

CABINET MEETING – 11 JANUARY 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

MINUTES, PART I

Author(s):

Head of Law and Governance

Purpose of Report:

Presents the minutes of the last meeting held on 7 December 2011 Part I.

Action Required:

To confirm the minutes as a correct record.

At a meeting of the CABINET held in the CIVIC CENTRE (COMMITTEE ROOM NO. 1) on Wednesday 7 December 2011 at 2.00 p.m.

Present:-

Councillor P. Watson in the Chair

Councillors Allan, Blackburn, Charlton, Gofton, Kelly, P. Smith, Speding, Trueman and T. Wright

Also Present:-

S. Nicklin and G. Barker – Audit Commission
Councillor Wood

Part I

Minutes

The minutes of the meeting of the Cabinet held on 2 December 2011, Part I (copy circulated) were submitted.

(For copy report - see original minutes).

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

Receipt of Declarations of Interest

Councillor Blackburn declared a personal interest in "Item 9 – Parking Services Annual Report 2010 -2011," as a Member of the Traffic Penalty Tribunal Joint Committee.

Councillor Gofton declared a personal and prejudicial interest in "Item 14 – Disposal of Property in Hind Street, Sunderland," as a Member of the Board of Governors of the University of Sunderland and withdrew from the meeting during the consideration of the report.

Apologies for Absence

There were no apologies for absence.

Report of the Meeting of the Personnel Committee, Part I

The report of the meeting of the Personnel Committee held on 24 November 2011, Part I (copy circulated) was submitted and consideration was given thereto.

(For copy report – see original minutes).

2. RESOLVED that the report of the meeting of the Personnel Committee held on 24 November 2011, Part I be noted.

Audit Commission Annual Audit Letter 2010/2011

The Chief Executive submitted a report (copy circulated) which detailed the Audit Commission's (AC) Annual Audit Letter (AAL) covering the year 2010/2011.

(for copy report – see original minutes).

Councillor Speding reported that he was pleased to briefly introduce the report prior to handing over to Steve Nicklin and Gavin Barker from the Audit Commission, to present their findings. He highlighted that the Annual Audit Letter for 2010/11 was very positive and gave a very strong endorsement of the financial management, planning and governance arrangements in place across the Council. It gave an unqualified opinion on both the Financial Statements and the arrangements in place to secure Value for Money.

Councillor Speding advised that the report also confirmed that the Council had robust arrangements in place regarding financial management and resilience, delivery of budgets and planning for future challenges. He added that it was particularly pleasing to note the recognition of Council's achievement in efficiently handling the new requirements of International Financial Reporting Standards (IFRS) which had caused significant problems for some Authorities.

Mr. Nicklin and Mr. Barker drew attention to three areas of the Audit Letter that they wished to highlight, namely that :-

- an unqualified opinion on the financial statements had been issued on 30 September 2011. They congratulated the Council as the financial statements presented for audit were of good quality, complied with the new requirements of IFRS and officers had once again been helpful in dealing with the audit and with their queries. They reiterated that this was a considerable achievement, as compliance with IFRS created significant problems across the country and some authorities were unable to meet the statutory deadlines.

- Following the completion of legal cases in the Courts, objections to the 2007/08 and 2008/09 accounts had now been determined and it had been concluded that no formal audit action was necessary. Final certificates were issued on 30 September 2011 to formally close the audits for 2007/08, 2008/09 and 2009/10 as well as that for 2010/11.
- An unqualified conclusion was issued stating that the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources on 30 September 2011. The Council had robust arrangements in place to ensure its financial resilience and a history of good financial management, robust systems of corporate governance and internal control, with a strong record in the delivery of budgets. The Council had prepared for the economic challenges facing public services through the Sunderland Way of Working and was committed to improvements in service delivery and outcomes, and had also identified significant savings. It would be hard to find another council with such strong resilience to meet the challenges ahead.

The close monitoring and early action on budgets was noted. However there were still some budget pressures. In relation to the Council's SWITCH project, they advised that the Council would need to ensure that staff left the employ of the Council in some numbers or it would be necessary to consider a redundancy scheme in the future. They added that the Council would need to monitor service delivery and governance to ensure that they were open to making difficult decisions or alternative forms of working if it was in the best interests of the Council.

