:

- Capital expenditure including governance, monitoring, priorities, pipeline, and longer-term planning;
- Funding approach;
- Debt, borrowing and treasury management;
- Commercial activity;
- Other long-term liabilities; and
- Knowledge and skills.

1.1.6 The Strategy covers the Council as well as Together for Children Limited and Sunderland Care and Support Limited. Given the different relationship with Siglion and its development portfolio, not all of its activity is covered by this Strategy.

2.0 OBJECTIVES OF THE CAPITAL STRATEGY

2.1 The key objectives of the Capital Strategy are to:

- provide a clear set of objectives and a framework within statutory legislation that enables proposed new capital expenditure to be evaluated to ensure that all new capital investment is targeted at addressing the economic and social challenges that Sunderland faces as set out in the City Plan, so that the city and its people can achieve their full potential;
- ensure prioritisation of projects that focus on delivering a number of the commitments contained in the City Plan;
- set out how the Council identifies, programmes, and prioritises capital requirements and proposals arising from business plans submitted through an appraisal mechanism;
- provide a long-term view of capital expenditure plans and risks faced by the Council over the life of assets;
- consider options available for funding capital expenditure and how resources may be maximised to generate investment in the area, whilst minimising the ongoing revenue implications of any such investment;
- provide a basis for the projection of external debt and provision for repayment of that debt over the life of the underlying debt based on the approved capital programme and other capital resources available;
- consider the resources available for capital expenditure over the longer term;
- ensure the strategy has an overall balance of risk on a range of investments over timespan, type of investment and rate of return, confirming that knowledge and skills available to the Council are commensurate with the Council's investment risk appetite; and

- establish effective arrangements for the management and monitoring of capital expenditure including the assessment of project outcomes, budget profiling, deliverability, value for money and security of investment.

2.2 Capital Priorities

The Council's Capital Priorities are aligned to the City Plan "Sunderland 2019-2030" Themes:

- By 2030 Sunderland will be a **dynamic smart city** with more and better jobs, a low carbon economy and a great choice of housing. It will be a leading digital city, deploying smart and sustainable technologies for the benefit of residents, business, and visitors;
- Sunderland will be a **healthy smart city** where people will live healthier, independent lives for longer. It will be a clean and attractive city with great transport and travel links; and
- Sunderland will be a **vibrant smart city** with more resilient people feeling safe in their homes and neighbourhoods. There will be a range of opportunities for people to participate in their communities and in cultural events and activities.

In addition, the continuing priority for the Council is on serving all of our residents in Sunderland with the best possible services and support, with a focus on long term benefits for our children and young people beyond 2030.

(a) Dynamic Smart City

The Council is focused on securing Sunderland's long-term future. This will involve a lower carbon city with greater digital connectivity for all, more and better jobs, more local people with better qualifications and skills, a stronger city centre with more businesses, housing, and cultural opportunities and more and better housing.

A range of actions, that reflect the area within which the Council can most positively deploy its capital resources, form the core focus of this aim. In doing so, these contribute towards Council funding in the longer term through additional council tax, business rates or land sale receipts, so contributing to the future sustainability of Council services.

A lower carbon city with greater digital connectivity for all - The focus within this commitment is on providing world-class digital infrastructure that creates benefits for individuals, communities and businesses, including employment growth through the digital sector, and smart living through smart homes. There is also the opportunity to transform our travel patterns, thereby reducing overall CO2 emissions. The Council has set a target of becoming 'Carbon Neutral' by 2030.

More and better jobs – Overall employment for Sunderland was 68.8% April 2021 to March 2022, which is 1.2 percentage points below the North East position at 70%. Our focus remains on increasing the number of well-paid jobs in our city by promoting growth in key employment sectors including automotive and advanced manufacturing, financial and customer services, digital and software, professional services in the city centre, and port related activity.

More local people with better qualifications and skills – The City Plan sets out the intention to ensure that residents have the qualifications and skills to enable them to secure good jobs that match the needs of employers in key sectors in the city. Plans focus on tackling barriers for those least able to access employment and ensuring that more local people are able to benefit from a stronger economy and supporting and enabling apprenticeship and work experience opportunities focused on skills and experience for the local economy.

A stronger city centre with more business, housing, and cultural opportunities – The City Plan sets out the intention that Sunderland city centre will drive transformational economic growth with Riverside Sunderland demonstrating the investment ambition and commitment to being a smart city. There is a need to attract new jobs to the city to increase the number of people employed in the city centre and encourage more homes to be built in the city centre. Plans, therefore, focus on a range of projects to promote wider city centre regeneration. Through planning responsibilities, and the development of the cultural offer, work will continue to promote a desirable and vibrant retail and leisure offer.

More and better housing – The focus under this City Plan commitment is to ensure that Sunderland offers the opportunities that families and individuals need to achieve their ambitions – with a housing offer that reflects the homes that people aspire to live in and positively impacts on the city's population, demographics and migration. This includes large family, and high-status homes through the delivery of key housing sites. Alongside this are commitments ensuring sufficient affordable housing whilst also bringing empty homes back into use, ensuring that properties are safe and free from serious hazards and that there is reduced risk of homes flooding.

(b) Healthy Smart City

Reduced health inequalities enabling more people to live healthier longer lives – One of the key intentions of the City Plan is the need to ensure that health and wellbeing outcomes in Sunderland are significantly improved, particularly in relation to overall healthy life expectancy. Plans focus on having a positive impact on health outcomes through all key life stages, particularly for our most disadvantaged residents, including those living in deprived areas, systematically addressing health inequalities, and mitigating the impact of COVID-19, with the aim of enabling healthier longer lives. Schools and businesses will be supported, where possible, to be enablers in improving the health of the working population and children and young people through initiatives such as Better Health at Work Awards and the Active Sunderland Schools Charter.

Access to equitable opportunities and life chances – This commitment is about taking a life course approach starting with the early stages of preconception to early years and adolescence to identifying key opportunities for minimising risk factors and enhancing protective factors through evidence-based interventions including support to reduce smoking and harmful alcohol consumption in pregnancy, new birth and early years services to ensure children have a good level of development and support to children and young people (including cared for children and care leavers) to enable equal chances of success at key educational stages (including reducing teenage pregnancy). Thereby tackling inequalities that have been widened by the COVID-19 pandemic. In the working age population and elderly, inequalities that exist across the city will be sought to be addressed through a community asset-based approach.

People enjoying independent lives – Although 98% of people aged 18+ in the city live independently (without social care services) based on mid-year estimates, we remain committed to ensuring people in the city can enjoy independent lives. Through our Smart City approach, we are using technology to create a Smart Health City, with digital solutions to everyday problems for assisted living that gives people more control over their care arrangements with the freedom to live at home and retain their independence for longer. Working with our partners, we aspire to reducing the number of emergency admissions to hospital due to falls for those aged 65+, and promote Ageing Well for our older residents in the city.

Great transport and links with low carbon and active travel opportunities for all – The emphasis within the City Plan is about ensuring that people can move around the city with ease through improved transport routes, well maintained highways and reduced journey times. Transport connectivity (including bus, rail and other modes of transport) with key employment sites is important for both employment and for the transport of goods and products. Good transport links to the city centre and the sub-centres of Washington and Houghton, and for connectivity to all communities are also important. Active travel will also be promoted by developing safe and user-friendly cycle routes, footpaths and pedestrian routes as well as support to maximise their use.

A cleaner and more attractive city and neighbourhoods – The focus under this City Plan Commitment is on promoting environmental responsibility to achieve a cleaner and more attractive city through a community responsibility plan supporting and enabling community clean-ups and place based volunteering, issuing sanctions where appropriate; and improving the amount of household waste sent for reuse, recycling or composting. Low levels of litter, dog fouling, graffiti and fly tipping are also important to residents. Residents will continue to be enabled to enjoy the city's open spaces by the maintenance of Green Flag Award parks and Blue Flag beaches.

(c) Vibrant Smart City

More resilient people - We will seek to enable families to be resilient and resourceful to respond to challenges and achieve the best possible outcomes for their children with a focus on families requiring early help with children in need, with children subject to a child protection plan; and with children who are looked after and care leavers. We will seek to build resilient communities by mitigating the wider impacts of COVID-19 and helping residents who experience hardship to access support.

More people feeling safe in their homes and neighbourhoods– This commitment relates both to people feeling safe from crime and supporting vulnerable adults who use our services to feel safe. We will work in partnership with other key agencies across the city to reduce the incidence of recorded crime, first-time offending, and young people re-offending. We are also committed to disrupting criminal and anti-social behaviour through intervention and enforcement activity whilst promoting prevention.

More residents participating in their communities – This commitment is about providing residents, including children and young people, with opportunities to engage with and participate in their communities –including supporting people to participate in an expanded and diversified range of volunteering platform, events and cultural programme, and other activities. We engage residents in conversations about local areas through the ‘Let’s Talk’ programme and annual Residents Survey, and children and young people specifically through participation activity. We are working in partnership with the Voluntary and Community Sector to increase their capacity to support communities.

More people visiting Sunderland and more residents informing and participating in cultural events, programmes, and activities –Post the restrictions due to the COVID pandemic, with partners we are re-building the city’s cultural offer for visitors and residents through investment in our facilitated events programme and re-opened cultural venues. As well as recognising the value of our coast and beaches as visitor attractions, we are providing a balanced portfolio of core events delivered by the Council along with partners, complimented by events led by others. We will also maximise the opportunities for health benefits from our events programme.

(d) Organisational Health

As an organisation we are continuing a challenging but exciting cultural change journey. The Council needs to continually improve and be innovative in our approach to counteract reducing budgets and financial uncertainty. We are committed to ensuring we have a productive healthy workforce, maintaining a lower level of sickness absence. We continue to enable greater agile and paperless working through the adoption of digital technologies and will continue to enable more digital interaction with our customers thereby promoting self-serve. The Council must focus on intelligence-based decision making to ensure that services are provided that represent value for money and ‘invest to save’ projects will be utilised where necessary to achieve this. We need to support innovation and collaborative ways of working to make sure the people in greatest need are supported. More must be done to address demand pressures and build individual and community resilience.

The Council will seek to maximise the return on investment through:

- Generating savings or supporting avoidance of additional revenue costs;
- Growing the Council’s income base i.e., fees and charges, business rates and council tax;
- Seeking a commercial return where appropriate; and
- Generating and supporting funding opportunities which encourages and levers in private sector investment to the city.

The global pandemic and now the economic impact of geo-political factors has clearly impacted upon the City's residents, businesses, and visitors. Work to deliver the ambitions set out in the City Plan will be continually monitored and is critical to the City's recovery.

2.3 Partnership working and investment opportunities

- 2.3.1 The Council will work with key partners to review physical and technological assets on a city-wide basis and maximise the potential benefits and opportunities of wider capital and infrastructure planning (including health sector partners, the College, University and Gentoo).
- 2.3.2 The Council will ensure that strong partnership arrangements are in place to enable truly collaborative working with regional partners. This includes the key partnerships of the Tyne and Wear City Region (including the LA7), North East Combined Authority, North of Tyne Combined Authority, and the North East Local Enterprise Partnership (LEP).

3.0 CAPITAL EXPENDITURE

- 3.1 The definition of capital expenditure under the Local Government Act 2003 is

'expenditure that results in the acquisition of, or the addition of subsequent costs to assets (tangible or intangible) in accordance with proper practices'

- 3.1.1 To meet the definition of capital, expenditure will only be classified as capital expenditure if the expenditure is directly attributable to an asset and:
- Results in the acquisition, construction, or improvement of an asset;
 - Is separately identified and measurable; and
 - Results in a measurable benefit to the Council for a period in excess of 12 months.
- 3.1.2 In addition, the Local Government Act 2003 allows the following type of expenditure to be classified as capital expenditure:

'the giving of a loan, grant or other financial assistance to any person, whether for us by that person or by a third party, towards expenditure which would, if incurred by the authority be capital expenditure'

- 3.1.3 Whether acquired or self-constructed, fixed assets should initially be measured at cost. Only costs that are directly attributable to bringing the asset into working condition for its intended use should be included. Such costs should be capitalised only for the period in which the activities that are necessary to get the asset ready for use are in progress.
- 3.2 Governance of the Capital Programme
- 3.2.1 To ensure that available resources are allocated optimally and deliver value for money, capital programme planning is determined in parallel with the service and revenue budget planning process within the framework of the medium-term financial plan (MTFP).

