

CABINET MEETING – 2 NOVEMBER, 2011
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 5 October 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 5 October 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

Part I

Minutes

The minutes of the meeting of the Cabinet held on 22 September 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

The following Councillors declared personal interests in the reports below as Members of the bodies indicated:-

Item 12 – Local Government Resource Review Consultation	Councillors Gofton, Kelly, Speding and Trueman	ANEC
	Councillor P. Watson	ANEC/SIGOMA
Item 14 – Children and Young People's Plan Annual Report 2010/2011	Councillors P. Watson, Trueman and Allan	Children's Trust

The following Councillors declared personal and prejudicial interests in the following report as Governors of the schools indicated and withdrew from the meeting during consideration thereof:-

Item 13 – Capital Investment in Schools – Opportunity to bid for Priority Schools Building Programme	Councillor Allan	Thorney Close Primary School
	Councillor Kelly	Usworth Grange Primary School
	Councillor Speding	Shiney Row Primary School

Apologies for Absence

An apology for absence was submitted to the meeting on behalf of Councillor P. Smith.

Report of the Meeting of the Personnel Committee, Part I

The report of the meeting of the Personnel Committee held on 22 September 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 22 September 2011, Part I be noted.

EUROCITIES – Conference and Annual General Meeting

The Chief Executive submitted a report (copy circulated) which sought authorisation for the Cabinet Secretary to attend the EUROCITIES Conference and Annual General Meeting in Genoa in November.

(For copy report – see original minutes).

The Chairman reminded Cabinet Members that EUROCITIES was the network of major European cities. He explained that activities within the network were taken forward through six Forums focused on a series of thematic areas which had meetings throughout the year, and through an annual Conference and Annual General Meeting. He added that Sunderland became a member of EUROCITIES in November 2007.

Cabinet Members were advised that the theme of the 2011 annual conference was 'Planning for People'. The conference would underline the importance for city planners and politicians of finding innovative ways to promote social cohesion and prosperity through urban regeneration.

The Chairman reported that the City Council had focused its activity within EUROCITIES on three thematic areas, namely Economic Development, Knowledge Society, and Environment, and officers had been involved in a range of activity during the year. He advised that this had included work as part of two projects on electric vehicles and the other linked to the European Year of Volunteering which the Council had had the opportunity to take part in through its membership of the network.

Cabinet Members were advised that EUROCITIES provided a strong platform through which to influence EU policy and legislation, exchange knowledge and experience, and develop best practice through dialogue with European Union institutions and fellow cities within the network. The Chairman advised that it was important that the City Council engaged effectively within the network to continue to identify and pursue the opportunities EUROCITIES could open up for the City.

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

3. RESOLVED that:

- (i) approval be given for the attendance at the Conference and Annual General Meeting from 2 - 5 November and the consequential travel of the Cabinet Secretary to Genoa, Italy; and
- (ii) the progress being made and benefits generated through Eurocities membership be noted.

Vaux Site Interim Works Phase 2- Appointment of Contractor

The Deputy Chief Executive submitted a report (copy circulated) to obtain authority to award the contract for the Vaux Site Interim Works Phase 2.

(For copy report – see original minutes).

Councillor Charlton reminded Cabinet Members that the former Vaux Brewery site came into Council ownership in February 2011 and funding for a project of interim remediation had been approved on 2 March 2011 as part of the capital budget for 2011/2012. He explained that the first phase of works to clear vegetation and crush rubble in-situ had already been carried out however the demolition of the existing building was the subject of a separate tender and order.

Councillor Charlton reported that planning permission for the proposed works had been granted on 6 September 2011 and in relation to the main contract, expressions of interest had been sought in June 2011. He advised that the Council had received 32 expressions of interest, from which 7 contractors were short-listed to submit tenders. He added that one submitted tender was invalid as it was incomplete.

Councillor Charlton was pleased to report that Sunderland City Council, City Services had been selected on the basis of the lowest cost, valid tender at £1,385,176.92.

Councillor Kelly commented that it was excellent news that the in-house bid had won the contract and retained the work within the City.

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

4. RESOLVED that the Deputy Chief Executive be authorised to award the main works contract for the Vaux Site Interim Works Phase 2 to, Sunderland City Council, City Services, following the completion of a competitive tender process which has been undertaken.