They also reported that the Council's Asset Management Plan continued to make significant improvements and there were plans in place to take this issue forward.

Mr. Nicklin and Mr. Barker thanked the officers of the Council and highlighted how the audit practice would be delivered in the future following the Government's plan to outsource the service across the country. They explained that the Audit Commission would continue to audit the Council for 2011/2012 and the new arrangements would come into place the following year.

Cabinet Members thanked Mr. Nicklin and Mr. Barker for their presentation and noted that the Council welcomed the inspections' findings and advice on areas of best practise. The Chairman was pleased that the Council's schemes for the Sunderland Way of Working and SWITCH had been heralded as exemplars of service nationally and appreciated that there would be difficult times ahead.

Councillors Wright and Allan referred to the objections received to the previous years' accounts and were pleased that these matters had been concluded. Having enquired if the Auditor could quantify the costs of dealing with the objections, Mr. Nicklin assured the Cabinet that every effort had been made to keep the costs to a minimum and that Counsel's costs had been shared. He advised that the costs had been in the region of £10,000.

Cabinet Members having thanked Mr. Nicklin and Mr. Barker again for their presentation and having given consideration to the report and presentation, it was:-

4. RESOLVED that:-

- (i) the contents of the report and Audit Letter be noted, and
- (ii) it be referred to Council for consideration.

Acquisition of Land at Sunderland Retail Park, Newcastle Road for Planning Purposes

The Deputy Chief Executive and the Executive Director of Commercial and Corporate Services submitted a joint report (copy circulated) to seek approval for the use of the Council's power under Section 237 of the Town and Country Planning Act 1990 to override third party interests and rights to enable the proposed comprehensive redevelopment of Sunderland Retail Park ("SRP") by Tesco Stores Ltd ("Tesco") to proceed as quickly as possible and in advance of the implementation of The Council of the City of Sunderland (Sunderland Retail Park) Compulsory Purchase Order 2011 ("the CPO").

(For copy report – see original minutes).

Councillor Speding highlighted that the Council was supportive of Tesco's comprehensive redevelopment scheme for Sunderland Retail Park in view of the substantial physical, economic and social benefits to the City that would arise from the redevelopment of a prominent gateway site including the creation of 400 new jobs as a result of the scheme. He advised that following the making of the CPO which was previously authorised by Cabinet in February, a public inquiry had been held and the Secretary of State had now confirmed the CPO. He added that Tesco also had made good progress in acquiring the remaining land interests at the Retail Park and the only unit that had not yet been acquired was the Blockbuster and Farmfoods unit.

Councillor Speding reported that Tesco had notified the Council that it wished to start on site in January 2012 and substantial parts of the scheme could be progressed in advance of the implementation of the CPO through the use of the Council's power under Section 237 of the Town and Country Planning Act 1990. He explained that this would enable the interests and rights of Blockbuster and Farmfoods' in relation to servicing access, quiet enjoyment, service media and car parking over the wider Retail Park estate to be overridden, while they could otherwise prevent the redevelopment scheme being progressed. He added that the use of Section 237 would allow the early delivery of Tesco's scheme and bring forward the substantial public benefits arising from the physical and economic regeneration of the Retail Park site.

Cabinet Members were advised that the process would involve the Council acquiring Tesco's freehold title to the Retail Park for planning purposes and then transferring the land back to Tesco who would then be in a position to commence the redevelopment works in advance of the implementation of the CPO and subject to the payment of appropriate compensation to Blockbuster and Farmfoods. The full cost of this process would be met by Tesco in accordance with the existing indemnity agreement in relation to the Sunderland Retail Park scheme.

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

5. RESOLVED that:-

- (i) the authorisation given by Cabinet at its previous meeting on 16th February 2011 be reaffirmed to acquire and dispose of any land or interests required in order to enable the proposed development of Sunderland Retail Park ("SRP") to proceed in order to permit the acquisition of Tesco Stores Ltd's freehold interest to SRP by the Council under section 227 of the Town and Country Planning Act 1990 for planning purposes in order that section 237 of the 1990 Act may be relied upon,
- (ii) as part of the reaffirmation, that the powers to override interests and rights under section 237 of the 1990 Act be utilised in respect of SRP to allow the implementation of the Scheme proposals to proceed as soon as reasonably possible in the public interest,
- (iii) the Deputy Chief Executive, the Executive Director of Commercial and Corporate Services and the Head of Law and Governance be authorised to take all necessary action in order to implement (i) and (ii) above, and
- (iv) it be noted that the financial implications associated with the proposal are cost neutral to the Council as set out in paragraphs 42 and 43 of the report.