3.2.2 The Council has mechanisms in place which seeks to ensure that there is an integrated approach to addressing cross-cutting issues and developing and improving service delivery through its capital investment in pursuance of the Council's priorities. These include:

- Democratic decision-making and scrutiny processes which provide overall political direction and ensure accountability for the investment in the capital programme. These processes include:
 - Full Council, which is ultimately responsible for approving the Capital Strategy, the Treasury Management Strategy, and the Capital Programme;
 - Cabinet, which is responsible for setting the corporate framework and political priorities to be reflected in the Capital Programme and recommends projects for inclusion in the Capital Programme. Cabinet also monitors delivery of the capital programme through the quarterly capital and treasury monitoring process;
 - Scrutiny Coordinating Committee, which considers the programme of new starts for inclusion in the Capital Programme and reviews the MTFP to provide challenge, advice, and commentary to Cabinet where appropriate; and
 - All schemes which progress follow the requirements of the constitution and financial regulations including Financial Procedure Rules and Procurement Procedure Rules.
- Officer Groups which bring together a range of service interests and professional expertise. These include:
 - The Chief Officer Group (COG) which has overview responsibility for the development, management, and monitoring of the capital programme; COG acts as the Capital Strategy Board and provides a framework within which the Council capital investment plans will be scrutinised and prioritised, and delivery of approved plans will be monitored;
 - Directorate Management Teams overseeing and proposing business cases for investments prior to finance and legal due diligence for submission to the Capital Strategy Board; and
 - Specific Programme and Project boards with wide ranging membership are also created as appropriate to oversee significant capital development projects as required.

3.3 Capital Programme 2022/2023 – 2025/2026

The current approved capital programme commits substantial resources over the four years to 2025/2026.

A quarterly financial review of the Capital Programme is reported to Cabinet each July, October, and January outlining any in year variations, together with an outturn report in June.

3.4 Process for Prioritising New Capital Proposals

The annual process for identifying and prioritising new capital requirements involves a cross-section of stakeholders. The stages and roles within this process are outlined below:

Stage 1 - Identification and Prioritisation of Proposals within Directorates

Executive Directors, through discussion with Cabinet Portfolio holders, are requested to identify projects which are of high priority to their service area and are aligned with the City Plan. The supporting business case provides a clear justification for the proposal and sets out the rationale for its priority level. In addition, Executive Directors undertake a full review of the existing capital programme to confirm that planned projects remain a priority for the Council.

Stage 2 - Initial Review and Challenge

The Finance section undertakes an initial review and challenge of the proposals received to ensure completeness and robustness of submissions.

Stage 3 - Corporate Strategic Review and Prioritisation

- Submissions are reviewed and challenged by the COG Capital Strategy Board who assess the relative priority of the submissions from a strategic perspective, aligned to the corporate priorities; and
- The COG Capital Strategy Board recommend the projects to be taken forward after taking into account the total resources available and any consequences on the MTFP budget planning process.

Stage 4 - Member Review and Challenge

- Cabinet considers for recommendation to Council the prioritised proposed new start projects;
- Scrutiny Coordinating Committee reviews and challenges the recommendations from Cabinet;
- Cabinet considers the comments from Scrutiny Coordinating Committee and makes a final recommendation to Council; and
- Council considers the recommendations from Cabinet and approves the capital programme for the following 4-year period.

3.5 Monitoring of the Capital Programme

- 3.5.1 Monitoring of the programme includes expenditure profiling and the delivery against timetable for each project. This, in turn, informs the debt cost of schemes and the associated revenue impacts.

- 3.5.2 Schemes are regularly monitored by project managers, supported by finance colleagues, which informs quarterly reports to Cabinet that identify changes to the capital programme including:
- New resource allocations.
 - Slippage and acceleration in programme delivery;
 - Schemes reduced or removed;
 - Virements between schemes to maximise delivery and outcomes;
 - Revisions to expenditure profile and/or funding to ensure ongoing revenue costs are minimised; and
 - Revisions to timelines and significant changes in anticipated outcomes.
- 3.5.3 Non-financial outputs from the Capital Programme are monitored through the City Plan performance, capturing the wider benefits of schemes over a longer timeframe.
- 3.6 Longer Term Planning
- 3.6.1 The current capital planning cycle duration is 4 years, which covers the short to medium term capital investment requirements of the Council. The Prudential Code requires the Capital Strategy to consider the Council's longer-term capital investment requirements, although it does acknowledge that when taking a long-term view of assets, projections in later years are likely to involve a high degree of estimation.
- 3.6.2 The Council's capital programme, as approved in March 2022 and taking into account any subsequent approved variations, covers the period through to 2025/26 and totals £627.601m. In addition, new capital scheme proposals to commence from April 2023 are currently being developed and are to be considered by Cabinet and then full Council in March 2023 prior to their commencement.

Table 1 below provides a high-level minimum estimate of the capital requirement over the subsequent 15-year period commencing 2027/2028. The totals provided reflect the recurring elements of the capital programme necessary to maintain the status quo of asset groups. Non-recurring projects / initiatives, such as regeneration projects, are excluded from this analysis given their one-off nature.

The recurring elements of capital investment required to maintain service delivery are grouped into a number of asset areas, these are:

- Highways – Improvement and strategic maintenance of the Council's major highway assets including roads, bridges, footways, and traffic signal equipment;
- Property – Improvement and strategic maintenance of Council buildings to support front line services;
- Vehicles – Acquisition of vehicles, such as refuse collection vehicles and large specialist vehicles, to support front line services; and
- ICT and Connectivity – Improvement and replacement of the Council's ICT infrastructure and devices to directly support Council services across the city.

Any further regeneration initiatives following planned feasibility assessments and any other emerging schemes not covered by the above will be developed and appraised in line with the City Plan priorities and reported to Cabinet for consideration at the appropriate time.

Table 1 – Long Term Capital Requirement Forecasts beyond Capital Programme Period

Asset Group	Forecast Requirement 5 Years (2027/28 – 31/32)	Forecast Requirement 10 Years (2032/33 – 41/42)
	£m	£m
Highways (1)	18.750	37.500
Property (2)	3.750	7.500
Vehicles (3)	6.500	13.000
ICT (4)	2.500	5.000
TOTAL	31.500	63.000

Assumptions;

- (1) Highways – £3.750m per annum rolling programme of planned maintenance works and improvements. This estimate does not include investment supported by external funding from the Department of Transport, this has historically totalled c. £5m per annum for the Council and is anticipated to continue at this level.
- (2) Property - £0.750m per annum rolling programme of planned property capital maintenance.
- (3) Vehicles - £1.300m per annum rolling fleet refresh programme (based on 10-year full replacement programme estimate of £13m)
- (4) ICT and Connectivity – £0.500m per annum rolling refresh of user devices and core infrastructure.

Actual budget allocations will be determined as part of the annual revenue and capital budget setting process taking into account affordability at the time and service priorities.

The level of investment noted in table 1 above would result in an average annual spend of £6.300m. This level of additional borrowing would require an increase of around £0.566m to the revenue budget each year for the 15-year period to take account of debt charges.

3.7 Housing Revenue Account

Local Authorities that own 200 or more social dwellings are required to account for them within a Housing Revenue Account (HRA), it is anticipated the Council will reach this threshold in 2023/2024.

The HRA records expenditure and income on running the Council's housing stock and closely related services or facilities provided primarily for the benefit of the Council's own tenants. The HRA is a statutory ring-fenced account required to be self financing and, as such expenditure has to be entirely supported from housing rental and other income.

4.0 FUNDING APPROACH

4.1 There are several external and internal funding sources which the Council explores to support the development and delivery of the Capital Programme. These include:

- UK Government and North East Local Enterprise Partnership (North East LEP) grants;
- Lottery, Trusts and Foundations;
- Developer Private / Partnership Funding;
- Enterprise Zone Finance and Tax Incremental Finance;
- Capital Receipts and Council reserves; and
- Prudential Borrowing.

Each potential funding approach comes with varying conditions and risks which need to be assessed and then managed as part of the scheme delivery.

4.1.1 UK Government and North East LEP grants

- Grants are allocated by Government departments to specific programmes or projects on a competitive or formula basis. The Council seeks to maximise such allocations, developing appropriate projects and programmes which address priority needs in the city. With the Local Growth Fund, Getting Building Fund and European funding programmes now fully, the Council continues to access and investigate funding opportunities linked to the UK Government's Levelling Up agenda. Capital funding secured for major projects includes support from Transforming Cities Fund for the redevelopment of Central Station, Future High Streets Fund for a city centre transformation programme and the Levelling Up Fund to develop the city centre's housing ecosystem, including the Housing Innovation and Construction Skills Academy and two key housing sites on Vaux and Nile and Villiers Streets– Two other significant projects in delivery are co-funded by the Getting Building Fund to support digital and strategic infrastructure in the city centre and riverside areas, and to fund additional energy infrastructure on the Hillthorn Business Park site in Washington.
- The Council is awaiting the outcome of its round 2 bid to the Levelling Up Fund and plans to progress further bids to future rounds of the fund should additional funding be confirmed by Government. Delivery of Enterprise Zone funded capital works is ongoing on both the International Advanced Manufacturing Park (IAMP) and Port of Sunderland sites. Additional support from Government has also been secured to support the development of the IAMP Microgrid project. The Council is also awaiting the outcome of a recent bid to the Brownfield Land Release Fund to support remediation and release of the former Civic Centre site for a major housing scheme. The Council will continue to work with Homes England and other Government departments to secure additional funding to support its ambitious capital programme.

- The Council submitted its UK Shared Prosperity Fund Investment Plan to Government in July 2022 and is awaiting the outcome of the assessment process. Although this programme is predominantly revenue funding it will also provide a small amount of capital funding to support priority projects.
- Further consultation and guidance on the City Region Sustainable Transport Fund is awaited which should offer additional transport funding opportunities for the city over the next 4-5 years.
- Specific Government grants are utilised to support planned capital expenditure for example, maintenance of transport infrastructure, school buildings and provision of Disabled Facilities.

4.1.2 Non-Government and European grants

The Council continues to monitor opportunities to access non-government funding sources such as the National Lottery Heritage Fund, Sports England, Historic England, National Lottery Community Fund, and Arts Council England to support the delivery of the City Plan. Capital bids for funding are in the pipeline to support the redevelopment of Sunderland Museum and Winter Gardens, Library improvement projects in Houghton and Washington, and a nature conservation project in the former Coalfields area.

Apart from several existing capital projects that are currently being delivered, there are no further opportunities to access EU funding. All current European Structural and Investment Fund (ESIF) projects are scheduled to be completed by the end of 2023.

The UK Shared Prosperity Fund launched in April 2022 will operate until March 2025. Sunderland submitted its investment Plan in July 2022 and is awaiting the outcome of the Government's assessment process. The plan's coverage reflects local, regional and national priorities set out in the Sunderland City Plan, North East Strategic Economic Plan and Levelling Up White Paper – As outlined above, there is some limited scope to develop new capital projects.

4.1.3 Developer Private Funding

The Council has entered a number of private financing / partnering arrangements in recent years including Sunderland Lifestyle Partnership and Waste Management PFI. Funding arrangements have also been entered into with Legal and General in relation to the City Hall that will see other office developments funded and delivered by Legal and General as part of Riverside Sunderland.

The Council is committed to working with partners in the development of the city and its services. Various mechanisms provide opportunities to enhance the Council's investment potential with support and contributions from other third parties and local strategic partners. These range from commissioning / facilitating others to develop services in the city, funding for regeneration projects, and through match funding / joint funding of developments.

4.1.4 Alternative Sources of Financing

Enterprise Zones:

The Council has three live Enterprise Zone sites: A19 Low Carbon Zone, land at the Port of Sunderland and IAMP Phase 1. The Government's Enterprise Zone model allows all business rates growth generated by the Enterprise Zone to be kept by the relevant LEP for a period of 25 years. To unlock sites locally, the North East LEP has approved a model of forward funding the required infrastructure work, whereby local authority borrowing is financed through the future flow of business rates growth receipts.