Capital Programme Second Review 2011/2012 (including Treasury Management)

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) which detailed changes made to the Capital Programme 2011/2012 since the First Capital Programme Review 2011/2012 and provided an update on progress in implementing the Treasury Management Borrowing and Investment Strategy for 2011/2012.

(For copy report – see original minutes).

Councillor Speding reported that this was the 2nd review of the Capital Programme for 2011/12 and it confirmed that positive progress continued to be made across the programme after the first five months of the financial year. He drew attention to the Capital Programme which was currently forecast to spend £80.6m representing a reduction of £4.1m from the original programme approved. He explained that the reduction was mainly as a result of slippage in a small number of programme areas including slippage required due to the reprofiling of the Hetton Downs development.

Attention was drawn to a few small additions and revisions to the programme including provision for crane replacement at the Port. All of these variations were detailed within Appendix A of the report.

Councillor Speding then drew attention to treasury management and investment issues, and reported that progress continued to be extremely positive across both treasury management and investment activity. He advised that at this stage in the financial year, there was no new borrowing to report and the authority continued to receive good returns on its investments.

Councillor Speding then reported that in terms of the investment strategy for 2011/12, approval was sought to an amendment to the lending lists criteria to increase amounts approved to be invested for AAA institutions from £50m to £70m as outlined in the report.

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

5. RESOLVED that:-

- (i) in relation to the Second Review of the Capital Programme for 2011/2012:
 - approval be given, and where necessary it be recommended to Council, for the inclusion of additional schemes for 2011/2012 detailed at Appendix A of the report and associated resourcing of the Capital Programme since the First Review was reported to June Cabinet, and
 - the re-investment of a North East Enterprise Bond be approved.
- (ii) in relation to the Treasury Management Strategy for 2011/2012:
 - the progress in implementing the Treasury Management Strategy for 2011/2012 be noted, and
 - the amendments to both the Lending List Criteria set out in Appendix B and the Lending List set out in Appendix C of the report be approved.

Revenue Budget Second Review 2011/2012

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to detail the outcome of the Revenue Budget Second Review for 2011/2012.

(For copy report – see original minutes).

Councillor Speding reported that at this point, progress continued to be positive with no issues of significant concern to be highlighted. He drew attention to a number of budget pressures across Portfolios, due to the continued difficult economic climate, which were being actively managed in terms of corrective action or alternative measures were being put in place to ensure that budget targets were met.

Councillor Speding was pleased to note the continued improved trading performance of the Port as it continued its journey towards self sustainability.

Attention was drawn to Section 4 of the report which provided a summary of progress against the £58m budget reduction target for the current financial year. Councillor Speding reported that progress continued to be positive with £33.2m of savings now fully realised and a further £15.8m whilst not yet scheduled for full implementation, good progress had been demonstrated with action plans developed, responsibilities assigned and timescales identified.

Councillor Speding then reported that the remaining elements of the savings target had been affected by delays in implementation but in these cases were either offset by reductions in cost to the Switch Team or alternative savings had been identified and the ongoing position into 2012/13 secured.

Cabinet Members were assured that the Authority would continue with its very robust approach to Budget Management and Monitoring for the remainder of the financial year to ensure that the extremely challenging revenue budget was met and targets delivered.

Councillor Speding concluded that some additional savings on Capital Financing charges and investment income were anticipated to result in savings of approximately £4 million pounds at year end. He added that it was proposed that these amounts and any further underspendings arising from underspent contingencies would be earmarked to support transitional costs arising from the 2012/13 budget setting process.

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

6. RESOLVED that the contingency transfers proposed at Appendix A of the report be approved.

Budget Planning Framework 2012/2013 and Medium Term Financial Strategy 2011/2012 – 2014/2015

The Chief Executive and the Executive Director of Commercial and Corporate Services submitted a joint report (copy circulated) to identify the key factors influencing the development of the Council's financial plans into the medium term and sets out the budget planning framework for the Council for 2012/2013.

(For copy report – see original minutes).

Councillor Speding highlighted that the report set out the key issues which would impact on the council's financial position over the next 4 years and proposed the budget planning framework which would guide the preparation of the 2012/2013 Budget. He explained that the Medium Term Financial Strategy was currently in draft and would be reported to Cabinet in November.