Smarter Working Project – Capital Works

The Deputy Chief Executive submitted a report (copy circulated) to seek approval to the release of capital contingencies to fund building improvement works to the administrative buildings that were being retained as part of the Smarter Working Project.

(For copy report – see original minutes).

Councillor Speding highlighted that significant progress had been made in recent months with regards to the implementation of the Smarter Working Project which has helped to deliver both improved services to the customer and financial efficiencies back into the Council. He reported that it was also delivering the accommodation changes that were required as the Way of Working was implemented, and ensuring that more efficient use was made of office space across the Council property portfolio.

Councillor Speding advised that over 3,000 members of staff had been relocated, and by the end of this financial year 13 administrative buildings would have been closed, delivering both savings on running costs and the potential for capital receipts from the disposal of surplus sites.

Cabinet Members were informed that options for further property rationalisation continue to be explored and in particular the opportunity to assess the future use of offices at Leechmere was being examined, together with the use of Moorside and the 3 operational depots.

Councillor Speding advised that some building work had been necessary to re-configure the remaining office buildings, and to date this had been funded from existing contingencies. He added that now funding was required to deliver some of the larger building schemes, such as the refurbishment of offices to provide a new Coroners Court facility, and proposed works to Cassaton House and Sandhill View. He therefore requested that approval be given to release capital contingencies in order to implement building improvement works and carry out the demolition, where necessary, of surplus property.

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

6. RESOLVED that capital contingencies that are set aside for 2011/12 and 2012/13 be released to support building improvement and demolition works that are required for the delivery of the Smarter Working Project.

Old Sunderland Townscape Heritage Initiative: Award Of Grant To Assist Works To Restore 49 & 50 High Street East, Sunderland

The Deputy Chief Executive submitted a report (copy circulated) seeking authorisation to delegate to the Deputy Chief Executive the award of grant to enable the restoration of 49 and 50 High Street East, Sunderland.

(For copy report – see original minutes).

Councillor Kelly highlighted that the Council had worked in partnership with the Heritage Lottery Fund since 2005 to bring forward schemes that contributed towards the heritage led regeneration of Sunderland's East End through the Townscape Heritage Initiative. He explained that the THI was a 50/50 grant arrangement from both the Council and the Heritage Lottery Fund. He added that whilst take up of the THI scheme had been hampered by the economic downturn, this report set out a proposal to restore numbers 49 and 50 High Street East, two properties that were currently vacant and in a poor condition.

Councillor Speding explained that the owner had brought forward a scheme that would see two new retail units on the ground floor and two apartments above and the works were both internal and external. He added that when completed they would make a significant improvement to the appearance of the property as the building was listed, an application for Listed Building Consent was currently being considered. The scheme was therefore welcome and could be supported.

Cabinet Members having been advised that the amount of grant sought was set out in a report elsewhere on the agenda and the total sum was within the budget allocation as set out in the THI action plan, it was:-

7. RESOLVED that the Deputy Chief Executive be delegated authority to award grant from the Townscape Heritage Initiative Budget to assist in the delivery of a restoration project at 49 and 50 High Street East to enable the building to be returned to full and beneficial use as ground floor retail with two apartments above.

Parking Services Annual Report 2010 – 2011

The Executive Director of City Services submitted a report (copy circulated) on the Parking Services Annual Report 2010- 2011 which had been produced in accordance with Section 4 of the Operational Guidance to Local Authorities: Parking Policy Enforcement, Traffic Management Act 2004.

(For copy report – see original minutes).

Councillor Blackburn reported that the Traffic Management Act 2004 and associated regulations stated that all local authorities operating Civil Parking Enforcement were required by law to produce an annual report regarding its activities which included financial, statistical and other relevant information for the previous financial year. He advised that the Parking Services annual report 2010 – 2011 included information relating to Parking Policies, Parking Restrictions, operating and financial costs, statistical information, performance information and indicators, in addition to details of the car parking facilities which are managed by the Council.