Tax Incremental Finance (TIF):

Tax increment financing (TIF) permits local authorities to borrow money for infrastructure projects against the anticipated increase in tax receipts resulting from the infrastructure. TIF arrangements need to be negotiated and agreed with Central Government.

4.1.5 Internal funding

- Capital receipts from asset disposals

The Council has a substantial property estate, mainly for operational service requirements and administrative buildings. Reviews undertaken in accordance with the Asset Management Plan identify properties which are surplus to requirements, and which can be disposed.

Capital receipts from asset disposals represent a finite funding source and it is important that a planned and structured manner of disposals is in place to support the priorities of the Council. As part of its property rationalisation programme, the Council markets sites when it is felt to be the appropriate time in order to achieve best value and help support operational efficiencies.

The Efficiency Strategy, approved annually by Council, includes the continued proposed use of capital receipts to support costs arising from implementing the Council's savings programme, in accordance with Government guidance on the availability of flexibility around the use of capital receipts for transformation purposes through to 2024/25.

The Council continues to maintain a policy of not committing receipts in advance of realisation and does not ring-fence the use of capital receipts to fund new investment in specific schemes or service areas, except where regulations require this i.e., educational land receipts. Instead, subject to any claw back provisions, resources are allocated in accordance with key aims and priorities.

While the Council does not commit receipts in advance of realisation, an indicative programme of sales of assets into future years is in place against which progress will be monitored and managed.

Receipts realised will be used to assist the Council's long term financial position. This will involve appraisal of the options to maximise revenue benefits, which could include:

- Repayment of existing debt;
 - Mitigating requirements for future borrowing requirements in delivering the capital programme priorities;
 - Funding of Transformation Projects that will deliver efficiencies; and
 - Funding additional priorities.
- Capital Reserves
There is currently limited scope for Capital reserves to support new capital proposals. Opportunities for the creation of additional capital reserves will be considered in the light of the outturn funding position each financial year.
 - Lease finance
Leasing may be considered where this provides best value as an alternative to purchasing, to determine this a lease versus buy options appraisal will be undertaken.
 - Revenue
Capital expenditure may be funded directly from a revenue contribution (CERA – capital expenditure charged to revenue account). However, the general pressures on the Council's revenue budget and Council Tax levels limit the extent to which this may be exercised as a source of capital funding.
 - Prudential “unsupported” borrowing
Under the Prudential Code, the Council has discretion to undertake borrowing to fund capital projects. The full cost of that borrowing must be taken account of in the Council's budget, through the Minimum Revenue Provision (MRP) Policy. Any borrowing must be prudent, affordable, and sustainable. The Code of Practice was refreshed in 2021 and strengthens restrictions on borrowing primarily for investment yield.

Given the pressure on the Council's revenue budget, prudent use has been made of borrowing prioritising where there was a clear financial benefit, such as “invest to save”, “spend to earn” or major regeneration schemes, which provide a net return over and above the borrowing cost, or a wider city benefit in line with the ambitions of the City Plan.

Council resources will be allocated to programmes based on asset lives to manage the long-term yield and revenue implications. Where available, any capital receipts will be focused on those assets with short term life span (e.g., vehicles and IT investments) and the unsupported borrowing on long term assets (e.g., land and buildings) This approach reduces the minimum revenue provision charge to the revenue account.

In November 2020, the Government published revised lending terms for the Public Works Loan Board (PWLB), which were implemented from the 26 November 2020 with a revision on 12 August 2021. The main feature of the new lending terms was to prevent Local Authorities from using PWLB loans to buy commercial assets primarily for yield. This was subsequently strengthened through the Prudential Code update issued in December 2021.

Any investment asset bought primarily for yield which was acquired after 26 November 2020 would result in the authority being unable to access the PWLB in that financial year or being able to use PWLB to refinance this transaction at any point in the future.

It isn't possible to reliably link loans to specific spending, so this restriction applies on a 'whole plan' basis – meaning that the PWLB will not lend to any Local Authority that plans to buy investment assets primarily anywhere in their capital plans, regardless of whether the transaction would notionally be financed from a source other than the PWLB.

5.0 DEBT, BORROWING AND TREASURY MANAGEMENT

5.1 As defined by CIPFA in the Treasury Management Code of Practice, Treasury Management is:

5.2 *'the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with the activities; and the pursuit of optimum performance'*

Under the Prudential Code, local authorities have discretion over the funding of capital expenditure and the level of borrowing they wish to undertake to deliver their capital plans and programmes. However, capital spending plans must be affordable, sustainable, and prudent. To demonstrate this, the Council's longer term financial needs, alongside a projection of forecast external debt and borrowing, are detailed within the Prudential and Treasury Indicators 2022/2023 to 2025/2026 and within the Treasury Management Strategy Statement. This is approved annually by Council.

5.3 Table 2 below shows the estimated net revenue cost of debt charges and the future borrowing levels that will be required by the Council to meet its estimated capital financing requirement (CFR) over the 20-year timeframe included in the Capital Strategy. The table includes longer term capital financing requirements beyond the current capital programme timeframe that are identified in section 3.6 of this report but does not include other long-term liabilities (e.g., PFI schemes and finance leases).

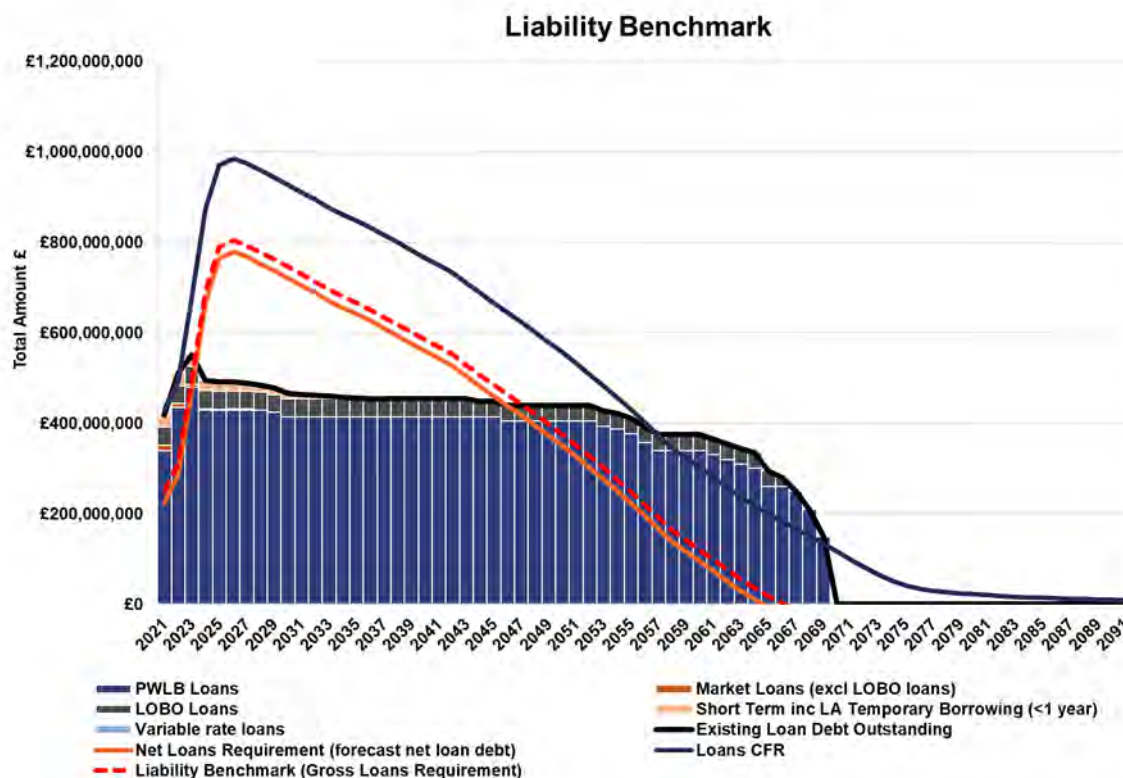
5.4 The CFR quantifies capital expenditure that has not yet been paid for from revenue or capital resources. It measures the authority's underlying need to borrow for a capital purpose. It does not increase indefinitely as it is decreased by the Minimum Revenue Provision, which reduces the borrowing need in line with assets lives. Consideration will be given to utilising cash backed reserves to temporarily fund the Council's borrowing requirement.

Table 2

	2026/27 £m	2031/32 £m	2036/37 £m	2041/42 £m
Capital Financing Requirement	976.197	896.048	818.434	735.496
Existing External Debt	539.176	511.654	504.003	504.063
Additional External Debt Requirement	437.021	384.394	314.431	231.433
Net Debt Charges	39.506	42.663	42.048	40.310

The Council ensures that the revenue implications of capital finance, including financing costs, are properly taken into account within option appraisal processes, the capital programme and the MTFP.

- 5.4 The liability benchmark for the Council is shown in the chart below. From 2023 onwards it is projected for the next 20 years that the Council will be under-borrowed against its requirements. This will mean that additional borrowing will be required but the Council will manage that, as it always has, by monitoring interest rates and identifying the most appropriate borrowing opportunities. There may be occasions when the Council will opt to actively be under-borrowed to avoid excessive interest rate costs and manage financing requirements through internal resources.



- 5.5 **Borrowing Limits**
All external borrowing and investment undertaken is subject to the monitoring requirements of the Prudential Code. Under the Code, local authorities must set borrowing limits (Authorised Borrowing Limit for External Debt and Operational Boundary for External Debt) and must also report on the Council's performance for all the other Treasury Management Prudential Indicators.

Further details are included within the Prudential and Treasury indicators 2022/2023 to 2025/2026 as approved by Council in February 2022.

- 5.6 **Debt Repayments**
The Council is required to repay an element of its capital financing requirement each year through a revenue charge known as the MRP. The Council must set a prudent amount of MRP in an annual MRP Policy Statement that is approved by Full Council each year.

5.7 Treasury Management Governance and Risks

The Local Government Act 2003 and subsequent guidance requires the Council to set out its Treasury Management Strategy for Borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing both its borrowing and its treasury investments, which gives priority to the security and liquidity of those investments.

6 COMMERCIAL ACTIVITY – INVESTMENT STRATEGY

- 6.1 Since 2010 local government finances have been restricted by annual grant reductions, with much greater emphasis on self-sufficiency. The Council's Capital Strategy aims to support this agenda by increasing the physical and economic regeneration of the city, to generate more business rates and council tax to support Council services.
- 6.2 In recent years, a number of local authorities have increased their property portfolio for purely commercial / income generation reasons, often outside of their geographic area, in order to support existing Council budgets faced with continued grant reductions. This practice has drawn concern from both CIPFA and the Department for Levelling Up, Housing and Communities (DLUHC) around the risk and security of funds from such commercial activity. DLUHC has subsequently updated its Statutory Investment Guidance, which requires that authorities:
- Prepare an investment strategy for approval by full Council once a year;
 - Disclose the contribution that investments make “toward the service delivery objectives and / or place making role of the local authority”;
 - Include indicators that enable assessment of the authority's investments and decisions taken;
 - Must not “borrow in advance of need” to profit from the investment of the sums borrowed. This requirement now applies to non-financial investments (e.g., investment in commercial property that is solely commercial) rather than financial instruments. In the past, investment in commercial property would have counted solely as capital expenditure and so could have been funded by borrowing; and
 - If they do borrow in advance of need for profit, authorities must set out the reasons for their non-compliance in the strategy and their risk management arrangements.
- 6.3 To date, the Council has not entered any investment decisions (outside of Treasury Management transactions) that solely focus on the commercial return of that investment. Whilst some capital developments and loan agreements in place have a commercial rate of return, and this is considered as part of any decisions approved, all such investments are principally to support the regeneration and economic sustainability of the city. The Council has no property assets defined as “investment assets” held on its balance sheet.
- 6.4 The Council has prepared this investment strategy to comply with the statutory guidance issued by the DLUHC. In doing so, the overarching principles of any investment decisions are that:

- Investment decisions are made with the primary purpose of supporting the regeneration and economic resilience of the city, and that the benefit of such is set out as part of the decision-making process. As such no borrowing “in advance of need” would be undertaken;
- Any proposals to undertake any such investment decisions would fully consider appropriate risks and security of funds as part of any decision-making process and weigh up these risks against the anticipated benefits of the proposal;
- There would be a fully calculated and robust financial case of any proposal to be considered; and
- The approval for any such proposals follow the existing governance and approval process as set out in the Council’s constitution.