Councillor Speding reported that it was difficult to forecast the funding position beyond 2012/2013 because of the Local Government Resource Review and a range of other uncertainties, at this stage a forecast envisaged a £25m savings requirement for 2012/2013 and almost £34m over the final two years of the spending review. He added that this was on top of the £58m reductions already experienced in 2011/2012.

Councillor Speding advised that it was also important to emphasise that there was significant potential additional financial risk posed by the implementation of the Local Government Resource Review from April 2013 and any financial downside resulting from these proposals would be on top of the reduction requirements estimated within the report.

Councillor Speding then drew attention to the proposals for addressing the savings requirement which included:-

- Confirmation and acceleration of existing saving plans through the Business Transformation Programme and Directorate modernisation plans;
- Services bringing forward additional savings proposals in line with their three year improvement plans and
- Identification of new or additional charging opportunities and pursuing external funding opportunities.

Cabinet Members were advised that the Chancellor had announced this week the offer of a further year of Council Tax freeze grant for 2012/2013. Councillor Speding explained that details of the grant were awaited and the impact on the Council's funding position would be factored into plans.

7. RESOLVED that:-

- (i) the proposed Budget Planning Framework summarised at paragraph 12 which will guide the preparation of the Revenue Budget for 2012/2013 be approved, and
- (ii) it be noted that the full Medium Term Financial Strategy 2011/2012 to 2014/2015 will be presented to Cabinet in November.

Proposals for Budget Consultation 2012/2013

The Chief Executive and the Executive Director of Commercial and Corporate Services submitted a joint report (copy circulated) to propose the budget consultation strategy and framework to inform the preparation of the Budget for 2012/2013.

(For copy report – see original minutes).

Councillor Speding reported that the proposed arrangements were detailed in section 5 of the report and it was proposed to use a number of channels to secure full and appropriate consultation on the 2012/13 budget. He added that this approach mirrored those used for the 2011/12 budget which worked very well and on which good and positive feedback had been received. He therefore proposed to follow a similar process for the 2012/13 budget.

The attention of Cabinet Members having been drawn to the proposed timetable set out at Appendix A of the report, it was:-

8. RESOLVED that the budget consultation strategy and framework as set out in this report be approved and referred to the Management Scrutiny Committee for consideration.

Localising Support for Council Tax in England Consultation Response

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to advise of a consultation exercise on the proposed localisation of Council Tax support in England, the potential impact of these proposals and how the council intended to respond to the consultation.

(For copy report – see original minutes).

Councillor Speding highlighted that the headlines of the proposed Council response were outlined within Section 4 of the report including:-

- Concerns over the potential significant funding reductions and financial implications implicit in the consultation proposals.
- Concerns over the potential impact of the proposals on the residents of the City.
- The significant amount of risk which would be transferred to the City Council under these proposals.

Councillor Speding reported that it was proposed that a consultation response be submitted on behalf of the Council and also be used to inform associated submissions including that of ANEC, incorporating the main issues included within the report highlighted at paragraphs 4.3 and 4.4.

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

9. RESOLVED that the potential impact of the proposals contained within the consultation be noted.

Local Government Resource Review Consultation

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to provide details of the government's consultation paper on the local retention of business rates which was the main thrust of the Local Government Resource Review and which set out:-

- (a) the main features of the government's Local Government Resource Review proposals as set out in the consultation document released on 18th July 2011 and the eight technical papers released on 19th August 2011 which required responses by 24th October 2011;
- (b) the potential impact of these proposals on the Council;
- (c) how the Council intended to respond to the consultation paper (Appendix 2), and
- (d) that the Council was to feed in comments to both ANEC and SIGOMA to support their individual responses to the consultation.

(For copy report – see original minutes).

Councillor Speding reported that the Council's response would be provided direct to Government as well as feeding into wider responses from ANEC and SIGOMA. He drew attention to the significance of these proposals, the potential risks involved and the detailed response at Appendix 2 of the report. He added that there were three high level issues which could be highlighted from the consultation response as follows:

- Significant concerns over the proposed use of 2012/13 formula grant as the basis for constructing the baseline due to the many changes to the formula grants system introduced from 1 April 2011.
- The need to ensure that proposals for tariff and top up authorities were fair and equitable and the system worked effectively to mitigate against the inherent risks in the system, particularly the potential adverse financial implications.
- The uneven playing field in terms of those areas of the country which would find it easier to generate business rates growth than others and the importance of wider investment such as transport and infrastructure to the stimulation of business growth.

