



THE CABINET

AGENDA



**Meeting to be held in the Civic Centre (Committee Room No. 1) on
Wednesday, 10 October 2012 at 2.00 p.m.**



Part I

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Information contained in this agenda can be made available in other languages and formats on request.

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

The reports contained in Part II of the Agenda are not for publication as the Cabinet is considered likely to exclude the public during consideration thereof as they contain information relating to in respect of the financial affairs of the authority and in respect of which a claim to professional privilege could be maintained in legal proceedings (Paragraphs 3 and 5 of Part 1, Schedule 12A of the Local Government Act 1972).

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Denotes Key Decision.

*

Denotes Regulation 10 Notice issues – item which is a key decision which is not included in the 28 Day Notice of Key Decisions.

ELAINE WAUGH
Head of Law and Governance

Civic Centre
SUNDERLAND

2 October 2012

CABINET MEETING – 10 OCTOBER 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 18 September 2012 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 18 September 2012 at 2.00 p.m.

Present:-

Councillor Trueman in the Chair

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

Part I

Minutes

The minutes of the meeting of the Cabinet held on 5 September 2012 Part I (copy circulated) were submitted.

(For copy report - see original minutes).

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

Receipt of Declarations of Interest

The Council's Monitoring Officer reported that she had granted dispensations to all Members of the Cabinet in respect of the Members' Allowances Scheme and Council Tax:-

- To enable them to participate (including speaking and voting) in any business of Sunderland City Council (the Authority) relating to consideration of the Members' Allowances Scheme, expenses or any other payment to members, and
- To enable them to participate (including speaking and voting) in any business of the Authority relating to consideration of matters relating to Council Tax, including the setting of the Council Tax and the consideration and approval of associated policies and procedures including benefits, exemptions, discounts and other matters relating to Council Tax.

In the case of the dispensation in respect of Council Tax, the dispensation would continue to apply even if the Member's property interests changed and so the property or properties on which the Member was liable to pay Council Tax change.

All of the dispensations were granted for a period of four years with effect from 18 September 2012.

The dispensations had been granted on the grounds that without the dispensation, the number of persons who would be prohibited by Section 31(4) of the Localism Act 2011 from participating in the business referred to, would be so great a proportion of the body transacting the business, as to impede the transaction of the business and also that without the dispensation, each member of the Cabinet would be prohibited by Section 31(4) from participating in the business to be transacted by the Cabinet at this meeting in respect of the Members' Allowances Scheme and the localisation of Council Tax Support Scheme and at subsequent Cabinet meetings at which these matters were considered.

Apologies for Absence

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

Draft Localisation of Council Tax Support Scheme

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to provide an overview of Government proposals to localise Council Tax Benefit, through the introduction of the Local Council Tax Support Scheme from 1 April 2013, and to highlight the potential implications for the Council and its residents.

(For copy report – see original minutes).

Councillor Speding in highlighting the report advised Cabinet Members that the Government proposals to localise Council Tax Benefit required all billing authorities to develop and then implement their own localised Council Tax Support Scheme by 1st April 2013 and it must be approved by Council before 31st January 2013. He reported that the measure was part of the Government's welfare reform programme which aimed to save approximately £500m nationally by reducing the amount paid out in respect of Council Tax Benefit.

Councillor Speding advised that as well as the transfer of responsibility from Central to Local Government, the Government would cut the level of grant support to Local Authorities by an average of 10% nationally in 2013-14. He added that however, the reductions varied based on benefit caseload information which the government had provided and for Sunderland the estimated reduction equated to approximately 13% which was estimated to be up to £3.4m. He reported that the exact figures would be finalised as part of the Local Government Finance settlement.

Cabinet Members were advised that within Sunderland, as with wider Welfare Reform, there were significant concerns as to the adverse impact of the grant reduction on both the City and its residents. Councillor Speding highlighted the key milestones, actions and guidance outlined in the report that the Council must follow in developing their local scheme including publication of scheme details and consultation requirements. In particular, he drew attention to an outline of the proposed scheme detailed in Section 10 of the report. He explained that this was a fair and reasonable scheme given the significantly reduced funding available from Government, taking into account the fact that pensioners were protected and proposed for those claimants of working age with dependant children families a flat rate £2 a week reduction in benefit compared to a flat rate reduction of £3 per week for those with no dependant children. He added that this would form the basis of the proposals alongside the other criteria outlined in paragraph 10.2 of the report.

In conclusion, Cabinet Members were advised that a further report which would present feedback from the consultation exercise and provide details of the proposed final scheme would be submitted to Cabinet, and then to full Council for consideration in due course.

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

2. RESOLVED that:-

- (i) the Draft Local Council Tax Support Scheme, as outlined in the report, be approved for the purpose of consultation,
- (ii) to the extent that such consultation has not been possible in advance of the date of the meeting, agree to consult the major precepting authorities (fire and police) on the Draft Local Council Tax Support Scheme, as outlined in the report, and authorise the Executive Director of Commercial and Corporate Services in consultation with the Leader of the Council and Cabinet Secretary to reflect any comments received from precepting authorities in the Draft Scheme,

- (ii) publication of the Draft Scheme (amended as appropriate in light of the consultation with the precepting authorities) be authorised on the Council's website and in any additional manner determined by the Executive Director of Commercial and Corporate Services in consultation with the Leader of the Council and Cabinet Secretary,
- (iv) other persons likely to have an interest in the operation of the Scheme be consulted following its publication. Such persons to include representatives/representative groups of Council Tax payers and Council Tax benefit claimants, voluntary organisations and community groups, with the Executive Director of Commercial and Corporate Services being authorised to determine the final details of the consultation process in consultation with the Leader of the Council and Cabinet Secretary, and
- (v) a further report regarding feedback from the consultation exercise and the proposed final scheme be submitted to a future Cabinet meeting.

Review of Members' Allowances Scheme by the Independent Remuneration Panel

The Chief Executive and Executive Director of Commercial and Corporate Services submitted a report (copy attached) to consider the outcome of the Independent Remuneration Panel's Review of Members' Allowances and to make appropriate recommendations to Council.

(For copy report – see original minutes).

Councillor Trueman highlighted the report and in particular drew attention to the Independent Panel's recommendations, including the backdating of the proposed amendments to the scheme, and requested the Cabinet to recommend to Council to accept the Independent Panel's recommendations and to also agree that the amended scheme would apply for the financial year 2013/2014, unless it was further reviewed.

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

3. RESOLVED that it be recommended to Council that the recommendations of the Independent Panel be accepted and the amendments to the scheme, as set out in the Panel's report, be backdated to the start of the 2012/2013 Financial Year, and also that the amended scheme will apply for the financial year 2013/2014, unless it is further reviewed.

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

At the instance of the Chairman, it was:-

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

(Signed) H. TRUEMAN,
Chairman.

Note:-

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

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

CABINET MEETING – 10th October, 2012

EXECUTIVE SUMMARY SHEET - PART 1

Title of Report:

Response from Scrutiny Committee – 13th September, 2012 – Youth Justice Plan 2012-2013

Author(s):

Head of Law and Governance

Purpose of Report:

To advise the Cabinet of the comments of the Scrutiny Committee on a report considered by the Cabinet on 5th September 2012 on the Youth Justice Plan 2012-2013 outlining the background, purpose and intentions of the Plan.

Description of Decision:

That the Cabinet be recommended to note the comments of the Scrutiny Committee.

Is the decision consistent with the Budget/Policy Framework *Yes/No

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

The Youth Justice Plan is an Article 4 plan under the Constitution of the Council and is the primary document for YOT partnerships to set out how they will deliver against Youth Justice Board (YJB) performance management framework for Youth Offending Teams (YOTs) and is a key source for local youth justice planning.

The Youth Justice Plan was submitted to the Youth Justice Board by their required submission date of 30 June 2012 but may be revised following receipt of comments from Cabinet and Scrutiny.

Alternative options to be considered and recommended to be rejected:

The alternative option is not to submit the Youth Plan to full Council, however this would have a negative impact on local youth justice planning and the services' ability to deliver against its action plans.

Impacts analysed;

Equality Privacy Sustainability Crime and Disorder

Is this a "Key Decision" as defined in The Constitution? Yes

Is it included in the 28 day Notice of Decisions? Yes

Scrutiny Committee

RESPONSE FROM SCRUTINY COMMITTEE – 13TH SEPTEMBER, 2012 – YOUTH JUSTICE PLAN 2012-2013**REPORT OF THE HEAD OF LAW AND GOVERNANCE****1. Purpose of the Report**

To advise the Cabinet of the comments of the Scrutiny Committee on a report considered by the Cabinet on 5th September 2012 on the Youth Justice Plan 2012-2013 outlining the background, purpose and intentions of the Plan.