6.5 Any ongoing monitoring of investment decisions will be undertaken using existing channels i.e., revenue and capital monitoring. No additional mechanisms will be put in place given the Council does not intend to undertake any purely commercial activities.

6.6 This strategy and the related activity sits alongside the Treasury Management strategy referenced elsewhere, as well as having direct relationships with borrowing and Prudential Indicators. The Council will ensure that this policy is updated on an annual basis to be compliant with any such changes as required by CIPFA or the DLUHC.

7 ENVIRONMENTAL SUSTAINABILITY

7.1 Sunderland is a thriving city and is home to businesses from all industries who are driving innovation and solutions to help tackle the climate change crisis and support the city’s target of net-zero commitment by 2030. Businesses and stakeholders from across the private and public sectors are working together to invest in climate action and make the city resilient to future challenges and build a better future for the residents. There are many innovative and exciting projects being undertaken to support Sunderland’s net-zero commitment and to help the city meet its climate change target.

7.2 The Council has a significant role to play in supporting the city to transition to net-zero carbon, the capital programme includes investment, which will help facilitate the Council’s 2030 net-carbon target.

8 ASSET MANAGEMENT PLANNING

8.1 The Council has a responsibility for assets used in service delivery including property, highways infrastructure and vehicles, plant and equipment. It is essential to understand the need, utilisation, condition and the investment and operating costs associated with the Councils asset portfolio.

8.2 When prioritising investment, it is essential to understand the whole life costs of maintaining and operating existing assets, having consideration of which are deemed essential in continued service delivery or which can be considered for alternative uses.

8.3 Approved Asset Management Plans are in place for property assets that demonstrate the Council’s stewardship of assets. A disposal strategy is also in place to relinquish or find alternative beneficial uses for assets deemed surplus to requirements.

- 8.4 In line with best practice, Cabinet will consider development plans for Highways and other infrastructure assets during 2022/23 and updates on property asset management plans already developed. The Council's approach to asset management and stewardship of assets will be supported by targeted internal and external reviews to assess the effectiveness of asset management practices including governance, risk management and control.

9 OTHER LONG-TERM LIABILITIES

- 9.1 Councils may take on liabilities and hold investments explicitly in the course of service delivery including regeneration. Whilst not included within the Capital Programme or the Treasury Management Strategy, they are included within the wider Capital Strategy to give an overarching view of the Council's financial position.
- 9.2 As at 31st March 2022 the Council held £60.496m long-term liabilities in respect of PFI schemes;
- Waste Management Partnership £42.969m;
 - Street Lighting and Highways Signs £12.402m; and
 - Sandhill View £5.125m.
- 9.3 The Council also held finance leases liabilities of £94.181m at 31st March 2022 mainly in respect of City Hall, Sunnyside Multi Storey car park and the City Library building and embedded vehicle leases. Additional finance leases which are due to be finalised during the financial year 2022/2023 include Hillthorn Business Park and Keel Square Hotel.
- 9.4 The Council has entered a number of joint venture partnerships and provided loans to the following:
- Sunderland Lifestyle Partnership - In June 2015 the Council entered a unique joint venture (JV) partnership, known as Sunderland Lifestyle Partnership, with Sports & Leisure Management Ltd (SLM), to manage and operate the city's leisure facilities. The JV is a private company limited by shares and is owned by the Council and SLM in equal shares (50:50) and is managed by a board of directors with an equal number of representatives from each party; and
 - IAMP LLP - This joint venture has been established with South Tyneside Council to deliver the International Advanced Manufacturing Park to the north of Nissan. Both parties own 50% of the LLP. Land currently held by IAMP has been financed through Local Growth Funding grant and member loans in the form of Loan Notes.

The Council also has the following Financial Guarantees in place:

- Future possible payments may be required to Gentoo (formerly the Sunderland Housing Group) under the terms of the Transfer Agreement established between the Council and Gentoo for claims relating to non-environmental and environmental warranties. This agreement was drawn up as part of the Large-Scale Voluntary Transfer which took place on 26th March 2001 which transferred all Council Housing and related assets to Gentoo;
- In addition to this, the Council acts as a guarantor to the Tyne and Wear Pension Fund in respect of pensions for employees who were originally employed by the Council but transferred to Gentoo in March 2001; and

- The Council also acts as a joint guarantor (along with other councils) to the Tyne and Wear Pension Fund in respect of pensions for employees of several bodies such as the Association of North East Councils (ANEC) and the North East Regional Employers Organisation (NEREO). The councils involved have agreed with the Pension Fund administrators that, in the unlikely event of any of these bodies failing, any pension deficit would be repaid over an agreed repayment period. Independently, the Council has similar arrangements in place for possible pension deficits with several other organisations.

These guarantees have all been judged to be insurance contracts and have been valued accordingly.

- 9.5 All other long-term liabilities are subject to Council approval and detailed business cases are provided prior to approval being given. This includes clear identification and quantification of financial risks and any implied subsidy included in the proposals. All long-term liabilities are closely monitored for changes to assumptions made and the probability of financial guarantees being called upon.

10 **KNOWLEDGE AND SKILLS**

- 10.1 The respective disciplines which support the implementation of the Capital Strategy across the Council i.e., finance, legal, property, etc. are delivered by officers with the necessary skills and professional standing. Officers regularly attend training courses, seminars and conferences provided by CIPFA, RICS and other bodies to ensure they are up to date with emerging issues, regulatory changes, and best practice.
- 10.2 To ensure appropriate skill levels are available within the Council, suitable officers are provided with the opportunity to undertake professional training. The introduction of the Government's Apprenticeship Levy initiative is now supporting the financing of such development opportunities.
- 10.3 The Council uses Link Asset Services as its external treasury management advisers. The Council recognises that responsibility for treasury management decisions remain with the Council at all times and ensures that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources.
- 10.4 Where deemed necessary, external advisers / consultants will be engaged to support Council officers. These engagements may cover work packages including; business case development, regulatory consideration / compliance, project appraisal and specialist project delivery advice and support.
- 10.5 New Councillors are provided with financial training as part of their induction programme by internal Finance Officers. In addition, existing councillors can opt to receive refresher training as and when required, for example when they have a change in responsibility.

11 **CONCLUSION**

- 11.1 The Council has a long-established history of strong financial management. This Capital Strategy does not, in itself, introduce any new controls, but serves as a useful document as it summarises all the arrangements in place around our capital activities. It highlights the comprehensive arrangements in place to ensure that the Council can balance the need for continued investment in the city with the requirement to set a balanced MTFP and address the ongoing financial challenges that the Council faces.

REVIEW OF COUNCIL SIZE AND WARD BOUNDARIES**Report of the Chief Executive****1.0 Purpose of the Report**

The Local Government Boundary Commission for England (the Commission) has contacted the Council to indicate that it intends to carry out a review of the overall composition of the Council and Ward arrangements. The previous review was undertaken in 2002, with the final recommendations being published in October 2003, and whole-Council elections taking place in 2004.

This report recommends to Council the process to be adopted in relation to the completion of the Council's submission in relation to Council Size. Further reports to Council in relation to Ward arrangements will be submitted in due course at the appropriate time.

2.0 Description of Decision

To recommend to Council that:

- i) it notes the commencement of the review of the overall composition of the Council and its Ward arrangements by the Commission;
- ii) the timetable for the review process and the date for the submission of the Council size proposal, in particular, be noted;
- iii) a politically balanced Boundary Review Working Group be established of seven members of the Council to assist in the process of developing initially the Council Size Proposal document;
- iv) the terms of reference for the Boundary Review Working Group as set out in Appendix 1 be approved;
- v) the Chief Executive be authorised to draft the Council Size Proposal document in consultation with the Boundary Review Working Group and submit it for approval to the Council Meeting on 25 January 2023 prior to its submission to the Commission by 28 February 2023; and
- vi) it notes that further reports will be submitted to Council as the review by the Commission progresses to consider the Ward arrangements.

3.0 Background

The Commission is an independent and impartial, non-departmental public body which is responsible for reviewing local government ward boundaries in England. The Commission has the task of periodically carrying out Electoral Reviews in all local authorities in England.

In this case, the last review of Council Size and Ward arrangements was undertaken in 2002 to 2003, with the revised boundaries coming into effect in 2004.

In July 2022, the Commission contacted the Council, indicating that it had decided to undertake a review of the Council. The stated purpose of the review is to consider the number of councillors elected to the Council (the Council size), the names, number and boundaries of the wards, and the number of councillors to be elected to each ward.

The information received from the Commission outlines the review process and timetable, with whole-Council elections following at the next ordinary electoral date to implement any changes. Subsequent local elections would then revert to elections to the Council by thirds as is the case presently.

The purpose of the review is to ensure electoral equality across the City's wards, i.e. they have a proportionate number of electors per ward with the right number of elected members.

The review will principally examine and propose, if considered appropriate and necessary, new electoral arrangements for the Council. These are:

- The total number of councillors to be elected to the Council (Council Size)
- The names, number, and boundaries of wards
- The number of councillors to be elected from each ward

Please note this review is separate to the Parliamentary Constituency Boundary Review.

3.1 The Review Process

There are two distinct parts to the review:

1. **Council Size** - the Commission will decide the total number of councillors to be elected to the Council; and
2. **Ward Arrangements** – the Commission may/will also re-draw ward boundaries so that they meet statutory criteria.

The conclusion made by the Commission regarding the size of the Council will be influenced by the Council's (and/or councillors') submissions during the preliminary phase of the process.

With regard to the Ward arrangements, the Commission will also undertake two phases of public consultation.

The whole review process is set out in the Commission's timetable below.

The Commission have indicated that they anticipate that a Parliamentary Order will be laid in Spring 2024 for the new arrangements, following which 'all out' elections to the new wards will take place in **May 2026**. Following those all out elections in May 2026, the Council would then revert to local elections of members to the Council in thirds as is the case at present.

The Review Timetable

	Involvement		
Activity	Council	Commission	Key Dates
Council Size			
Develop Council Size proposal	Council Political Groups	Officers available for questions	Submission deadline 28 Feb 2023
Commission meeting: on Council Size	Not required	Commission	11 April 2023
Warding Patterns			
Consultation on warding patterns	Council Political Groups General Public	Run consultation, collate and analyse responses.	9 May – 17 July 2023
Commission meeting: on draft recommendations	Not required	Commission	12 Sept 2023
Consultation on draft recommendations	Council Political Groups General Public	Publish draft recommendations. Run consultation, collate and analyse responses.	26 Sept – 4 Dec 2023
Commission meeting: Final Recommendations	Not required	Commission	13 Feb 2024
Publication of Final recommendations	Not required	Commission	27 Feb 2024
Order			
Order laid	Not required	Commission	Spring 2024
Order made	Not required	Commission	Summer 2024
Implementation	Council	Not required	2026

3.2 Next Steps

The Commission has already conducted a briefing session with the Leaders of the political groups and a separate session for all Members of the Council.

In order to meet the timescale set out by the Commission's timetable in relation, in particular, to the submission of the Council Size proposal – no later than 28 February 2023- it is proposed to establish a politically balanced Boundary Review Working Group of Members. It is proposed that the Boundary Review Working Group is made up of seven members (4 Labour, 2 Conservative and 1 Liberal Democrat). A draft Terms of Reference for the Boundary Review Working Group is set out at Appendix 1.

It is also proposed that the Chief Executive be authorised, in consultation with the Boundary Review Working Group, to draft the Council Size submission document for its approval by Council at its meeting in January 2023.

Further reports to Council will be submitted as the Commission's review progresses beyond the considerations of the proposals relating to the Council Size and it begins the process of reviewing the Ward arrangements.