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

10. RESOLVED that:-

- (i) the contents of the report be noted, and
- (ii) the Council's response be used to help inform the responses to the consultation of both ANEC and SIGOMA.

At this juncture, Councillors Allan, Kelly and Speding withdrew from the meeting during consideration of the following item in view of their declarations of personal and prejudicial interests in the matter.

Capital Investment in Schools – Opportunity to bid for priority schools building programme

The Executive Director of Children's Services and the Executive Director of Commercial and Corporate Services submitted a joint report (copy circulated) to provide information on the current position in relation to capital investment in schools and the opportunity to bid for the Department for Education (DfE) Priority Schools Building Programme, which was a programme to be funded by the Private Finance Initiative (PFI). The report also sought approval to undertake further work with a specific group of schools to determine their eligibility for the DfE Priority Schools Building Programme and subject to approval; a bid would be submitted on behalf of those schools to be included in the Programme.

(For copy report – see original minutes).

Councillor Trueman highlighted the opportunity to submit a bid to the DfE for a number of new schools under the Priority Schools Building Programme. He explained that the programme was to be funded by the Private Finance Initiative (PFI) which would provide between 100 and 300 schools nationally over the next 5 years.

Councillor Trueman reminded Cabinet Members that the Council had an excellent record of investment in the City's schools through the Building Schools for the Future (BSF) and Primary Capital Programmes. He reported that it had been hugely disappointing when these programmes were removed in 2010. He added that this new programme, if the Council was successful in its bid, would enable the Council to continue to tackle the schools in the worst condition and to provide new learning environments for the city's children and young people.

Cabinet Members were advised that the application process for this programme had very strict criteria which were listed in paragraph 3.5 of the report. Councillor Trueman explained that the most onerous of these was that the cost of addressing the current condition of the school must address more than 30% of the notional rebuilding cost, so that, for example if the notional rebuilding cost of a school was £9 million then the maintenance backlog needed to be almost £3 million. He added that this criterion, and the others listed in paragraph 3.5 meant that most schools did not qualify under the bid conditions. He reported that officers had worked with a small specific group of schools to determine whether these met the bid criteria.

Councillor Trueman reported that as it was a PFI scheme, there was an expectation that the schools would make an annual revenue payment to the PFI Provider for facilities management services and for lifecycle maintenance. He explained that the schools would be expected to cover these costs rather than the Council and as the sums involved would not be affordable for an individual school, the Schools Forum had agreed in principle to fund up to £500,000 to cover this affordability gap from the Dedicated Schools Grant funding available for all schools.

Councillor Trueman then requested that Cabinet approve a final shortlist of schools that met eligibility criteria be submitted in a bid for inclusion in the Priority Schools Capital (PFI) programme by 14 October 2011. He explained that this list had not been included in the report as the work to determine eligibility had only just concluded. He advised that the schools which met the eligibility criteria were:-

Hetton Secondary School
St. Anthony's RC Girls' School
Hylton Castle Primary School
Shiney Row Primary School
Usworth Grange Primary School

Councillor Gofton welcomed the proposals for the schools concerned but speculated why the programme had been packaged as PFI projects when the Government had been critical against similar schemes for the NHS.

Cabinet Members having hoped that the Council's bid would be successful to enable the Council to continue to tackle the schools in the worst condition and to provide new learning environments for the city's children and young people, it was:-

11. RESOLVED that approval be given for the following specific group of schools meeting the eligibility criteria, namely Hetton Secondary School, St. Anthony's RC Girls' School, Hylton Castle Primary School, Shiney Row Primary School and Usworth Grange Primary School, to form the bid to the Department for Education (DfE) to be included in the Priority Schools Building Programme.

Councillors Allan, Kelly and Speding were readmitted to the meeting.

Children and Young People's Plan Annual Report 2010-2011

The Executive Director of Children's Services submitted a report (copy circulated) on the final draft of the Children and Young People's Plan Annual Report 2010-2011, which incorporated comments from a range of partners.

(For copy report – see original minutes).

Councillor Trueman reminded Cabinet Members that the Children and Young People's Plan was an Article 4 Plan and was the overarching plan for the Children's Trust which set out the its priorities to improve outcomes for children and young people across the city. He explained that the Annual Report was now in its final draft and had been amended following consultation with a number of partners including Cabinet, the Children's Trust and Children, Young People and Learning Scrutiny Committee.