2. Description of Decision

That the Cabinet be recommended to note the comments of the Scrutiny Committee.

3. Background

3.1 The Cabinet at its meeting held on 5th September, 2012 considered a report by the Executive Director of Children's Services outlining the background, purpose and intentions of the Plan and provided the Plan intended for publication. The Plan is the primary document for the Youth Offending Team Partnerships to set out how they will deliver against the Youth Justice Board's Performance Management Framework for Youth Offending Teams and is a key source for local planning.

3.2 The Cabinet noted the contents of the report and the Youth Justice Plan 2012/2013 and agreed that the Plan be referred to the Scrutiny Committee for further advice and consideration in accordance with Article 4 of the Council's Constitution. The Scrutiny Committee was invited, if appropriate, to make comment to Cabinet on the Youth Justice Plan 2012/2013.

4. Comments of the Scrutiny Committee

4.1 The Scrutiny Committee supported the intention of the Plan to prevent offending and re-offending by young people. The Committee therefore recommends the Cabinet to submit the Plan to Council for approval.

5. Reasons for the Decision

5.1 The Youth Justice Plan is an Article 4 plan under the Constitution of the Council and is the primary document for YOT partnerships to set out how they will deliver against Youth Justice Board (YJB) performance management framework for Youth Offending Teams (YOTs) and is a key source for local youth justice planning.

The Youth Justice Plan was submitted to the Youth Justice Board by their required submission date of 30 June 2012 but may be revised following receipt of comments from Cabinet and Scrutiny.

6. Alternative Options

- 6.1 The alternative option is not to submit the Youth Plan to full Council, however this would have a negative impact on local youth justice planning and the services' ability to deliver against its action plans.

7. Background Papers

Report to the Cabinet on 5th September, 2012

Minutes of the Scrutiny Committee 13th September, 2012.

CABINET MEETING – 10th October, 2012

EXECUTIVE SUMMARY SHEET - PART 1

Title of Report:

Response from Scrutiny Committee – 13th September, 2012 – Children and Young People's Plan Annual Report 2011-2012.

Author(s):

Head of Law and Governance

Purpose of Report:

To advise the Cabinet of the comments of the Scrutiny Committee on a report considered by the Cabinet on 5th September 2012 on the Children and Young People's Plan Annual Report 2011-2012 which informed of the of progress and performance against the outcomes set out in the Children and Young People's Delivery Plan 2010-2013 covering the period of 2011-2012.

Description of Decision:

That the Cabinet be recommended to note the comments of the Scrutiny Committee.

Is the decision consistent with the Budget/Policy Framework ***Yes/No**

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

The Children and Young People's Plan is an Article 4 plan under the Council's Constitution and is the primary document for Children's Trust Partnerships to set out how they will deliver improved outcomes for children and young people in the city. As an Article 4 Plan, we are required to submit an annual report to Cabinet for consideration and comment.

Alternative options to be considered and recommended to be rejected:

The alternative option is not to submit the Children and Young People's Plan Annual report to full Council, however this would result in progress not being reported against the objectives and milestones within the Plan.

Impacts analysed;

Equality
 Privacy
 Sustainability
 Crime and Disorder

<p>Is this a "Key Decision" as defined in The Constitution? Yes</p> <p>Is it included in the 28 day Notice of Decisions? Yes</p>	<p>Scrutiny Committee</p>
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**RESPONSE FROM SCRUTINY COMMITTEE – 13TH SEPTEMBER, 2012 –
CHILDREN AND YOUNG PEOPLE'S PLAN ANNUAL REPORT 2011-2012****REPORT OF THE HEAD OF LAW AND GOVERNANCE****1. Purpose of the Report**

To advise the Cabinet of the comments of the Scrutiny Committee on a report considered by the Cabinet on 5th September 2012 on the Children and Young People's Plan Annual Report 2011-2012 which informed of the of progress and performance against the outcomes set out in the Children and Young People's Delivery Plan 2010-2013 covering the period 2011-2012.

2. Description of Decision

That the Cabinet be recommended to note the comments of the Scrutiny Committee.

3. Background

3.1 The Cabinet at its meeting held on 5th September, 2012 considered a report by the Executive Director of Children's Services which informed of the progress and performance against the outcomes set out in the Children and Young People's Delivery Plan 2010-2013. The Delivery Plan for 2010-13 also provided detailed information about each of the Children's Trust priority outcomes. These outcomes are broken down into:

- Two overarching themes that cut across the Children's Trust
- Five priority areas for vulnerable groups
- Seventeen specific outcomes for all young people, linked to the Every Child Matters framework.

3.2 The Cabinet noted the contents of the report and the Children and Young People's Delivery Plan 2010-2013 and agreed that the Plan be referred to the Scrutiny Committee for further advice and consideration in accordance with Article 4 of the Council's Constitution. The Scrutiny Committee was invited, if appropriate, to make comment to Cabinet on the Children and Young People's Delivery Plan 2010-2013.

4. Comments of the Scrutiny Committee

4.1 The Scrutiny Committee recognised the achievements of the Council and partners in relation to children and young people and supported the scope of the areas for further improvement.

5. Reasons for the Decision

- 5.1 The Children and Young People's Plan is an Article 4 plan under the Council's Constitution and is the primary document for Children's Trust Partnerships to set out how they will deliver improved outcomes for children and young people in the city. As an Article 4 Plan, we are required to submit an annual report to Cabinet for consideration and comment.

6. Alternative Options

- 6.1 The alternative option is not to submit the Children and Young People's Plan Annual report to full Council, however this would result in progress not being reported against the objectives and milestones within the Plan.

7. Background Papers

Report to the Cabinet on 5th September, 2012

Minutes of the Scrutiny Committee 13th September, 2012.

CABINET MEETING – 10th October, 2012

EXECUTIVE SUMMARY SHEET - PART 1

Title of Report:

Response from Scrutiny Committee – 13th September, 2012 – Gambling Act 2005
– Approval of the Council's Statement of Principles

Author(s):

Head of Law and Governance

Purpose of Report:

To advise the Cabinet of the comments of the Scrutiny Committee on a report considered by the Cabinet on 5th September 2012 on the draft statement of principles under the Gambling Act 2005.

Description of Decision:

That the Cabinet be recommended to note the comments of the Scrutiny Committee.

Is the decision consistent with the Budget/Policy Framework *Yes/No

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

The provisions of the Gambling Act 2005 require that the Council prepares a statement of principles in respect of its functions under the Act with regard to a period of three years commencing on 31 December 2012.

Alternative options to be considered and recommended to be rejected:

There are no other practical alternative options as the preparation of a statement of principles by licensing authorities (including the Council) is a requirement of the Gambling Act 2005.

Impacts analysed;

Equality Privacy Sustainability Crime and Disorder

**Is this a "Key Decision" as defined in
The Constitution?** Yes

**Is it included in the 28 day Notice of
Decisions?** Yes

Scrutiny Committee

**RESPONSE FROM SCRUTINY COMMITTEE – 13TH SEPTEMBER, 2012 –
GAMBLING ACT 2005 – APPROVAL OF THE COUNCIL'S STATEMENT OF
PRINCIPLES****REPORT OF THE HEAD OF LAW AND GOVERNANCE****1. Purpose of the Report**

To advise the Cabinet of the comments of the Scrutiny Committee on a report considered by the Cabinet on 5th September 2012 on the draft statement of principles under the Gambling Act 2005.

2. Description of Decision

That the Cabinet be recommended to note the comments of the Scrutiny Committee.

3. Background

- 3.1 The Cabinet, at its meeting on 5 September 2012 gave consideration to a report of the Executive Director of City Services. The report informed of the preparation of the draft statement of principles under the Gambling Act 2005.
- 3.2 The Cabinet noted the draft statement of principles under the Gambling Act 2005 and agreed that it be referred to Scrutiny Committee for further advice and consideration in accordance with Article 4 of the Council's Constitution. The Scrutiny Committee was invited, if appropriate, to make comment to Cabinet on the Gambling Act 2005 – Approval of the Council's Statement of Principles.

4. Comments of the Scrutiny Committee

- 4.1 The Scrutiny Committee supported the intention of the Policy and recommends the Cabinet to submit the Policy to Council for approval.

5. Reasons for the Decision

- 5.1 The provisions of the Gambling Act 2005 require that the Council prepares a statement of principles in respect of its functions under the Act with regard to a period of three years commencing on 31 December 2012.