4.0 Financial Implications

There are no additional direct financial implications that arise from this report. The development of the Council Size proposal document will be supported through existing officer time.

5.0 Reasons for Decision

The review is a periodic review undertaken by the Commission. By developing and putting in place appropriate arrangements within the Council, it will be able to participate in the review process and respond accordingly.

6.0 Alternative Options

There are no real alternative options available. The Council has to participate in the review to provide certain information such as property forecasts and data. The Council is invited by the Commission to submit Council Size proposals during the preliminary stage of the review. If the Council did not submit a proposal response then it would mean that the Commission would make its final recommendations without the benefit of the Council's views.

7.0 Background Papers

The Commission's briefing papers to the Council on the process of the Review.

Local Government Boundary Commission Review:
Boundary Review Working Group
Terms of Reference

Purpose

The Boundary Review Working Group will provide guidance to Officers in respect of any proposals, representations or comments to be submitted to the Local Government Boundary Commission on behalf of the Council.

Composition

The Boundary Review Working Group will comprise seven elected members, nominated by their respective political Group Leaders on a politically balanced basis (4 Labour, 2 Conservative and 1 Liberal Democrat).

Group Leaders may also nominate an equivalent number of substitute members to the Working Group (4 Labour, 2 Conservative and 1 Liberal Democrat) who may attend any meeting of the Working Group at the request of their respective Group Leader, in place of any standing member who is unable to attend the meeting concerned. Nominations of standing members and substitute members will be given to the Chief Executive by e-mail or in writing.

Tenure

It is proposed that meetings of the Boundary Review Working Group will commence as soon as possible and continue at regular intervals throughout the preliminary period until submission of the Council Size Proposal (which must be submitted to the Boundary Commission by 28 February 2023).

Working Arrangements

The Boundary Review Working Group will be supported by an Officer Working Group which will undertake the technical work required to inform the work of the Boundary Review Group and any submissions which the Council must ultimately make to the Boundary Commission.

It is proposed that the Boundary Review Working Group initially meets at two-weekly intervals and dates for meetings of the Working Group will be set up as quickly as possible. The Working Group will normally meet via Microsoft Teams.

Objectives

1. To review the information requirements established by the Boundary Commission, and the factual / technical information gathered by the Officer Working Group in line with those requirements.
2. To support the best use of factual / technical information to provide a strong evidence base which informs any proposals developed for submission by the Council to the Boundary Commission.
3. To provide views and comments to officers on the nature and content of any proposals which are to be prepared for submission to the Boundary Commission.

Report of the Audit and Governance Committee

The AUDIT AND GOVERNANCE COMMITTEE reports and recommends as follows:-

1. Annual Report on the Work of the Audit and Governance Committee 2021/2022

That the Audit and Governance Committee have given consideration to a report by the Executive Director of Corporate Services (copy attached) on the work of the Audit and Governance Committee during 2021/2022, demonstrating how they have fulfilled their responsibilities.

Accordingly, the Committee recommends Council to note the Annual Report on the Work of the Audit and Governance Committee 2021/2022.

ANNUAL REPORT ON THE WORK OF THE COMMITTEE 2021/22

Report of the Executive Director of Corporate Services

1. Purpose of Report

- 1.1 This report provides a summary of the work undertaken by the Audit and Governance Committee during 2021/22 and the outcome of this work. The purpose of this report is to demonstrate how the Committee has fulfilled its role and will be presented to Council once agreed by this committee.

2. Role of the Committee

- 2.1 The Audit and Governance Committee is a key component in the Council's Corporate Governance Arrangements. Its role is to:
- approve the Authority's Statement of Accounts, income and expenditure, and balance sheet or record of receipts and payments (as the case may be);
 - consider the effectiveness of the authority's corporate governance arrangements, risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements and seek assurance that action is being taken on risk-related issues identified by auditors and inspectors;
 - be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it;
 - receive, consider and monitor reports on treasury management policy, strategy and practices.

3. Matters Considered

- 3.1 The Committee met four times during the year to consider its business. All appropriate officers of the Council have been in attendance at the meetings to present reports and provide additional information in order to clarify issues and respond to questions from members of the Committee. Regular attendees at the meetings were the Executive Director of Corporate Services, Assistant Director of Assurance and Property Services, Chief Accountant, Senior Manager - Assurance and the Council's External Auditors.

3.2 To enable the Committee to fulfil its role as set out in paragraph 2.1, a range of reports were considered, as follows:

- a) Members were provided with an update on the City plan and the assurance and review arrangements in place. Members were pleased that key partners and stakeholders across the City were being involved in the review.
- b) The Committee endorsed the Risk and Assurance Map for 2021/22 which sets out the key risk areas for the Council, the assurance that would be gathered in relation to them and where the assurance would be sought from. The report included the plans of work for the year for the Internal Audit and Risk and Assurance teams, and the performance indicators for Internal Audit. The Committee was also given the opportunity to identify any areas of work to be considered for the year.
- c) Progress reports in relation to the Risk and Assurance Map were presented to the Committee. These provided details of the level of assurance for the strategic and corporate risk areas from management, specialist assurance functions, Internal Audit, Risk and Assurance, the external auditor and other external agencies.
- d) Specific key issues were highlighted within the Risk and Assurance Map update reports for members to consider further, members raised queries, including, work in relation to the strategic risk areas/City Plan, changes to risk scores and the actions being taken address them, how the risk scores are evaluated for new risks and arrangements for making the Covid 19 business grant payments.
- e) External Auditors provided progress reports to each meeting, the Annual Audit Letter, Audit Completion Report, and the Review of the Council's arrangements for securing value for money. The External Auditor also presented their Audit Strategy Memorandum setting out their work for the coming year.
- f) The results of the Annual Governance Review for 2020/21 were presented, which summarises the overall governance arrangements in place within the Council, and made recommendations for further improvement. The head of internal audit's opinion on the Council's internal control environment was positive. The resultant Annual Governance Statement highlighted the good corporate governance arrangements in place and was approved by the Committee and included within the Council's Statement of Accounts.
- g) The annual Statement of Accounts 2022/21 (subject to audit) was issued to the Committee members and published online on 12th July 2021 in line with the extended statutory deadline. The audited accounts were presented at the September 2021 Committee meeting. The External Auditor commented positively on the arrangements the Council has in place with regard to the

production of the accounts and the good relationship which allowed the audit to be completed within the timeframe.

- h) There is now a requirement to undertake an annual assessment of the Council's status as a going concern in line with the 2020/21 CIPFA/LASAAC Code of Practice. The Committee received the first report in relation to this which sets out the evidence relied upon to make the assessment.
- i) The Committee received reports in relation to the Council's Treasury Management arrangements to receive assurance that they are appropriate and approved the Treasury Management Policy and Strategy. The Committee asked questions in relation to various aspects of the reports, including the potential impact of the increase in inflation, interest rates and utility prices, and the addition of new institutions to the lending list.
- j) The Committee received the Data Protection Annual Report 2020/21 which is reported to the Committee on an annual basis.

3.3 From the reports presented the Committee has been proactively monitoring activity in a number of important areas, as follows:

- *Risk and Assurance Map* – The Committee closely monitored activity in relation to changes to the strategic risk scores, particularly regarding the priority to reduce carbon emissions.
- *Treasury Management* – The Committee has received regular updates regarding the Council's performance in relation to Treasury Management. Members questioned the potential impact of increases in inflation and interest rates.
- *Going Concern* - The Committee has received assurance that an assessment has confirmed the Council's status as a going concern.

3.4 It can be seen that the work of the committee is wide ranging with members monitoring performance more closely in those areas where it was deemed appropriate, including the impact of the Covid pandemic.

4. Recommendation

4.1 The Committee is asked to consider the report and provide any comments for inclusion prior to the report being presented to Council.

Report of the Licensing and Regulatory Committee

The LICENSING AND REGULATORY COMMITTEE reports and recommends as follows:-

1. Proposed Draft Statement of Private Hire and Hackney Carriage Licensing Policy

That they had given consideration to a report of the Executive Director of City Development (copy attached) dated 25th July, 2022 seeking approval to the proposed Draft Statement of Private Hire and Hackney Carriage Licensing Policy and arrangements for the formal consultation and subsequent approval of the final Draft Statement.

Whilst the arrangements for the formal consultation and subsequent approval of the final Draft Statement rests with the Committee, Council approval is sought in accordance with Paragraph 3.9 of the said report to amend the Terms of Reference of the Licensing and Regulatory Committee and the Scheme of Delegation and Appointment of Proper Officers insofar as it relates to the Executive Director for City Development in order for the same to be updated, including, amongst other things, express reference being made to the Committee having responsibility for the following matters:-

- (a) Determination of the licensing objectives that will form the basis of the Council's Statement of Private Hire and Hackney Carriage Licensing Policy, with the licensing objectives being subject to regular reviews by the Committee as appropriate; and
- (b) Approval, review and amendment of the Council's Statement of Private Hire and Hackney Carriage Licensing Policy.

Accordingly, the Committee recommends Council to approve the amendment of the Terms of Reference of the Licensing and Regulatory Committee and the Scheme of Delegation and Appointment of Proper Officers insofar as it relates to the Executive Director for City Development in order for the same to be updated as set out in Paragraph 3.9 of the report and to authorise the Assistant Director of Law and Governance to amend the Constitution accordingly, including the making of any consequential amendments.

Note: The Draft Statement of Private Hire and Hackney Carriage Licensing Policy referred to as appendix 1 of the report can be viewed online at:

<https://committees.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/10838/Committee/1966/Default.aspx>

REPORT OF THE EXECUTIVE DIRECTOR FOR CITY DEVELOPMENT

LICENSING & REGULATORY COMMITTEE – 25 JULY 2022

PROPOSED DRAFT STATEMENT OF PRIVATE HIRE AND HACKNEY CARRIAGE LICENSING POLICY

1.0 PURPOSE OF THE REPORT

- 1.1** To seek Members' approval to the proposed Draft Statement of Private Hire and Hackney Carriage Licensing Policy and arrangements for the formal consultation and subsequent approval of the final Draft Statement.

2.0 DESCRIPTION OF DECISION

- 2.1** The Committee is recommended to approve the following matters, :-

- (a) Subject to any amendments that Members may wish to make, that the proposed Draft Statement of Private Hire and Hackney Carriage Licensing Policy, ("the Draft Policy"), be approved;
- (b) That a period of consultation be commenced regarding the Draft Policy, with all private hire and hackney carriage licence holders and all other relevant stakeholders and consultees on the proposed Draft Policy, with the period of consultation running as from and including 1st August, 2022 until 5.00pm on 26th September, 2022;
- (c) That the Economic Prosperity Scrutiny Committee be requested to provide its comments in response to the consultation, with the Draft Policy being formally considered at its Meeting scheduled for 13th September, 2022;
- (d) That following Officers' appraisal of all responses received to the consultation a proposed Final Draft Statement of Private Hire and Hackney Carriage Licensing Policy be presented to Committee for its approval at its Meeting scheduled for 31st October 2022, ("the Final Draft");
- (e) Subject to the Committee's consideration and approval of the Final Draft, the Statement of Private Hire and Hackney Carriage Licensing Policy be introduced as from 1st December, 2022; and
- (f) That Council be recommended to amend the Terms of Reference of the Licensing and Regulatory Committee and the Scheme of Delegation and Appointment of Proper Officers insofar as it relates to the Executive Director for City Development in order for the same to be updated as set out in Paragraph 3.9 below and to authorise the Assistant Director of Law and Governance to amend the Constitution accordingly, including the making of any consequential amendments.

3.0 INTRODUCTION / BACKGROUND

- 3.1** At its Meeting of 28th March, 2022 the Committee considered a Report providing an update on the then current position regarding the preparation of a Draft Statement of Private Hire and Hackney Carriage Licensing Policy. At the said Meeting Members were reminded of a previous Report considered on 28th September, 2020 entitled "Proposed Draft Statement of Private Hire and Hackney Carriage Licensing

Policy” which detailed the Council’s plan to introduce a consolidated private hire and hackney carriage licensing policy following statutory guidance produced by the Department for Transport, (“DfT”), in July, 2020. The DfT expected councils to undertake the required reviews before 31st December, 2021, with changes being introduced as soon as possible in 2022.