Councillor Blackburn highlighted that the report was largely a statement of facts with some comparative information, obtained from the Joint Report of the Parking Adjudicators for England and Wales which indicated that the Council's parking management services provides robust, good quality representations to the Traffic Penalty Tribunal, including comprehensive evidence, which had resulted in most appeals being refused.

Councillor Blackburn was pleased to report that in 2009/2010 there were 242 Authorities outside of London operating Civil Parking Enforcement and based on the statistics of the Joint Report of Parking Adjudicators for England and Wales, Sunderland was one of the best performing authorities.

Cabinet Members having been advised that the report would be placed on the Council's website, it was:-

8. RESOLVED that the Parking Services Annual Report 2010 – 2011 be approved and submitted to the Department for Transport (DfT) in accordance with the DfT's operational guidance.

Procurement of Specialist Grass Cutting and Horticultural Equipment

The Executive Director of City Services submitted a report (copy circulated) seeking approval for the procurement of up to 20 specialist grass cutting and horticultural machines to replace the equivalent number for use in the Council's grounds maintenance services as part of the planned replacement programme.

(For copy report – see original minutes).

Councillor Blackburn explained that City Services had a planned replacement programme for specialist grass cutting and horticultural machines on a 5-year cycle, from the date of acquisition, as they became uneconomic to maintain. He reported that originally up to 41 specialist grass cutting and horticultural machines were due to be replaced under this programme during 2011/2012, at a total procurement cost of approximately £497,000. However following a review of the service requirements, some items of equipment had been identified for either an extension of the lease or not replaced. He reported that therefore the required number of items for replacement was now 20 with a procurement cost of £292,000 and this translated into an annual leasing cost of £85,000 and would contribute to an annual revenue cost saving of at least £31,000 based on the previous lease charges.

Councillor Blackburn highlighted that the method of financing the acquisition would be determined by the Executive Director of Commercial and Corporate Services based on an appraisal that would achieve best value upon receipt of tenders and might take the form of an operating or finance lease or loan. He added that officers from the Corporate Procurement team would work with the Head of Street Scene to ensure the most appropriate procurement option was used to secure the best value for money. A schedule of procurement costs along with machine reliability and suitability and delivery times would provide the basis on which the suppliers would be evaluated.

8. RESOLVED that:-

- (i) the procurement of up to 20 specialist grass cutting and horticultural machines be approved to replace the equivalent number for use in the Council's grounds maintenance services as part of the planned replacement programme, and
- (ii) it be noted that the number of items which were due for replacement was 41 but after review this number was reduced due to either lease extensions or the items no longer being required.

Community Equipment Service (CES) – Tender for Provision of Riser Recliner and Bespoke Chairs

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) to seek approval to invite suppliers to tender for the provision of riser recliner and bespoke chairs and to award the contract to the supplier who had the most advantageous tender.

(For copy report – see original minutes).

Councillor Allan reported that a procurement exercise took place in 2010 to put a framework agreement in place for standard items of equipment which helped to contribute to the overall financial performance of CES. He explained that the riser recliner and bespoke chair procurement exercise was the first of a series of tenders to put contracts in place for bespoke and special order items of equipment and the introduction of such a contract would mean that a standard specification would be developed. He added that the specification along with the contract would enable CES to improve timescales, reduce costs and in time develop a portfolio of recycled chairs.

Cabinet Members were advised that the contract term would be for 1 year with an option to extend for up to a further 2 x 12 months and the cost of the contract was in the region of £234,000 per year.

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

9. RESOLVED that approval be given to:-

- (i) invite suppliers to tender for the provision of riser recliner and bespoke chairs, and
- (ii) award the contract to the supplier who provides the most economically advantageous tender.

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

At the instance of the Chairman, it was:-

10. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it was considered to involve a likely disclosure of information relating to any individual, which is likely to reveal the identity of an individual, the financial or business affairs of any particular person (including the Authority holding that information) and to consultations or negotiations in connection with labour relations matters arising between the Authority and employees of the Authority (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 1, 2, 3 and 4).

(Signed) P. WATSON,
Chairman.

Note:-

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

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