6. Alternative Options

- 6.1 There are no other practical alternative options as the preparation of a statement of principles by licensing authorities (including the Council) is a requirement of the Gambling Act 2005.

7. Background Papers

Report to the Cabinet on 5th September, 2012

Minutes of the Scrutiny Committee 13th September, 2012.

CABINET MEETING – 10TH OCTOBER 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Audit Commission Annual Audit Letter 2011/2012

Author(s):

Executive Director of Commercial and Corporate Services

Purpose of Report:

This report details the Audit Commission's (AC) Annual Audit Letter (AAL) covering the year 2011/2012. A copy is attached.

Description of Decision:

Cabinet is recommended to:

- Note and comment on the contents of this positive report, and
- Refer the report to Council for their consideration

Is the decision consistent with the Budget/Policy Framework? Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

Government regulations require the AAL to be published. In addition to publication as part of the Cabinet, Scrutiny Committee and Council Agendas, and its publication on the AC website it is proposed to place the full report on the Council website.

Alternative options to be considered and recommended to be rejected:

Not applicable as the report is for information only.

Impacts analysed:

Equality

☒

Privacy

☒

Sustainability

☒

Crime and Disorder

☒

Is this a "Key Decision" as defined in the Constitution? No

Is it included in the 28 day Notice of Decisions? Yes

Scrutiny Committee

AUDIT COMMISSION ANNUAL AUDIT LETTER 2011/2012

Report of the Executive Director of Commercial & Corporate Services

1.0 Purpose of Report

- 1.1 This report details the Audit Commission's (AC) Annual Audit Letter (AAL) covering the year 2011/2012. A copy is attached.

2.0 Description of Decision

- 2.1 Cabinet is recommended to:

- Note and comment on the contents of this positive report, and
- Refer the report to Council for their consideration

3.0 Introduction

- 3.1 The Audit Commission's Code of Audit Practice requires auditors to prepare an AAL and issue it to each audited body. The purpose of preparing and issuing AALs is to communicate to the audited body and key external stakeholders, including members of the public, the key issues arising from the auditors' work, which auditors consider should be brought to the attention of the audited body.
- 3.2 The AAL summarises the findings of the 2011/12 audit, which comprises two elements:
- An audit of the Council's financial statements
 - An assessment of the Council's arrangements to achieve value for money in the use of resources

4.0 Summary Position

- 4.1 The AAL is extremely positive overall providing a strong endorsement of the financial management and planning and governance arrangements in place across the Council.
- 4.2 The District Auditor issued an unqualified audit opinion on the Council's financial statements and an unqualified Value for Money conclusion. The report confirms that the Council:
- Has proper arrangements in place to ensure its financial resilience.
 - Has successfully delivered one of the most significant financial challenges that it has ever faced in delivering a 2011/2012 budget containing £58m cuts in government funding and other cost pressures without the need for redundancies.
 - Has closely monitored its budget during the year to ensure that savings and efficiencies were delivered effectively.

- Has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources
- Is continuing to identify ways of improving service efficiencies and new ways of working and to improve service delivery and outcomes with fewer resources.

5.0 Reasons for Decision

- 5.1 Government regulations require the AAL to be published. In addition to publication as part of the Cabinet, Scrutiny Committee and Council Agendas, and its publication on the AC website it is proposed to place the full report on the Council website.

6. Alternative Options

- 6.1 Not applicable as the report is for information only.

7. List of Appendices

Appendix A - Sunderland City Council Annual Audit Letter 2011/2012

8. Background Papers

- 8.1 There were no background papers relied upon to complete this report.

1 October 2012

Members
Sunderland City Council
Civic Centre
Burdon Road
Sunderland
SR2 7DN

Direct line 0844 798 1621
Email s-nicklin@audit-
commission.gov.uk

— Dear Member

Sunderland City Council Annual Audit Letter 2011/12

I am pleased to submit my Annual Audit Letter which summarises my 2011/12 audit of Sunderland City Council.

Financial statements

On 28 September 2012 I presented my Annual Governance Report (AGR) to the Audit and Governance Committee outlining the findings of my audit of the 2011/12 financial statements. I will not replicate those findings in this letter.

Following the Audit and Governance Committee on 28 September 2012 I:

- issued an unqualified opinion on the Council's 2011/12 financial statements included in the Statement of Accounts;
- concluded that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources;
- concluded that there are no matters arising from my value for money work that I need to report; and
- certified completion of the audit.

Value for money

I have concluded that the Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Council has successfully met one of the most significant financial challenges that it has ever faced. The 2011/12 budget reflected a £58m cut in central Government funding and other cost pressures compared with the previous year. The outturn for 2011/12 achieved the savings required to balance the budget and also enabled further additions to

reserves. However, further cuts of £28m were required in the 2012/13 budget and more financial pressures are likely to arise in future years.

The Council continues to look for ways of improving service delivery and outcomes with less money at its disposal. Further service reviews are taking place and the Council is exploring alternative options for service delivery.

I have summarised my findings in the Appendix to this letter.

Closing remarks

I have discussed and agreed this letter with the Chief Executive and Executive Director of Commercial and Corporate Services. This has been another challenging year for the Council and I wish to thank your officers for the positive and constructive approach they have taken to my audit. Also, as this is the last audit carried out by the Audit Commission's Audit Practice, I would like to take the opportunity to thank senior management and Members for their support and co-operation during this year's audit and also over the many years previously.

Yours sincerely

Steve Nicklin
District Auditor

Appendix - Value for money

I am required to conclude whether the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is the value for money conclusion.

I assess your arrangements against the two criteria specified by the Commission. In my Audit Plan I reported to you the significant risks that were relevant to my conclusion. I have set out below my conclusion on the two criteria, including the findings of my work addressing each of the risks I identified.

On 28 September 2012, I issued an unqualified conclusion stating that the Council has proper arrangements to secure economy, efficiency and effectiveness in the use of its resources.

Table 1 Value for money conclusion criteria and my findings

Criteria	Risks	Findings and conclusions
<p>1. Financial resilience</p> <p>The organisation has proper arrangements in place to secure financial resilience.</p> <p>Focus for 2011/12: The organisation has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.</p>	<ul style="list-style-type: none"> • Delivery of the improvements through the Sunderland Way of Working and Corporate Transformation Programmes. • Close monitoring of the budget position to ensure the delivery of actual savings and efficiencies, given the tight financial settlement, particularly the SWITCH process. 	<p>Sunderland City Council has proper arrangements in place to secure financial resilience.</p> <p>The Council has successfully delivered one of the most significant financial challenges that it has ever faced. The 2011/12 budget included a £58m cut in central Government funding and other cost pressures. The outturn for 2011/12 delivered the savings required to balance the budget and also enabled further resources to be added to reserves in recognition of the very challenging financial context the Authority is facing.</p> <p>The budget was closely monitored during the year to ensure that savings and efficiencies were delivered effectively.</p> <p>The Council has managed to make its savings to date without the need for redundancies and has made a commitment to try to avoid mass redundancies. This approach has been successful so far, although the Council recognises that it needs to monitor its SWITCH (Staff Working in Transition and Change) programme very closely.</p> <p>Further cuts of £28m are required in 2012/13 and more are expected in future financial settlements. In addition, Government reforms, such as those in relation to business rates and the localisation of council tax benefits and potential financial pressures arising from equal pay cases are likely to add to the demands on the Council's resources in the years ahead.</p>

Criteria	Risks	Findings and conclusions
<p>2. Securing economy efficiency and effectiveness</p> <p>The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.</p> <p>Focus for 2011/12: The organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.</p>	<ul style="list-style-type: none"> • Maintenance of good governance during a period of major change – evidence of the maintenance and/or improvement of service delivery, despite the difficult financial position. • Review of any further measures to make savings required in future years. • The exploration of alternative models for service delivery. 	<p>Sunderland City Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness.</p> <p>The savings delivered in 2011/12 included service efficiencies and new ways of working. Further service reviews are in hand and the Council is exploring alternative, more cost effective options for service delivery.</p> <p>The Council continues to identify ways of improving service delivery and outcomes with less resources. This includes considering new and different service delivery models and proposals for a Local Asset Backed Vehicle (LABV) to promote and accelerate economic regeneration.</p> <p>The Council recognises the risks of change, and has introduced a new integrated framework for governance, risk management and corporate assurance, including Internal Audit.</p> <p>The Council is making changes to its Executive and Committee arrangements to help it better meet the future challenges it faces. It continues to develop and enhance its arrangements for monitoring performance to ensure that cost reductions and new ways of working lead to improvement and do not impact adversely on overall service quality and outcomes.</p> <p>We followed up our previous work in relation to natural resources, and found that progress has been slower than anticipated and there remains scope for improvement.</p>