- 3.2** In the Report considered on 28th March, 2022 Members were advised of the major impact that the Coronavirus Pandemic had had on the intended workstream for the preparation of the Draft Policy. The Committee approved a revised timetable to allow for the introduction of the intended Statement of Private Hire and Hackney Carriage Licensing Policy, :-
- (a) That the Draft Policy be considered by the Committee at a Meeting to be held on, or about 4th July, 2022, with the Committee putting forward comments and suggested amendment prior to the Draft Policy being subject to a period of consultation with the required consultees; and
 - (b) That the outcome of the consultation process be reported to the Committee at a Meeting to be held on, or about 3rd October, 2022. Responses and resultant changes in Draft Policy would be identified, with the Committee being asked to approve a final Draft Policy.
- 3.3** Unfortunately, due to the considerable amount of work involved in the preparation of the Draft Policy, there has been a further, small delay in the completion of this work. Officers were unable to finalise the policy document in time for the Committee’s Meeting scheduled for 4th July 2022. Consequently, it was necessary to delay presentation of the Draft Policy until 25th July, 2022. The proposed Draft Policy is attached at Appendix 1.
- 3.4** Due to the Coronavirus Pandemic, during the initial stages of Officers’ work to prepare the Draft Policy it was not possible to hold face-to-face Trade Liaison Group Meetings. These would have enabled initial, preliminary issues to be raised on an informal basis about the Draft Policy. In recent months some issues relating to the Draft Policy have been raised with the trade via the Council’s Taxi Newsletters. For example, the proposed changes to the driver medical standards and the introduction of tax conditionality.
- 3.5** Given that it is now possible to hold face-to-face meetings, on 28th June, 2022 the first in-person Trade Group Liaison Meeting took place at City Hall. Representatives of all private hire operators, hackney carriage owners’ associations and independent drivers’ groups were invited to attend. A total of 18 trade representatives attended the Meeting, together with Officers from the Council’s Licensing Section.
- 3.6** The main purpose of this Trade Group Liaison Meeting was to enable Officers to recap on information previously provided via Taxi Newsletters and to inform about key proposals that Members were to be asked to approve as part of the Policy Document. The trade representatives present were advised that the Meeting was intended as a pre-consultation exercise to enable informal discussions to be held on Officers’ proposals. The Principal Licensing Officer, (Steve Wearing), explained that the final matters to be consulted upon would be agreed by the Committee at its Meeting scheduled for 25th July, 2022.

3.7 The following key proposals were raised at the Trade Group Liaison Meeting, with these matters forming part of attached Draft Policy, :-

- (a) The introduction of a new Code of Conduct for Licensed Drivers, which includes a Dress Code;
- (b) The proposed change in the medical requirements for drivers and the adoption of the DVLA Group 2 Medical Standard;
- (c) The introduction of a Driver Improvement Programme for existing licensed drivers;
- (d) A change in the requirements regarding the reporting of matters to the Council on the part of existing licensed drivers, ie. the tightening-up of self-reporting obligations, including a shorter time period and extending the scope of matters to be reported;
- (e) The introduction of a revised convictions policy via the Convictions Policy and Assessment of Previous Convictions document;
- (f) A proposal to change the current arrangements regarding vehicle age limits and emissions standards;
- (g) A proposed new requirement for private hire operators to maintain a register of booking and dispatch staff, including the need to have sight of Basic DBS Certificates for all individuals listed on the register; and
- (h) A proposal to change the existing policy on vehicle tints that would allow the licensing of vehicles fitted with glass of a light transmittance lower than the current standard, subject to a requirement that a suitable CCTV system be installed in the vehicle.

3.8 Given the small delay in the submission of this Report to the Committee, adjustments have been made to the proposed timetable regarding the progression and approval of the Draft Policy.

3.9 In addition, it is suggested that Council be recommended to amend the Terms of Reference of the Licensing and Regulatory Committee and the Scheme of Delegation and Appointment of Proper Officers insofar as it relates to the Executive Director for City Development in order for the same to be updated, including, amongst other things, express reference being made to the Committee having responsibility for the following matters, :-

- (a) Determination of the licensing objectives that will form the basis of the Council's Statement of Private Hire and Hackney Carriage Licensing Policy, with the licensing objectives being subject to regular reviews by the Committee as appropriate; and
- (b) Approval, review and amendment of the Council's Statement of Private Hire and Hackney Carriage Licensing Policy.

3.10 Accordingly, the Committee is recommended to approve the following matters, :-

- (a) Subject to any amendments that Members may wish to make, that the proposed Draft Policy be approved;
- (b) That a period of consultation be commenced regarding the Draft Policy, with all private hire and hackney carriage licence holders and all other relevant stakeholders and consultees on the proposed Draft Policy, with the period of consultation running as from and including 1st August, 2022 until 5.00pm on 26th September, 2022;
- (c) That the Economic Prosperity Scrutiny Committee be requested to provide its comments in response to the consultation, with the Draft Policy being formally considered at its Meeting scheduled for 13th September, 2022;
- (d) That following Officers' appraisal of all responses received to the consultation a proposed Final Draft Statement of Private Hire and Hackney Carriage Licensing Policy be presented to Committee for its approval at its Meeting scheduled for 31st October 2022, ("the Final Draft");
- (e) Subject to the Committee's consideration and approval of the Final Draft, the Statement of Private Hire and Hackney Carriage Licensing Policy be introduced as from 1st December, 2022; and
- (f) That Council be recommended to amend the Terms of Reference of the Licensing and Regulatory Committee and the Scheme of Delegation and Appointment of Proper Officers insofar as it relates to the Executive Director for City Development in order for the same to be updated as set out in Paragraph 3.9 above and to authorise the Assistant Director of Law and Governance to amend the Constitution accordingly, including the making of any consequential amendments.

4.0 CURRENT POSITION

4.1 The current position is set out in the Report.

5.0 REASONS FOR THE DECISION

5.1 To seek Members' approval to the proposed Draft Statement of Private Hire and Hackney Carriage Licensing Policy and arrangements for the formal consultation and subsequent approval of the final Draft Statement.

6.0 ALTERNATIVE OPTIONS

6.1 None submitted.

7.0 RELEVANT CONSIDERATIONS

7.1 None submitted.

8.0 GLOSSARY

8.1 No acronyms, or abbreviations have been used in this Report.

9.0 APPENDICIES

9.1 Appendix 1 –Draft Statement of Private Hire and Hackney Carriage Licensing Policy.

10.0 BACKGROUND PAPERS

10.1 None.

***Report of the Hearing
Sub-Committee of the
Standards Committee***

The HEARING SUB-COMMITTEE OF THE STANDARDS COMMITTEE reports as follows:-

1. Complaint regarding Councillor Stephen O'Brien (Ref:14/18)

On 10 March 2022 the Hearing Sub-Committee of the Standards Committee held a hearing in respect of a complaint submitted to the Monitoring Officer in September 2018 by Councillor Antony Mullen, on behalf of the Sunderland Conservative Association Management Board. The complaint related to a series of remarks made by Councillor O'Brien on Twitter about the relationship between the Sunderland Council Conservative Group and the Labour Group, focussed on the interaction between the two groups' representatives on the Children, Education and Skills Overview and Scrutiny Committee.

An Assessment Sub-Committee referred this matter for investigation and the complaint was subsequently referred to Mr David Kitson of Bevan Brittan LLP, whose investigation focussed on whether there had been a potential breach of paragraphs 1 and 2 of the Code of Conduct for Members ('the Code'), which state:

- *You must treat others with respect, including Council officers and other elected Members.*
- *You must not bully any person (including specifically any Council employee) and you must not intimidate or improperly influence or attempt to intimidate or improperly influence any person who is involved in any complaint about any alleged breach of this Code of Conduct.*

Mr Kitson concluded that Councillor O'Brien had breached paragraph 1 of the Code of Conduct and had not breached paragraph 2 of the Code. The matter was then referred to a Hearing Sub-Committee of the Standards Committee on 10 March 2022.

The Hearing Sub-Committee considered the report of Mr David Kitson and the views of the Council's Independent Person and:

- (a) accepted the findings of the Investigating Officer and determined that on the balance of probability, Councillor O'Brien had breached paragraph 1 of the Code of Conduct for Members
- (b) found that there had been no breach of paragraph 2 of the Code.

In accordance with the Council's Arrangements for Dealing with Complaints, the Hearing Sub-Committee reviewed the potential sanctions available to it, and determined to impose the following sanctions:

- Councillor O'Brien to be issued with a formal censure by the Hearing Sub-Committee;

- A recommendation that Councillor O'Brien issue a written apology (in a form approved by the Monitoring Officer) to former Councillor Bob Francis;
- Councillor O'Brien is recommended to delete the tweets that led to this complaint from his Twitter account;
- The Monitoring Officer is recommended to offer training to Councillor O'Brien on the appropriate use of social media by Members of the Council; and
- The Hearing Sub-Committee to refer its findings to full Council for information, at the soonest available opportunity.

Councillor O'Brien subsequently requested a review of the Hearing Sub-Committee's decision, and the matter was referred to the Independent Person for South Tyneside Council to undertake this review.

The Hearing Sub-Committee met again on 12 August 2022 to consider Councillor O'Brien's review request, with the benefit of the submissions received from South Tyneside Council's Independent Person. The Hearing Sub-Committee resolved to confirm its original decision, and the sanctions as set out above.

Accordingly, the Committee refers its findings in this matter to Council. A copy of the full Decision Notice relating to this complaint is attached at Appendix 1 to this report for information.

APPENDIX 1 – DECISION NOTICE

HEARING SUB-COMMITTEE OF THE STANDARDS COMMITTEE COMPLAINT REGARDING COUNCILLOR STEPHEN O'BRIEN (REF:14/18)

DECISION NOTICE

Background

1. A complaint was submitted to the Council's Monitoring Officer on 28 September 2018 by Cllr Antony Mullen ('the Complainant'), on behalf of the Sunderland Conservative Association Management Board.
2. The Complainant alleged that Cllr O'Brien had made a series of remarks on Twitter about the relationship between the Sunderland Council Conservative Group and the Labour Group, focussed on the interaction between the two groups' representatives on the Children, Education and Skills Overview and Scrutiny Committee. The Complainant stated that Cllr O'Brien had alleged on Twitter that former Cllr Bob Francis liked to "cosy up" with Cllr Patricia Smith, the chair of the Children, Education and Skills Overview and Scrutiny Committee and a member of the Labour Group, because Cllr Francis received a special responsibility allowance as Vice-Chair of the same Committee.
3. The Complainant has advised that Cllr Francis did not receive an additional special responsibility allowance for serving as Vice Chair on this Committee. This was also pointed out to Cllr O'Brien by Cllr Robert Oliver as part of the same exchange on Twitter. Later that day, Cllr O'Brien was alleged to have responded to a separate Tweet from the '@SlandTories' Twitter account with a comment of a similar nature about Cllr Francis' motivation for maintaining his role as Vice Chair of the Children, Education and Skills Overview and Scrutiny Committee. The Complainant has alleged that Cllr O'Brien was twice asked by Graham Hall, Chair of the Sunderland Conservative Association Management Board to retract his statements, but did not do so.
4. An Assessment Sub-Committee referred this matter for investigation in February 2019. The complaint was subsequently referred to Mr David Kitson of Bevan Brittan LLP, whose investigation focussed on whether there had been a potential breach of paragraphs 1 and 2 of the Code of Conduct for Members ('the Code'), which state:
 - *You must treat others with respect, including Council officers and other elected Members.*
 - *You must not bully any person (including specifically any Council employee) and you must not intimidate or improperly influence or attempt to intimidate or improperly influence any person who is involved in any complaint about any alleged breach of this Code of Conduct.*

5. The Investigating Officer's final investigation report was concluded on 3 August 2021. He found that Cllr O'Brien did breach paragraph 1 of the Code, and that there had been no breach of paragraph 2 of the Code. Cllr O'Brien was invited to respond and provide his own comments in relation to the findings in the Investigating Officer's report, but did not do so.
6. In accordance with the Council's arrangements for dealing with complaints, this matter was then referred to a Hearing Sub-Committee of the Standards Committee.