Councillor Trueman highlighted that the Annual Report for 2010-2011 set out in detail:

- the planned actions to be achieved in 2010-2011;
- the progress and performance against the actions and targets in each of the outcome areas identified; and
- identified those outcomes which would be taken forward in 2011-2012.

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

12. RESOLVED that it be recommended to Council to approve the Children and Young People's Plan Annual Report 2010-2011.

Access to Housing Project – Allocations Scheme

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) to seek approval for a new Allocations' Scheme, to determine how properties were allocated across the City.

(For copy report – see original minutes).

Councillor Wright highlighted that the scheme had been developed as part of a sub-regional approach and included a single access route within the city and across Tyne and Wear with the introduction of a common application form and website. He explained that the new scheme would have an emphasis on ensuring that those in housing need could better access housing with the scheme being fairer, more open and transparent for customers to use and understand.

Councillor Wright reported that the new scheme would allow customers who wanted to manage their applications to do so on line to do so, or via an automated telephone service and texting. He added that this would allow staff resources to be released to assist those people personally who might need support with the new scheme and that people would be required to re-register for the new scheme as all applicants would need to be assessed under the new policy.

Cabinet Members were advised that monitoring arrangements would be put in place to make sure the scheme worked as intended and an early review of the scheme would take place six months after the go live date in order that any necessary changes could be made.

Councillor Wright then reported that in relation to the single access route across Tyne and Wear and in order to deliver the recommendations authorisation was also sought for the execution of the relevant agreements, protocols and other documents in relation to the Council's participation in the Tyne and Wear sub-regional approach, in each case in a form to be approved by the Head of Law and Governance.

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

13. RESOLVED that:-

- (i) the new Allocations' Scheme for the city be approved and be implemented early 2012 on a date to be confirmed,
- (ii) a full re-registration process be progressed for all applicants in line with the new Allocations Scheme to assess applicants' needs in accordance with the scheme,
- (iii) the Council's existing housing register be closed, except for those customers who have an urgent housing need, for example, statutory homeless cases and those with an urgent medical need. This will need to start 3 months prior to the go live date to enable a re-registration exercise to be carried out and completed,
- (iv) Council nominations continue to be made from the existing housing register until the new Allocations' Scheme comes into effect,
- (v) the Sunderland scheme be part of a sub-regional approach across Tyne and Wear, and
- (vi) in relation to the single access route across Tyne and Wear and in order to deliver recommendation (v) to authorise the execution of the relevant agreements, protocols and other documents in relation to the Council's participation in the Tyne and Wear sub-regional approach, in each case in a form to be approved by the Head of Law and Governance.

Contract Provision for Welfare Rights Advice

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) to seek agreement to commence the procurement of the Welfare Rights Advice Service, and to seek approval to award the contract(s) to the successful independent sector providers.

(For copy report – see original minutes).

Councillor Allan highlighted that advice organisations had played a key role, particularly in the current economic down turn, of ensuring that Sunderland citizens had access to good quality benefits, debt, employment and housing advice. He reported that the current contracts held by community organisations would come to an end on 1 August 2012 and the next round of contracts would be for a 2 year period.

Councillor Allan reported that in addition to new approaches to delivering advice which were being introduced, many residents would need face to face advice. He explained that community based welfare rights organisations were in a prime position to respond to basic queries and assist with filling in benefit forms. He added that this would be especially important as the Government drives its welfare reform programme, cuts jobs in the public sector. He hoped that this service would ameliorate the worst of the effects on the poorest residents in Sunderland. He commended the report to Cabinet Members.

Councillor Charlton agreed that there would always be a need for such services and he was pleased that it was proposed to let the contracts for a further two years. He added that it was imperative that the service was provided more so in the current climate when residents might be losing some benefits.

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

14. RESOLVED that approval be given to commence the procurement process and award contracts to provide welfare rights advice/information for the period 2 August 2012 to 31 March 2014 on the basis that the value of these contracts will be over £75,000 in total. The budget for the contracts is £192, 000.00 per annum.

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

At the instance of the Chairman, it was:-

15. 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), to consultations or negotiations in connection with labour relations matters arising between the Authority and employees of the Authority and in respect of which a claim to professional privilege could be maintained in legal proceedings (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 1, 2, 3, 4 and 5).

(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.