CABINET MEETING – 10 OCTOBER 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Executive Arrangements - Meetings and Access to Information

Author(s):

The Chief Executive and Executive Director of Commercial and Corporate Services

Purpose of Report:

To inform Cabinet of revised requirements for the notification and recording of executive decisions and propose consequential revisions to arrangements to support executive decision-making

Description of Decision:

That Cabinet

- (i) notes the report and the provisions of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 ("the Regulations") and
- (ii) delegates to the Head of Law and Governance, in consultation with the Leader, the consideration of representations received in response to notices issued under regulation 5 of the Regulations in respect of private meetings and the determination of the response to such representations on behalf of the decision making body

Is the decision consistent with the Budget/Policy Framework? Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To ensure executive decisions are taken in accordance with the revised requirements introduced by the Regulations

Alternative options to be considered and recommended to be rejected:

There are no alternative options as it is a statutory requirement to comply with the Regulations

Impacts analysed;

Equality

N/A

Privacy

N/A

Sustainability

N/A

Crime and Disorder

N/A

<p>Is this a “Key Decision” as defined in the Constitution? No</p> <p>Is it included in the 28 day Notice of Decisions? No</p>	<p>Scrutiny Committee</p>
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EXECUTIVE ARRANGEMENTS - MEETINGS AND ACCESS TO INFORMATION**JOINT REPORT OF THE CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR OF COMMERCIAL AND CORPORATE SERVICES****1. Purpose of the Report**

To inform Cabinet of revised requirements for the notification and recording of executive Decisions and propose consequential revisions to arrangements to support executive decision-making.

2. Description of Decision (Recommendations)

That Cabinet

(i) notes the report and the provisions of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 ("the Regulations") and

(ii) delegates to the Head of Law and Governance, in consultation with the Leader, the consideration of representations received in response to notices issued under regulation 5 of the Regulations in respect of private meetings and the determination of the response to such representations on behalf of the decision making body.

3. Introduction/Background

3.1 The Regulations restate a number of the provisions that applied under the previous legislation regarding meetings and access to information, but also introduce new requirements regarding publication of notices of key decisions to be taken, notice of private meetings, and publication of executive decisions taken by individual decision-makers. They apply to the executive and its committees and subcommittees, joint committees where all the members are members of a local authority executive, sub committees of such joint committees and area committees of local authority executives, as well as individual decision makers who take executive decisions.

3.2 The Regulations were laid before Parliament on 15th August and took effect on 10th September, with no advance warning given of the proposals.

The Association of Council Secretaries and Solicitors (ACSeS) has taken advice from Clive Sheldon QC on some aspects of the Regulations which are open to interpretation and could give rise to practical difficulties, and it may be that further advice is required as the practical application of the Regulations is worked through.

3.3 In the light of the regulations, it will be necessary to amend the Access to Information Rules set out in the constitution together with the various references to the Forward Plan, in order to reflect the new requirements and terminology and a further report will be presented to Cabinet in due course in this regard.

3.4 The principal new requirements are set out below.

4. Meeting in private

4.1 The Access to Information requirements remain in place and the public can be excluded from a meeting of a decision-making body only in the following circumstances;

- where confidential information is likely to be disclosed. (The definition of 'confidential information' remains unchanged, and relates only to information provided to the local authority by a Government department on terms which forbid the disclosure of the information to the public or information the disclosure of which is prohibited by or under any enactment or a court order), or
- a resolution has been passed to exclude the public because exempt information is likely to be disclosed. (These are the "Part II" items on Cabinet etc agendas, and the definition of 'exempt information' remains unchanged) or
- a lawful power is used to exclude members of the public in order to maintain orderly conduct or prevent misbehaviour.

4.2 However, there are new requirements for notice to be given regarding meetings proposed to be held in private, and the following notice requirements now apply;

- The decision-making body must give at least 28 clear days' notice of such a meeting stating the reasons for the meeting to be held in private. Communities and Local Government (CLG) has confirmed that this is intended to mean 28 calendar days i.e. including weekends and bank holidays. During the notice period, representations may be made as to why the meeting should be held in public.
- At least five clear days before the private meeting, the decision-making body must make another notice available at the local authority's offices and publish it on the local authority's website if the local authority has one. This must include the reasons for the meeting to be held in private (assuming that remains the decision making body's view), details of any representations received about why the meeting should be held in public, and the response of the decision-making body to the representations.

It is suggested that it will be appropriate to delegate responsibility for determining the response of a decision-making body to representations received, as otherwise additional Cabinet meetings would need to be arranged to undertake this function. It is recommended that this be delegated to the Head of Law and Governance as Monitoring Officer (as she is the "proper officer" for the purposes of the Access to Information Rules), in consultation with the Leader.

In addition the decision-making body should still consider the question of whether the matter should be considered in private at the time it is considering a resolution to exclude the press and public.

4.3 When it is not practicable for the decision-making body to comply with these requirements because of the urgency of the decision to be taken, a meeting may be held in private if this has been agreed by the Chair of the Scrutiny Committee (or, if the chair is unable to act, the Mayor). A notice must then be published, explaining why the meeting is urgent and cannot reasonably be deferred.

5 Key decisions

- 5.1 The requirement to publish a Forward Plan of key decisions to be taken for the next four month period is replaced with a 28 days' notice requirement. A decision-maker who intends to make a key decision is required to publish a notice explaining that a key decision is to be made. The information contained is similar but not identical to the previous requirements. The notice must state:
- the matter in respect of which the decision is to be made;
 - where the decision-maker is an individual, their name and title and
 - where the decision-maker is a body, its name and members;
 - the date on or period within which the decision will be made;
 - a list of the documents submitted to the decision maker for consideration in relation to the matter to be considered before the decision is made;
 - the address from which, subject to any prohibition or restriction on their disclosure, copies of, or extracts from, those documents are available;
 - confirmation that other documents may be submitted to the decision-maker, and
 - the procedure for requesting details of such documents as they become available.

The Regulations do not require authorities to disclose to the public or make available for public inspection any document or part of a document that contains confidential or exempt information or the advice of a political adviser or assistant.

A notice compliant with the new requirements was issued on 11 September to support proposed key decisions of which officers were aware at that time.

- 5.2 A similar provision to the previous "Rule 15" notice procedure for decisions not included in the forward plan is included in Regulation 10. If it is not practicable to comply with the 28 day notice requirement before a key decision is made because of the urgency of the decision to be taken, it may be made after 5 days' written notice has been given to the Chair of the Scrutiny Committee (or if there is no such person, each member of the Scrutiny Committee), and the notice has been made available to the public for inspection.

A new requirement is that, as soon as reasonably practicable after complying with those requirements, the proper officer must publish a notice explaining why compliance with the publication requirements before making a key decision is impracticable.

Clearly it is important that executive decision-making is planned well in advance to ensure that whenever possible, 28 days' notice can be given.

- 5.3 Where giving the 5 days' notice is not practicable, there is a provision similar to the previous "Rule 16" procedure for a key decision to be made if the Chair of the Scrutiny Committee or, if the chair is unable to act, the Mayor, agrees that the making of the decision is urgent and cannot reasonably be deferred. As soon as reasonably practicable after obtaining such agreement, the decision-maker must publish a notice setting out the reasons for urgency.

6 Background papers

- 6.1 In relation to reports for meetings, there is a new requirement for background papers to be made available for inspection on the Council's website, as well as an ongoing requirement to make a copy available for inspection at the Council's offices. In future, when submitting Cabinet reports, officers must also supply to Governance Services copies of the background papers specified in the report or an appropriate link, to be uploaded to the website.

7 Publication of Notices

- 7.1 All notices are now required to be published on the Council's website, in addition to being made available for inspection.

8 Facilities for reporting meetings

- 8.1 If a meeting is open to the public, the regulations require that any person attending the meeting for the purpose of reporting proceedings should be afforded reasonable facilities for taking their report. While press reports indicate this is intended to encompass real-time reporting by use of social media, this is not specifically stated in the regulations.
- 8.2 There is, though, a clear indication that the Government does not expect local authorities to prevent or restrict the use of social media by those who want to report their public meetings. CLG indicated in its press notice about the regulations that it expects this to make it easier for new social media reporting of council executive meetings thereby opening proceedings up to internet bloggers, tweeting and hyperlocal news forums. Eric Pickles, the Communities and Local Government Secretary, has commented to the effect that every kind of modern journalist can go through the doors of town hall transparency, be it from the daily reporter, the hyper-local news website or the armchair activist and concerned citizen blogger.