Hearing

7. A Hearing Sub-Committee met on 10 March 2022 to consider the complaint. Cllr O'Brien did not attend the hearing, and did not respond to any correspondence issued to him which related to the hearing.
8. The Sub-Committee resolved that the hearing be held in private, and relied on paragraphs 1 and 2 of Schedule 12A, Part 1 of the Local Government Act 1972, as the complaint contained information relating to individuals and information which is likely to reveal the identity of individuals. The Sub-Committee also confirmed that any findings of a breach of the Code would subsequently be published.
9. As Cllr O'Brien had not responded to the findings in the Investigation Report, the hearing proceeded on the basis that all of the report was in dispute. In recognition of this, the Investigating Officer presented his case to the Sub-Committee and provided a detailed explanation of how he reached his findings following the investigation process.
10. In presenting his case, the Investigating Officer expressly considered whether the Code did apply to the specific circumstances leading to this complaint. It was noted by the Investigating Officer that although Cllr O'Brien did not refer to his status as a Councillor in his Twitter username, at the time of the tweets his Twitter biography stated that he was a Liberal Democrat Councillor at the Council (referencing the wards for which he was responsible), and that he was the deputy leader of the Liberal Democrat group. Cllr O'Brien had also regularly used the Twitter account to post about Council issues. The Investigating Officer concluded that Cllr O'Brien was giving the impression that he was acting in his capacity as a representative of the Council when he posted the relevant tweets on Twitter, and that any third parties viewing his tweets would reasonably form the same opinion.
11. The Investigating Officer also considered the extent to which Cllr O'Brien's tweets could be said to amount to political comment or a challenge against performance. The Investigating Officer recognised that Cllr O'Brien and former Cllr Francis had chosen to operate in the public political arena, and were therefore expected to have a higher degree of tolerance towards comments and criticism that could be considered offensive or unsavoury.

12. The Investigating Officer acknowledged that while the underlying matter about which the Councillor was tweeting was a political issue, the tweets were primarily intended to undermine both Cllr Francis personally, and the Conservative group in general. The Investigating Officer also recognised that the tweets in question were based on incorrect information, and that (in accordance with the Council's Constitution) Cllr Francis did not and could not receive an additional special responsibility allowance in respect of his role as Vice-Chair of the Children, Education and Skills Overview and Scrutiny Committee. It was noted that despite Cllr O'Brien having been informed that his allegation could not be correct because of the restriction on receiving more than one special responsibility allowance, he refused to correct the error or remove the tweets. The Investigating Officer considered that this failure to take any corrective action was (in his view) disrespectful and that Cllr O'Brien's comments did not amount to 'fair comment' or a difference of political opinion, and the allegations he made were objectively incorrect.

Sub-Committee Findings

13. The Sub-Committee retired to consider its findings, and to hear the views of the Independent Person, Mr Dennis Hall. Mr Hall commented that he was satisfied with the Investigating Officer's report and the findings within. Mr Hall considered that Cllr O'Brien had been given ample opportunity to respond or rebut the findings, and that due process had been followed. Mr Hall also noted that Cllr O'Brien had been offered support from Council officers to assist him in preparing his response to the Investigating Officer's report, but did not respond to this offer.
14. Mr Hall raised concern about the length of time this case had taken to be determined, but acknowledged that this had been due to exceptional circumstances, and the Covid-19 pandemic meant Cllr O'Brien was given extended time in which to respond to the Investigating Officer's report.
15. Having considered the report of the Investigating Officer, the representations made during the hearing, and the views of the Independent Person, the Sub-Committee made the following findings:
- (a) The Sub-Committee accepted the findings of the Investigating Officer and determined that on the balance of probability, Cllr O'Brien had breached paragraph 1 of the Code of Conduct for Members.**
- (b) The Sub-Committee found that there had been no breach of paragraph 2 of the Code.**
16. In reaching their decision, the Sub-Committee acknowledged and agreed with the findings of the Investigating Officer as set out at paragraphs 10-12 above, and found that Cllr O'Brien was giving the impression of acting as a official capacity as a Member of the Council when he posted his tweets, and that the Code therefore did apply.

17. The Sub-Committee commented that this complaint was about upholding the standards expected of an elected Member, and that Cllr O'Brien's comments could have simply been withdrawn or clarified, but he chose not to do so even after his error had been brought to his attention. The Sub-Committee observed that a simple apology from Cllr O'Brien could have most likely settled this matter at an early stage.

Sanctions

18. The Sub-Committee invited representations from the Investigating Officer on whether a sanction should apply, and if so, what form it should take. The Investigating Officer considered that a fair outcome in these circumstances would be for Cllr O'Brien to delete the tweets in question, to apologise to Cllr Francis, and to undertake training about the appropriate use of social media by Members of the Council, which could potentially be tailored to provide support and assistance specific to Cllr O'Brien.
19. The Sub-Committee again retired to consider sanctions, and to take into account the views of the Independent Person on this matter. Mr Hall commented that Cllr O'Brien did not seem to take this matter seriously, having not actively engaged in the investigation or attended the hearing. Mr Hall's opinion was that Cllr O'Brien's behaviour merited censure by the Sub-Committee, as he had behaved badly towards former Cllr Francis, and that the incorrect allegations which were made public as part of his tweets impacted negatively on the Council as a whole.
20. Mr Hall agreed with the proposals put forward by the Investigating officer relating to sanctions, and added that when the Sub-Committee publish a summary of its findings, as part of this they may wish to confirm whether or not Cllr O'Brien has complied with any recommended sanctions.
21. Having considered the representations from the Investigating Officer and the views of the Independent Person, the Sub-Committee reviewed the potential sanctions available to it, and determined to impose the following sanctions:
- Cllr O'Brien to be issued with a formal censure by the Hearing Sub-Committee;
 - A recommendation that Cllr O'Brien issue a written apology (in a form approved by the Monitoring Officer) to former Cllr Bob Francis;
 - Cllr O'Brien is recommended to delete the tweets that led to this complaint from his Twitter account;
 - The Monitoring Officer is recommended to offer training to Cllr O'Brien on the appropriate use of social media by Members of the Council; and
 - The Hearing Sub-Committee to refer its findings to full Council for information, at the soonest available opportunity.

Request for Review

22. On 24th March 2022 Cllr O'Brien e-mailed the Governance Law Specialist requesting a review of the Hearing Sub-Committee's decision. Cllr O'Brien was asked by e-mail to provide his detailed reasons for seeking a review, and was also offered support from officers within the Member Support Team to assist him with setting out his own reasons for seeking a review. Cllr O'Brien did not provide any response, and so the review process proceeded without any additional submissions from Cllr O'Brien.
23. Corraib Maccaba, the Independent Person for South Tyneside Council, agreed to undertake the review. The papers originally submitted to the Hearing Sub-Committee, together with the decision notice and the Council's Arrangements for Dealing with Complaints, were all forwarded to Mr Maccaba for consideration.
24. Mr Maccaba's findings were received by e-mail on 10 June 2022. Mr Maccaba noted that as Cllr O'Brien did not give direction on his reasons for seeking a review or on what aspects of the decision notice he disagreed with, the review proceeded on the basis that Cllr O'Brien disputed the whole of the Investigating Officer's report document, the hearing outcome, and the proposed sanctions. Accordingly, the review process took longer than usual to conclude, as Mr Maccaba had to carefully scrutinise all documentation in its entirety.
25. In summary, Mr Maccaba agreed with the Sub-Committee's conclusion that Cllr O'Brien had breached paragraph 1 of the Code. He also agreed with the decision of the Hearing Sub-Committee that paragraph 2 of the Code had not been breached.
26. In Mr Maccaba's opinion, the sanctions originally proposed by the Hearing Sub-Committee were commensurate with the findings of the report.
27. The Hearing Sub-Committee met on 12 August 2022 and considered Cllr O'Brien's review request with the benefit of the submissions received from South Tyneside Council's Independent Person. In addition, Sunderland City Council's Independent Person, Mr Dennis Hall, reiterated his agreement with the original decision and sanctions.
28. The Hearing Sub-Committee resolved to confirm its original decision as set out in paragraph 15 above, and the sanctions set out in paragraph 21.

Signed: Councillor Peter Gibson – Chair of the Hearing Sub-Committee

Action on Petitions

ACTION TAKEN ON PETITIONS

Council Members are asked to note the action taken in relation to the under-mentioned petition which was presented to Council:-

(i) Petition - Requesting the examination of traffic calming measures between Dartington Close, Dellfield Drive and St John's Vale Pennywell

At the meeting of the Council on 26 January 2022, former Councillor Karen Noble presented a petition with 17 signatures requesting the examination of traffic calming measures between Dartington Close, Dellfield Drive and St John's Vale, Pennywell.

An officer review using the Council approved Road Safety Assessment Criteria, which considers traffic speed, accident data, road geometry and the like, was undertaken for each of the streets. The review noted that there were already traffic calming measures in place and that the threshold for further interventions had not been met therefore the request was declined.

The Ward Councillors and Lead petitioner have been advised of the outcome.

2. Petition – Broadstairs Court

At the meeting of the Council on 23rd March 2022, Councillor Pam Mann presented a petition with 30+ signatures requesting that the Council hear and take action upon their petition regarding parking issues and damage to highway and pavement and increased litter at Broadstairs Court and Broadway Properties.

The location identified is a residential street next to a shopping area with a shop, coffee shop, fast food shop and vets.

Objections were made during the planning stage to the development and residents and Councillors feel as though the restrictions set out in the planning stage are not being adhered to.

Colleagues in Highways Maintenance and Environmental Enforcement were consulted regarding the footway condition and the litter at this location.

Colleagues from Planning and Environmental Enforcement will respond to the ward councillors direct regarding the concerns raised in the petition.

Following consideration of the petition, it was agreed to partly uphold this petition as officers have liaised with Ward Councillors to address the issues and a 'no through' road sign is being implemented at this location.

The Ward Councillors and Lead petitioner have been advised of the outcome.

Reports

COUNCIL

16 NOVEMBER 2022

Update 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. The relevant provisions are now contained in Regulations 11 and 19 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

These are the special urgency provisions 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 report.

Recommendation

That the Council notes the content of this report.

COUNCIL

16 NOVEMBER 2022

APPOINTMENTS TO COMMITTEES AND OUTSIDE BODIES

REPORT OF THE ASSISTANT DIRECTOR OF LAW AND GOVERNANCE

1.0 Introduction and Background

- 1.1 The purpose of this report is to seek approval to make a change to the Licensing and Regulatory Committee, to appoint a named alternative member to ANEC Ltd, to make changes to the substitute members on a number of North East Combined Authority (NECA) Committees and to proposed changes to Together for Children Sunderland Limited ("TfC") board composition in order to maintain good governance arrangements.
- 1.2 The full list of appointments to committees and outside bodies will be published on the Council's website in the Yearbook at <https://committees.sunderland.gov.uk/committees/cm15/PublicDocuments.aspx> following the meeting.

2.0 Licensing and Regulatory Committee

- 2.1 A request has been received from the Majority Group for Councillor T. Dodds to take the place of Councillor D. Wilson on the Licensing and Regulatory Committee.

3.0 ANEC Ltd. Representation

- 3.1 At the Annual Council meeting, the Leader of the Council's appointment to ANEC Ltd. was reaffirmed. This involves attending meetings of the Leaders' and Elected Mayors' Group and also the Resources Task and Finish Group.
- 3.2 Each member on ANEC Ltd. has a named alternative member to act as a substitute at meetings.
- 3.3 The Leader of the Council has requested that the Deputy Leader and Clean, Green City Portfolio Holder, Councillor Rowntree, be nominated as his named alternative on ANEC Ltd.