9 Reporting urgent decisions

- 9.1 There remains a requirement for the Leader to report to Council with details of each executive decision taken since the submission of the last report where the making of the decision was agreed as urgent. The Leader's report must set out the decisions made and a summary of the matters in respect of which each decision was made. Reports must be made at the intervals required by the Council, at a minimum annually. It is proposed that the current practice of reporting on a quarterly basis continues.

10 Recording executive decisions

- 10.1 There is an ongoing requirement for executive decisions made at a meeting of a decision-making body to be recorded in a written statement. Previously all executive decisions made by an individual member, but only key decisions made by officers were required to be recorded and available for inspection. The publication requirements now extend to all executive decisions taken by an officer.

- 10.2 There is clearly a need for greater clarity on the question of the level of decision to be recorded, and it is understood that ACSeS are writing to CLG to make representations regarding the disproportionate burden that could be placed on authorities in recording all such decisions, unless the Regulations are clarified and amended. However unless or until the Regulations are changed, there is a need to adopt a workable approach to comply with the requirement.
- 10.3 Eric Pickles has said that every decision a council takes has a major impact on the lives of local people, so it is crucial that whenever it takes a significant decision about local budgets that affect local communities, whether it is in a full council meeting or in an unheard of sub-committee, it has got to be taken in the full glare of all the press and any of the public.
- 10.4 From this, arguably it appears that the intention is that only those decisions that are significant for local communities should be recorded and published. However, the Regulations do not use this terminology. It is proposed that purely administrative decisions, i.e. decisions that are only tenuously connected with the discharge of executive functions – such as purchasing stationery for use in connection with executive functions – will not be recorded, but that executive delegated decisions of a similar level to those that officers have been in the practice of recording and including in the Members' Digest are recorded in an appropriate format which complies with the Regulations. The Head of Law and Governance will revisit the guidance on decisions and delegated decision form in order to ensure compliance with the Regulations and circulate this to officers.
- 10.5 As soon as reasonably practicable after an individual member has made an executive decision, that member must produce or instruct the proper officer to produce a written statement. As soon as reasonably practicable after an officer has made an executive decision, that officer must produce a written statement.

These statements must include details of:

- the decision
- the date it was made
- the reasons for the decision
- any alternative options considered and rejected
- any conflict of interest declared by any executive member and
- any dispensations granted by the Head of Paid Service in respect of any declared conflict of interest

- 10.6 These statements and the reports considered (subject to the provisions regarding confidential or exempt information) must be made available for inspection at the local authority's offices and published on the local authority's website if it has one. They must also be supplied to a newspaper following a request on payment of postage, copying or other necessary charges.

11 Dispensations

- 11.1 With regard to the reference in paragraph 10.5 to the granting of dispensations by the Head of Paid Service, it is understood that this is not intended to be the same as a dispensation granted by the Standards Committee or monitoring officer under the new standards regime relating to disclosable pecuniary interests. The reference to “conflict of interest” in the Regulations is understood to be dealing with the ability of executive members to be consulted in relation to a decision with respect to which they have a “conflict of interest” as understood at common law. Where this is the case, a record of this needs to be made and dispensation to be consulted can be granted by the Head of Paid Service.

12 Members’ rights of access to documents

There are slight changes to Members’ rights of access, and the provisions are now as follows;

- 12.1 Members are entitled, as previously, to inspect documents which relate to business to be transacted at a public meeting. These must be made available at least five clear days before the meeting, unless the meeting is convened at shorter notice. If the executive possess a document containing material relating to business transacted at a private meeting, or a decision made by an individual member or an officer, it must be available for inspection by any member of the authority when the meeting concludes or, where the decision is made by an individual member or officer, immediately after the decision has been made. The document must be available for inspection by members of the authority, in any event, within 24 hours of the meeting or decision.
- 12.2 These provisions do not require a document to be made available for inspection if it discloses exempt information, with two exceptions. Exempt information which must be provided is;
- information about financial or business affairs (except to the extent that the information relates to any terms proposed or to be proposed by or to the Council in the course of negotiations for a contract), and
 - information about the Council’s intention to make a statutory notice, order or direction.
- 12.3 Members of overview and scrutiny committees are entitled to a copy of any document which is in the possession of or under the control of their local authority’s executive and which contains material relating to business transacted at a meeting of a decision-making body of the local authority, or executive decisions made by individual members or officers.
- If a member of an overview and scrutiny committee requests such a document, the executive must provide it no later than 10 clear days after the executive receives the request, or provide a written statement explaining why the member is not entitled to receive it.

- 12.4 Members of overview and scrutiny committees are not entitled to documents or parts of documents containing confidential or exempt information unless this is relevant to an action or decision that the relevant member is reviewing or scrutinising or to a review contained in any work programme of the member's overview and scrutiny committee or a sub-committee of it. If an executive decision-maker decides not to release a document or part of a document to a member of an overview and scrutiny committee as requested, it must provide the overview and scrutiny committee with a written statement which explains the reasons.

13. Reasons for the Decision

To ensure executive decisions are taken in accordance with the revised requirements introduced by the Regulations

14. Alternative Options

There are no alternative options as it is a statutory requirement to comply with the Regulations

15. Impact Analysis

- 15.1 Equalities – The proposed arrangements will make details of decisions to be taken and records of those decisions accessible to the public in hard copy and on the internet. The Council has long-standing arrangements that enable documents to be provided in alternative formats.
- 15.2 Privacy Impact Assessment (PIA) –Privacy considerations are built into the Access to Information regime which means that decisions about individuals and their circumstances may be heard in private. The Council's arrangements will ensure that privacy issues are taken into account when considering representations received about whether a meeting should be held in public.
- 15.3 Sustainability and Community Cohesion – no specific new impacts are identified, the Council's decision making processes will continue to have regard to the need to promote sustainability and community cohesion.

16. Background Papers

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 - <http://www.legislation.gov.uk/uksi/2012/2089/contents/made>

CABINET MEETING – 10 OCTOBER 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Ombudsman's Annual Review 2011-2012

Author(s):

Joint report of the Chief Executive and the Executive Director of Commercial & Corporate Services

Purpose of Report:

To advise Members of the number and outcome of complaints considered by the Local Government Ombudsman during 2011-2012. To inform Members of the extended powers of the Ombudsman.

Description of Decision:

Cabinet is asked to note the contents of the Ombudsman's annual review and in particular that there were no findings of maladministration against the council for the municipal year 2011 -2012.

Is the decision consistent with the Budget/Policy Framework? N/A

If not, council approval is required to change the Budget/Policy Framework

Impacts analysed:

Equality Privacy Sustainability Crime and Disorder

Suggested reason(s) for Decision:

It is relevant to note the findings in the context of the council's performance in dealing with complaints.

Alternative options to be considered and recommended to be rejected:

There are no alternative options submitted for consideration.

Is this a "Key Decision" as defined in the Constitution? No

Scrutiny Committee

Is it included in the 28 day Notice of Decisions? No

ANNUAL REVIEW AND COMPLAINTS TO OMBUDSMAN 2011-2012**Report of the Chief Executive and the Executive Director of Commercial & Corporate Services****1. Purpose of Report**

To advise Members of the number and outcome of complaints considered by the Local Government Ombudsman during 2011-12. To inform Members of the extended powers of the Ombudsman.

2. Description of Decision

Cabinet is asked to note the contents of the Ombudsman's annual review and in particular that there were no findings of maladministration against the council for the municipal year 2011-12.

3. Background

The Local Government Ombudsman has recently issued her ninth annual review to the council, see Appendix 1 attached. The format remain the same as last year and does not include the Ombudsman's reflections on the Council's performance.

4. Current Position

4.1 A total of 24 complaints were *received* by the Ombudsman for investigation. This represents an increase of seven on the previous year, the highest volume area being Children's Services.

4.2 The Ombudsman made **decisions** on 25 complaints. This figure is different from the number of complaints *received* as not all complaints are determined in the same year they are received.

In only three of the cases determined, did the Ombudsman consider that there was action that should be taken to remedy the situation. There was no financial payment required in any of these cases, and the Ombudsman was satisfied with the administrative action taken by the council.

In her letter to the Chief Executive the Ombudsman stated:

"I am pleased to say that I have no concerns about your authority's response times and there are no issues arising from complaints that I want to bring to your attention."

5. Comparison with Tyne & Wear Authorities

5.1 One of the other Tyne and Wear councils received a maladministration finding during this period and Sunderland City Council remains the only council in Tyne and Wear not to have had such a finding in since 2002.

5.2 It should also be noted that of the Tyne and Wear Authorities, the fewest complaints and enquiries dealt with by the Ombudsman related to Sunderland. Additionally at eight, Sunderland had by far the lowest number of premature complaints made to the Ombudsman. The Tyne and Wear average of 23 indicates that this council's in-house complaints procedure is both visible and trusted by complainants to deal with their concerns. The learning outcomes for each complaint are considered by the complaints team and recommendations are made to service areas to continually develop and improve. The average number of decisions on complaints across Tyne & Wear was 37. In Sunderland 25 decisions were made - the lowest of the five councils.

6. Changes to the Ombudsman's Practice

6.1 During next year the Ombudsmen will publish all final decision statements on their website. They feel this will lead to increased openness, transparency and enhance their accountability. Previously only maladministration reports have been published. The decision statements will not identify the complainant.

7. Reasons for the Decision

It is relevant to note the findings in the context of the council's performance in dealing with complaints.

8. Alternative Options

There are no alternative options submitted for consideration.

9. Impact analysis

There are no specific impacts identified. Where relevant, the council addresses equality, privacy, sustainability and crime and disorder considerations in the context of individual Ombudsman enquiries.

10. Background Papers

Local Government Ombudsman annual review to the council (appendix 1)

22 June 2012

By email

Mr D Smith
Chief Executive
Sunderland City Council
Civic Centre
SUNDERLAND SR2 7DN

Dear Mr Smith

Annual Review Letter

I am writing with our annual summary of statistics on the complaints made to me about your authority for the year ended 31 March 2012. I hope the information set out in the enclosed tables will be useful to you.

The statistics include the number of enquiries and complaints received by our Advice Team, the number forwarded by the Advice Team to my office, and decisions made on complaints about your authority. The decision descriptions have been changed to more closely follow the wording in our legislation and to give greater precision. Our guidance on statistics provides further explanation ([see our website](#)).

The statistics also show the time taken by your authority to respond to written enquiries.

I am pleased to say that I have no concerns about your authority's response times and there are no issues arising from the complaints that I want to bring to your attention.

Changes to our role

I am also pleased to have this opportunity to update you on changes to our role. Since April 2010 we have been exercising jurisdiction over the internal management of schools on a pilot basis in 14 local authority areas. This was repealed in the Education Act 2011 and the power restored to the Secretary of State for Education. During the short period of the pilot we believe we have had a positive impact on the way in which schools handle complaints. This was endorsed by independent research commissioned by the Department for Education which is available [on their website](#).

Our jurisdiction will end in July 2012 and all complaints about internal school matters will be completed by 31 January 2013.

From April 2013, as a result of the Localism Act 2011, local authority tenants will take complaints about their landlord to the Independent Housing Ombudsman (IHO). We are working with the IHO to ensure a smooth transition that will include information for local authority officers and members.

Supporting good local public administration

We launched a new series of Focus reports during 2011/12 to develop our role in supporting good local public administration and service improvement. They draw on the learning arising from our casework in specific service areas. Subjects have included school admissions, children out of school, homelessness and use of bankruptcy powers. The reports describe good practice and highlight what can go wrong and the injustice caused. They also make recommendations on priority areas for improvement.

We were pleased that a survey of local government revenue officers provided positive feedback on the bankruptcy focus report. Some 85% said they found it useful.

In July 2011, we also published a report with the Centre for Public Scrutiny about how complaints can feed into local authority scrutiny and business planning arrangements.

We support local complaint resolution as the most speedy route to remedy. Our training programme on effective complaint handling is an important part of our work in this area. In 2011/12 we delivered 76 courses to councils, reaching 1,230 individual learners.

We have developed our course evaluation to measure the impact of our training more effectively. It has shown that 87% of learners gained new skills and knowledge to help them improve complaint-handling practice, 83% made changes to complaint-handling practice after training, and 73% said the improvements they made resulted in greater efficiency.

Further details of publications and training opportunities are on [our website](#).

Publishing decisions

Following consultation with councils, we are planning to launch an open publication scheme during the next year where we will be publishing on our website the final decision statements on all complaints. Making more information publicly available will increase our openness and transparency, and enhance our accountability.

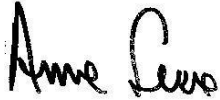
Our aim is to provide a comprehensive picture of complaint decisions and reasons for councils and the public. This will help inform citizens about local services and create a new source of information on maladministration, service failure and injustice.

We will publish a copy of this annual review with those of all other English local authorities on our website on 12 July 2012. This will be the same day as publication of our Annual Report 2011/12 where you will find further information about our work.

We always welcome feedback from councils and would be pleased to receive your views. If it would be helpful, I should be pleased to arrange a meeting for myself or a senior manager to

discuss our work in more detail.

Yours sincerely

A handwritten signature in black ink, appearing to read "Anne Seex". The signature is written in a cursive, flowing style.

Anne Seex
Local Government Ombudsman

LGO advice team

Enquiries and complaints received	Adult Care Services	Benefits & Tax	Corporate & Other Services	Education & Childrens Services	Environmental Services & Public Protection & Regulation	Highways & Transport	Housing	Planning & Development	Total
Advice given	0	2	1	3	2	0	0	0	8
Premature complaints	2	1	0	3	0	0	0	2	8
Forwarded to Investigative team (resubmitted)	0	2	0	1	0	0	0	2	5
Forwarded to Investigative team (new)	1	0	0	5	3	5	2	3	19
Total	3	5	1	12	5	5	2	7	40

Investigative team - Decisions

Not investigated			Investigated			Report	Total
No power to investigate	No reason to use exceptional power to investigate	Investigation not justified & Other	Not enough evidence of fault	No or minor injustice & Other	Injustice remedied during enquiries		
1	4	4	5	8	3	0	25

Response times to first enquiries	No of first enquiries	Avg no of days to respond
	7	27.6

CABINET MEETING – 10TH OCTOBER 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Second Capital Review 2012/2013 (including Treasury Management)

Author(s):

Executive Director of Commercial and Corporate Services

Purpose of Report:

This report details:

- reprofiling of projects since the First Capital Review for 2012/2013 was approved in July 2012;
- the inclusion of additional schemes and revisions to costs and resourcing for 2012/2013 since the First Capital Review was reported;
- the progress in implementing the Treasury Management Strategy for 2012/2013.

Description of Decision:

In relation to the Capital Programme, Cabinet is asked to approve, and where necessary recommend to Council, the inclusion of additional schemes or variations to existing schemes for 2012/2013 detailed at Appendix A, as a variation to the Capital Programme, and

In relation to the Treasury Management Strategy and Prudential Indicators, Cabinet is asked to note the positive progress made in implementing the strategy for 2012/2013 and to endorse the delegated decision amending the Council's Lending List Criteria set out in Appendix B.

Is the decision consistent with the Budget/Policy Framework? Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To respond to proposed variations in expenditure and funding which have arisen since the First Capital Review 2012/2013 was approved to enable effective budgetary control to be exercised.

To note the progress in implementing the Treasury Management Strategy for 2012/2013, this is in line with the approved Treasury Management Policies.

Alternative options to be considered and recommended to be rejected:

No alternative options are proposed.

Impacts analysed:

Equality

☒

Privacy

☒

Sustainability

☒

Crime and Disorder

☒

Is this a “Key Decision” as defined in the Constitution?

Yes - new capital project detailed at Appendix A estimated to cost above £250,000. check if constitution changes limits to 500K

Is it included in the 28 day Notice of Decisions? No

Scrutiny Committee

Cabinet – 10th October 2012

Second Capital Review 2012/2013 (including Treasury Management)

Report of the Executive Director of Commercial and Corporate Services

1. Purpose of Report

1.1 This report details:

- reprofiling of projects since the First Capital Review for 2012/2013 was approved in July 2012;
- the inclusion of additional schemes and revisions to costs and resourcing for 2012/2013 since the First Capital Review was reported;
- the progress in implementing the Treasury Management Strategy for 2012/2013.

2. Description of Decision:

2.1 Cabinet is recommended that:

In relation to the Capital Programme, Cabinet is asked to approve, and where necessary recommend to Council, the inclusion of additional schemes or variations to existing schemes for 2012/2013 detailed at Appendix A, as a variation to the Capital Programme, and

In relation to the Treasury Management Strategy and Prudential Indicators, Cabinet is asked to note the positive progress made in implementing the strategy for 2012/2013 and to endorse the delegated decision amending the Council's Lending List Criteria set out in Appendix B.