4.0 North East Combined Authority (NECA) Committees.

- 3.1 A request has been received from the Conservative Group to make a number of changes to their substitute members on the following NECA Committees:-

Audit and Standards Committee

Substitute – to replace Councillor Doyle with Councillor Mann

Overview and Scrutiny Committee

Substitute – to replace Councillor Doyle with Councillor S. Johnston

North East Joint Transport Overview and Scrutiny Committee

Substitute – to replace Councillor Doyle with Councillor Mann

5.0 Together for Children Sunderland Limited (“TfC”)

- 5.1 There are currently five independent Non-Executive Directors¹ (including the Chair) (“NEIDs”) on the Board of TfC:

Name	Term End
Paul Moffat (Chair)	31 March 2023
Denise Exley	31 December 2022
David Gallagher	30 November 2022
Catherine Hearne	31 March 2023
Steven Mason	31 March 2023

- 5.2 Board Members Paul Moffat and David Gallagher have expressed an intention to resign from the Board at the end of their term.
- 5.3 In order to maintain continuity, it is proposed to extend the terms of office of Ms Exley, Ms Hearne and Mr Mason to 31 March 2024. This timescale is co-terminus with the end of the initial period of the Service Delivery Contract between the Council and TfC.
- 5.4 In addition, a recruitment process has commenced for a new Chair of the Board. Given the “Outstanding” judgement on TfC in 2021 and the subsequent enhanced reputation, it is not proposed to use a recruitment agency for this exercise but adopt a careful placement of advertisements blended with proactive social media usage.
- 5.5 It should be noted that the appointment of the Chair of the Board is now the responsibility of the Council, rather than the Department for Education, following the revocation of the Direction and the “Outstanding” judgement.
- 5.6 A further report will therefore be submitted to Full Council in due course regarding the proposed appointment of a replacement Chair. Further, once a new Chair has been appointed, a separate recruitment process will then be undertaken for the remaining independent non-executive director position.

¹ In addition to two Council officer Non-Executive Directors

6.0 Recommendations

6.1 The Council is accordingly invited to:-

- (i) approve the appointment of Councillor T. Dodds to the Licensing and Regulatory Committee in place of Councillor D. Wilson;
- (ii) approve the nomination of the Deputy Leader and Clean, Green City Portfolio Holder, Councillor Rowntree, as the Leader of the Council's named alternative on ANEC Ltd;
- (iii) approve the nomination of Councillor Mann to replace Councillor Doyle on the NECA Audit and Standards Committee;
- (iv) approve the nomination of Councillor S. Johnston to replace Councillor Doyle on the NECA Overview and Scrutiny Committee;
- (v) approve the nomination of Councillor Mann to replace Councillor Doyle on the North East Joint Transport Overview and Scrutiny Committee;
- (vi) in respect of Together for Children Limited to:-
 - (a) approve the extensions to the NEID term of Ms Exley, Ms Hearne and Mr Mason to 31 March 2024: and
 - (b) note the commencement of a recruitment process for a new Chair for TfC and to receive a further report in due course regarding this proposed appointment.

Motions on Notice

MOTIONS ON NOTICE

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

1. Notice of Motion – The Right to Play

This Council recognises the need to improve play facilities for those children with disabilities across the City of Sunderland. Appropriate play is vital for the development, health, wellbeing and happiness of our children, particularly for young people facing barriers like discrimination and exclusion.

Every child should have equal right to play and enjoy childhood experiences through a range of challenging, formal and informal play opportunities in a safe and inclusive environment wherever they are in Sunderland which adheres to Article 31 of the UNCRC.

Therefore, Council resolves to ensure that:

- All Council play parks are risk assessed for accessibility and inclusiveness for those with disabilities with the City Council to produce short-, medium- and long-term action plans which should be reported back to Council within six months.
- All future play spaces are developed with community participation, co-design and co-production - and, when equipment is damaged or vandalised, consideration is given to replacing it with accessible alternatives.
- All disabled children can enjoy inclusive and appropriate play parks that are accessible within a reasonable distance of their home.
- To install a minimum of one wheelchair swing in each of the five committee areas.
- To enhance sensory involvement by procuring equipment which is aimed at touch and sound senses for those with audio or visual impairments.

Councillor R. Dunn (Proposer)
Councillor P. Mann (Seconder)

Signed by:-

Councillor R. Dunn
Councillor P. Mann
Councillor J. McKeith
Councillor A. Mullen
Councillor S. Johnston

Councillor H. Greener
Councillor S. Ayre
Councillor P. Wood
Councillor M. Dixon

Councillor U. Ali
Councillor P. Donaghy
Councillor L. Reed
Councillor C. Burnicle

2. Notice of Motion – Sewage Dumping by Water Companies

This Council notes that:

- Environment Agency reporting data has revealed that water companies in England have recorded 772,000 sewage dumping events in 2020 and 2021. Across the Northumbrian Water area there have been 69,048 sewage dumping events reported to the Environment Agency in the same time period.
- Northumbrian Water made profits of £758.4m in the 2020/2021 fiscal year and that the Chief Executive of Northumbrian Water received a bonus and benefits of £575,000 on top of a base salary of £1,465,000, taking home a total package including pension contributions of £2,214,000.
- The Environment Act 2021 failed to set water companies with specific targets or deadlines to reduce sewage outflows into waterways and the sea.

Council believes that:

- No one should be paid a bonus for long term and endemic failure with no satisfactory solution in sight.
- Action needs to be taken both at local and national level to address the failures of privatised water companies operating in England.

Council therefore resolves to:

- Ask the Chief Executive to write to the Secretary of State for Environment, Food and Rural Affairs and urge the government to legislate to block any further bonus payments to directors of water companies in England until a satisfactory solution has been achieved.
- Ask the Chief Executive to write to Northumbrian Water and the Environment Agency and urge them to take action to reduce the number and volume of outflows at Seaburn, Roker, Hendon and in the River Wear; and further request that Northumbria Water commission an independent survey of the sewage outflows into the North Sea off Sunderland and publish that report in the public domain.

Councillor M. Haswell (Proposer)
Councillor M. Bond (Seconder)

Signed by:-

Councillor N. Hodson	Councillor A. Wood	Councillor J. Potts
Councillor S. O'Brien	Councillor M. Crosby	Councillor P. Edgeworth
Councillor G. Smith	Councillor C. Nicholson	Councillor C. Morrissey
Councillor P.W.L. Gibson	Councillor H. Fagan	Councillor A. Curtis

3. Notice of Motion – Protecting Tyne & Wear Fire Service

Sunderland Council notes that the Home Office and His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) have recognised the magnificent work Tyne and Wear Fire and Rescue Service carried out to support the country's response to the COVID-19 and the work it does to protect the local community and businesses from fire risk.

That challenge has been made all the more difficult by the impact of global and national economic factors in recent months that have far exceeded the inflationary assumptions within the current Budget and Financial Plan approved in February 2022.

Council notes that the TWFRS is committed to facing these challenges positively and constructively. However, Council recognises the real current impact of inflation on their ability to deliver much-needed services for local people and businesses, including in Sunderland.

The highest levels of inflation for four decades are now driving up the costs of the raw materials, labour, energy and other costs which the Fire Authority must pay for in order to provide essential public services and capital investment in the Service.

The Fire Authority's budget for 2022/23 was set in February 2022 based on estimates that price inflation and wage growth would both be in the region of 2% to 3% in 2022/23. These were not unrealistic assumptions as they reflected the Government's own forecasts for inflation in 2022 and 2023, specifically: -

- In October 2021, the Autumn Budget and Spending Review 2021 Statement set out forecasts that the Consumer Price Index could reach 4% in 2022, but would fall to 2.6% by 2023;
- In December 2021, the provisional Local Government Finance Settlement uprated grant funding for 2022/23 by the actual Consumer Price Index as at September 2021 (3.1%); and,
- In February 2022 (when TWFRS budgets were being finalised), the Office of Budget Responsibility forecast that the Consumer Price Index could reach 4.7% in 2022 but would fall to 2.3% by 2023.

Council notes that, since then, there has since been a dramatic shift in these expectations. The latest figure (19 October 2022) from the Office of Budget Responsibility is that the Consumer Price Index is now 10.1% – significantly higher than both the inflationary increase in funding which the Fire Authority received and the forecast increases which informed the TWFRS budget for 2022/23.

Coupled with continuing growth in demand for Protection services and meeting increasing risks such as flooding, Council recognises that the TWFRS is now facing enormous financial difficulties.

Council notes that the Institute for Government recently estimated that local authorities in England will be facing unbudgeted costs of up to £2bn as a result of inflation being significantly higher than was forecast in the Chancellor of the Exchequer's Autumn Budget and Spending Review announcements. The Fire Authority has estimated that this impact could exceed the revenue provision by £2.5m in 2022/23 and the expected increase in capital expenditure is potentially in excess of £5m;

The Fire Authority had a fixed price electricity contract that ended in March 2022. The new contract has increased prices but with escalating utility costs both Gas and Electricity costs are increasing significantly and this impact has been included within the above revenue budget projection.

Capital projects – many of which are essential in providing firefighters with the relevant training, PPE and equipment to provide an effective and safe fire response, have also been hit. The Fire Authority is facing significant extra costs due to increases in the price of raw materials and labour.

The local government and firefighter pay award for 2022/23 have yet to be resolved –with inflation at 10.1% this year, pay disputes are inevitable if pay offers represent significant real-terms pay cuts. While removing any “cap” on pay increases, the Government has previously stated that any pay award must be funded from the Fire Authority budget.

This was already going to be difficult when pay was forecast to rise by around 2.5%, pay awards above those levels will add significant pressure on Authority finances if they are not resourced from additional funding provided by the Government. The Fire Authority had, through careful budget management made provision for a 3% pay rise however, it is clear that this will not cover the potential pay rise demands now faced.

Each additional 1% pay rise above what has been budgeted for will cost approximately £0.5m; and, Operational revenue budgets across the full range of Authority services are being impacted by increases in the costs of materials, fuel, labour and a higher indexation ratio being applied to outsourced contracts.

Council recognises that the financial challenge of inflation comes on top of the enormous pressures faced by the Fire Authority after a decade of austerity when the biggest cuts in local authority funding impacted on the authorities in the most deprived areas of the country because they relied more heavily on the Government grants which were cut so severely.

The Fire Authority is also less able to raise income from increases in Council Tax and Business Rates. Council is concerned that, without extra support, the Fire Authority may have to once again balance the books by cutting more essential services to our vulnerable residents in Sunderland.

Council notes that, over the last decade or so, the TWFRS have prioritised every possible option to achieve greater efficiency and minimise the need to cut budgets for essential services. It is clearly not realistic to expect financial pressures of this magnitude to be addressed through further efficiencies.

Council notes that, in effect, the Local Government Finance Settlement was determined on the basis of a set of assumptions which has since been proven to be significantly inaccurate. Council appreciates that those assumptions were legitimate at the time, but global and national events since then have created a wholly different set of circumstances. It would be unfair and unrealistic to expect the Fire Authority to be able to cope with the scale of those changes. Sunderland Council therefore urges the Government to ensure that the inflationary pressures facing fire and rescue authorities in 2022/23 are properly and fully funded.

Council asserts that, in the longer-term, for Levelling Up to be effective, it is essential that inequalities in local government funding are addressed. This must be reflected in both the forthcoming “Fair Funding” Review and the 2023/24 Local Government Finance Settlement – which should ensure that local authority funding is fairly distributed on the basis of local levels of deprivation and properly reflects the prevailing rates of price inflation and wage inflation which affect the services that the Fire Authority delivers.

Council urges the Government to appreciate that the fire and rescue sector cannot resolve the current difficulties without national Government support.

The Council Leader in conjunction with all Tyne and Wear Council Leaders is therefore requested to write to the appropriate Government Minister, to seek such financial support, as a matter of urgency.

Councillor P. Tye (Proposer)
Councillor J. Usher (Seconder)

Signed by:-

Councillor P. Tye
Councillor J. Usher
Councillor M. Herron
Councillor M. Butler
Councillor J. Herron
Councillor J. Warne
Councillor P. Smith

Councillor A. Chisnall
Councillor G. Miller
Councillor C. Rowntree
Councillor F. Miller
Councillor I. Scott
Councillor J. Price

Councillor K. Chequer
Councillor K. Johnston
Councillor L. Williams
Councillor L. Farthing
Councillor P. Walker
Councillor P. Stewart