3. Introduction

3.1 During the year additional approvals to incur expenditure are received from Government and other agencies with associated funding accompanying those approvals. Accordingly, the Capital Programme changes during the year as notifications of additional schemes and resourcing are received, and phasing of schemes is reviewed. Variations to anticipated expenditure and financing of the 2012/2013 capital programme since the first review reported to Cabinet on 18th July 2012 are shown in section 4 of this report. Those increases that exceed £250,000 will require Council approval in due course.

3.2 Performance in implementing the Treasury Management Strategy and adhering to the agreed Prudential Indicators is detailed in section 5 along with confirmation that the Council is operating within its agreed borrowing limits.

4. Second Capital Review 2012/2013

4.1 Since the Capital Programme was reported to Council in March 2012, there have been some changes required to the programme both in terms of expenditure and resourcing. In total, reprofiling and other adjustments have led to the 2012/2013

Capital Programme decreasing by £7.581m from £90.324m to £82.743m. This can be analysed as follows:

- Reprofiled expenditure of £7.894m between 2012/2013 and 2013/2014. The primary reasons for this reprofiling relate to external influences outside of the Council's control;
- Additional fully funded schemes and cost variations notified since the Capital Programme was last reported reducing the capital programme by £0.404m;
- Technical Adjustments of £0.717m.

Appendix A gives a summary of the changes to expenditure and resources for 2012/2013 with the principal variations set out below:

4.2 Reprofiling of Expenditure between 2011/2012 and future years

Schemes where significant reprofiling of expenditure and resources are being proposed are set out below.

4.2.1 Leader

Washington Managed Workspace

Approval of funding from the European Regional Development Fund was later than anticipated with the detailed design stage of the project being extended to comply with grant conditions and ensure best value for the project. The planning application for this project will therefore be submitted later than planned. This will impact on the project spend profile by pushing back the construction start date and it is estimated that £2.739m of the £3.900m capital spend planned in 2012/2013 will now take place in 2013/2014.

4.2.2 Cabinet Secretary

Property Planned Capital Maintenance

A sum of £1.000m per year has been allocated from 2012/2013 to 2014/2015 to help prevent degradation of the Council's property portfolio. Necessary work is being prioritised to ensure that it meets the future needs of the Council in line with smarter working building requirements and at this stage it is estimated that £0.600m spend will need to take place in 2013/2014.

4.2.3 Children's Services

Schools Asset Management Priorities

The Council is reviewing capital works needed to all schools to ensure it receives best value from its resources. This follows the successful bid to have 5 schools replaced as part of the Government's Priority Schools Building Programme (PSBP), potential changes to the way schools will be administered and funded and also to future pupil projections indicating further major works in providing new pupil places in particular areas of the city will be required.

Initial projections indicate that £4.505m expenditure from funding received in 2012/2013 will require reprofiling into 2013/2014. This includes projects that will prioritise capital works in those areas with high demand for places, planned capital maintenance that will take place during school holidays in 2013 to minimise disruption to pupils, and a reprofiling of resources included in the capital programme to meet unforeseen emergency capital maintenance needs that may arise. The Education Funding Agency have confirmed funding allocated to these projects successful in the PSBP bid does not allow for new loose furniture and equipment, including IT equipment. As the first schools are not expected to be completed until 2014 funding by the Council for these works has also been transferred into 2013/2014.

4.3 Additional Schemes and Cost Variations 2012/2013

4.3.1 Children's Services

Maplewood School

It is anticipated that the replacement of Maplewood school will cost £5.330m. This represents a reduction of £0.470m to the scheme budget. This has been achieved by a combination of savings on provisional sums included in the tender, design changes and unspent contingency sums. The savings will be reallocated and used to fund other capital priorities within schools.

4.3.2 Health Housing and Adults

Extra Care Schemes

It is recommended that works totalling £0.303m that has not yet been allocated towards specific extra care reablement opportunities is removed from the capital programme and that funding from revenue sources within the Health, Housing and Adults capital programme be used as a one off opportunity in 2012/2013 to meet spending pressures within the revenue budget.

4.3.3 City Services

Hendon Burn Culvert Access Safety

The Environment Agency has approved funding of £0.325m through its Flood and Coastal Erosion Risk Management capital budget to provide additional safe access to Hendon Burn Culvert. The culvert is approximately 150 years old with the existing access being substandard. The proposed works comprise the construction of two access shafts, one for maintenance personnel and the other for maintenance equipment.

5. Review of the Prudential Indicators and Treasury Management Strategy for 2012/2013

5.1 The Prudential Indicators for 2012/2013 were approved by the Council on the 7th March 2012 and are regularly reviewed to ensure that:

- the Council remains within its Authorised Limit for External Debt;

- treasury management decisions are taken in accordance with the Treasury Management Code of Practice and the agreed Council Treasury Management Policy and Strategy;
- the capital expenditure control framework operated locally is consistent with, and supportive of, local strategic planning, local asset management planning, and proper option appraisal.

5.2 Internal monitoring procedures track performance daily against the various prudential indicators agreed by the Council. At this stage, the Council is operating within its Authorised Borrowing Limit, which is a statutory limit determined under Section 3 (1) of the Local Government Act 2003 and there are no areas for concern or any issues which require any review of the indicators as originally approved.

Borrowing Strategy for 2012/2013

5.3 The Borrowing Strategy is based upon the Council's anticipated borrowing requirement and prospects for interest rates. No new borrowing has been undertaken in the current financial year. The Council's strategy for 2012/2013 is to continue to adopt a pragmatic and flexible approach and to respond to any changing circumstances to seek to secure benefit for the Council. Consideration will be given to various options, including utilising some investment balances to fund the Council's borrowing requirement in 2012/2013.

Investment Strategy for 2012/2013

5.4 The primary aim of the Investment Strategy is the security of Council funds, then having regard to liquidity i.e. the availability of cash to meet council liabilities, and finally to secure a reasonable rate of return on its investments.

5.5 As at 31st August 2012, the funds managed by the Council's Treasury Management team has achieved a rate of return on its investments of 1.95% compared with the benchmark rate (i.e. the 7 day rate) of 0.43%. Performance is therefore very positive and is significantly above the benchmark rate, whilst adhering to the prudent policy agreed by the Council.

- 5.6 In light of continued volatility in financial markets and to accommodate investments made by the Council on behalf of the North Eastern Local Enterprise Partnership a delegated decision was made on 3rd July 2012 to amend the Lending List Criteria. Increasing the amounts approved to be invested within the UK, with AAA institutions and with Money Market Funds which are also AAA rated. This will help reduce counterparty risk by enabling the Council to increase its investments with those institutions in which the UK Government holds a financial stake (i.e. Lloyds TSB and Royal Bank of Scotland) and would be very unlikely to be allowed to fail should the financial situation substantially deteriorate and it will also will help spread risk by increasing investments with Money Market Funds. The delegated decision is set out at Appendix B.

The Council is following advice from its treasury adviser that investments with non-part government owned institutions should be kept to shorter periods of a maximum of three months. The investment policy is regularly monitored and reviewed to ensure it has flexibility to take full advantage of any changes in market conditions to the benefit of the Council.

6. Reasons for Decision

- 6.1 To respond to variations in proposed expenditure and income which have arisen since the 2012/2013 Capital Programme was approved to enable effective budgetary control to be exercised and to update Cabinet on the progress in implementing the Treasury Management Borrowing and Investment Strategy for 2012/2013.

7. Alternative Options

- 7.1 No alternative options are proposed.

8. List of Appendices

Appendix A - Other variations to the 2012/2013 capital programme to those previously reported

Appendix B – Record of decision made under delegated powers

9. Background Papers

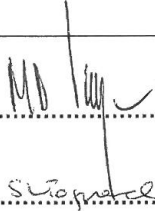
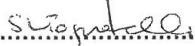
Sunderland City Council Capital Programme 2011/12 to 2015/16
First Capital Review 2012/2013

Appendix A

Variations to the 2012/2013 Capital Programme to those previously reported

	£000	£000
Reprofiling of Expenditure from 2012/2013 to future years since the First Review		
Leader		
Washington Managed Workspace		(2,739)
Cabinet Secretary		
Property Planned Capital Maintenance		(600)
Children's Services		
School Asset Management Priorities	(4,505)	
Short Breaks for Disabled Children	(50)	(4,555)
Additional Schemes - Fully Funded		
City Services		
Hendon Burn Culvert Safety Access – Environment Agency grant funded	325	
South Bents and Seaburn Sea Walls Protection Strategy Study – Environment Agency grant approval for initial works and study prior to larger capital scheme bid	20	
Port Area Sea Defences Strategy Study – Environment Agency grant approval for initial works and study prior to larger capital scheme bid	50	395
Variation to Existing Schemes in the Capital Programme - Fully Funded		
Children's Services		
Maplewood School		(470)
Health Housing and Adult Services		
Extra Care Schemes		(303)
Other Fully Funded Variations		(26)
Technical Adjustments		
Tractors and Mowers purchased by borrowing instead of planned leasing following option appraisal	312	
Library Assets purchased by borrowing to be repaid on an invest to save basis	230	
Waste Containers and Bins purchased by borrowing to be repaid on an invest to save basis	175	717
TOTAL VARIATIONS 2012/2013		(7,581)

RECORD OF DECISION MADE UNDER DELEGATED POWERS	
Department:	Directorate of Commercial and Corporate Services - Financial Resources
Officer making Decision:	Executive Director of Commercial and Corporate Services
Date of decision:	03/07/2012
<p>Nature of decision made:</p> <p>The variations set out below are recommended to be made to the Council's Lending List Criteria which is permitted in accordance with the Council's Treasury Management Strategy Statement for 2012/2013 which was approved on 7th March 2012 where it provides that "delegated authority continues for the Executive Director of Commercial and Corporate Services, in consultation with the Cabinet Portfolio holder for resources now the Cabinet Secretary, to vary the Lending List Criteria and the Lending List should circumstances dictate, on the basis that changes be reported to Cabinet retrospectively". The changes are:</p> <ul style="list-style-type: none"> - to increase the country limit for investments within the United Kingdom from £300m to £350m - to increase the limit that can be invested with particular sectors which include: <ul style="list-style-type: none"> Central Government from £300m to £350m Local Government from £300m to £350m UK Banks from £300m to £350m Money Market Funds from £50m to £80m - to increase the maximum deposit that can be placed with individual institutions as set out below: <ul style="list-style-type: none"> Institutions that are AAA rated from £70m to £90m; and Money Market Funds from £50m to £80m with the amount invested in any one fund increasing from £30m to £40m. 	
<p>Reason for decision:</p> <p>Sunderland City Council acts as the accountable body for the North Eastern Local Enterprise Partnership and makes treasury management decisions and investments on behalf of that body.</p> <p>The Council currently holds all of the government funds allocated to the North Eastern LEP who have in addition made a bid to government for substantial additional funding of around £45m. The funds held by the Council on behalf of the NELEP means that the Council could potentially exceed its limits on funds invested as set out in the approved Treasury Management Strategy Statement for 2012/2013 approved on 7th March 2012. The monies held on behalf of other organisations does not usually have any significant impact on the placing of funds however the level of funds held on behalf of the NELEP currently means that it is reducing the flexibility of the Council to place funds to gain optimum returns on the Council's investments.</p> <p>In light of this position and taking into account the continued volatility in financial markets it is recommended that the Lending List Criteria is amended to increase amounts approved to be invested within the UK, with AAA institutions and with Money Market Funds which are also AAA rated. This will help reduce counterparty risk by enabling the Council to increase its investments with those institutions in which the UK Government holds a financial stake (i.e. Lloyds TSB and RBS) and would be very unlikely to be allowed to fail should the financial situation substantially deteriorate and will also help spread risk by increasing investments with Money Market Funds.</p>	

Members/Officers consulted (attach their views as appropriate)	Cllr Speding
File/background papers used:	Treasury Management Strategy Statement and Lending List Criteria
Is this a confidential matter as referred to in paragraph 7 of the Guidance?	No
Paragraph of Delegation Scheme relied upon:	Council approved on 7 th March 2012 that "delegated authority continues for the Executive Deirector of Commercial and Corporate Services, in consultation with the Cabinet Portfolio holder for resources (Cabinet Secretary), to vary the Lending List Criteria and the Lending List should circumstances dictate, on the basis that changes be reported to Cabinet retrospectively".
Signature: 	Date: 3rd July 2012
Counter Signature: 	Date: 3rd July 2012

CABINET MEETING – 10TH OCTOBER 2012 EXECUTIVE SUMMARY SHEET- PART I	
Title of Report: Revenue Budget Second Review 2012/2013	
Author(s): Executive Director of Commercial and Corporate Services	
Purpose of Report: To report details of the outcome of the Revenue Budget Second Review for 2012/2013.	
Description of Decision: Cabinet is recommended to - approve the contingency transfers proposed at Appendix A and budget transfers	
Is the decision consistent with the Budget/Policy Framework? Yes	
If not, Council approval is required to change the Budget/Policy Framework	
Suggested reason(s) for Decision: To respond to variations in expenditure and income which have arisen in 2012/2013 and enable effective budgetary control to be exercised.	
Alternative options to be considered and recommended to be rejected: No alternative options are proposed.	
Impacts analysed: <div style="display: flex; justify-content: space-between; align-items: center;"> Equality <input style="width: 40px;" type="text" value="N/A"/> Privacy <input style="width: 40px;" type="text" value="N/A"/> Sustainability <input style="width: 40px;" type="text" value="N/A"/> Crime and Disorder <input style="width: 40px;" type="text" value="N/A"/> </div>	
Is this a “Key Decision” as defined in the Constitution? <div style="text-align: right;">Yes</div> Is it included in the 28 day Notice of Decisions? <div style="text-align: right;">No</div>	Scrutiny Committee

Revenue Budget Second Review 2012/2013

Report of the Executive Director of Commercial and Corporate Services

1. Introduction

This report advises Members of the overall Revenue position following the second review for 2012/2013 including proposed contingency transfers for the second quarter of 2012/2013.

2. Description of Decision

- 2.1. Cabinet is requested to approve contingency transfers proposed at Appendix A and budget transfers.

3. Revenue Budget Monitoring 2012/2013

Overall Position

- 3.1 In overall terms there continues to be challenges in delivering the savings requirement for 2012/2013. On-going mitigating actions have been put in place by Portfolio holders, which coupled with corporate actions agreed in relation to workforce planning, will ensure that a positive outturn position will be achieved.

A full review has been undertaken and a summary of the position following the second review is set out in the report for each Portfolio, together with the contingency allocations proposed for the second quarter.

In addition savings on capital financing charges as a result of slippage on the capital programme and income from interest on investments are anticipated to result in savings of approximately £4m at year end. It is proposed that these amounts and any further underspendings arising from unspent contingencies at the end of 2012/2013 are earmarked to support the overall 2012/13 position and transitional costs arising from the 2013/2014 budget setting process.

3.2 Contingency Transfers

A full review has been undertaken for each service and full details of proposed contingency transfers are set out at Appendix A.

Corporately savings have been realised from staff training budgets, flexible working arrangements and staff turnover.

3.3 Budget Transfers

Budget Transfers since the first review primarily relate to transfers between Directorates to reflect operational arrangements in accordance with Sunderland Way of Working principles and budget realignments relating to the disestablishment of the City Services Directorate.

3.4 Implementation of Savings Plans and Budget Pressures

3.4.1 The budget process for 2012/2013 took account of the requirement for reductions in expenditure of £25.86 million. Progress in implementing the proposals is being rigorously monitored in conjunction with Portfolio holders. Monthly monitoring of the budget is carried out at an enhanced level to ensure the position is understood early and actions put in place to mitigate any impact.

3.4.2 In addition budget pressures are also being experienced across all portfolios for which mitigating actions are actively being sought. This reflects the increasing challenge in delivering budget reductions reflecting the prolonged and deep reductions in expenditure faced by this Authority and the compound impact they are having.

3.4.3 Portfolio holders and Directors have been considering the position in respect of pressure areas and actions are in hand to address the position ongoing. However given the demand pressures being experienced in relation to adult social care at this stage it is anticipated that some utilisation of transitional funding earmarked as part of the 2010/2011 and 2011/2012 final accounts processes is likely to be required.

3.4.4 In relation to savings targets the following is noted in overall terms:

- £14.833 million of the savings have been fully realised to date.
- £5.964 million of reductions are no longer to be achieved as originally intended however alternative actions have been identified which will realise the savings required
- £3.445 million of reductions are not yet scheduled for full implementation although good progress is being made with action plans developed, responsibilities assigned and timescales identified. At this stage therefore it is not anticipated this will impact on the overall financial position of the Council as the full year saving is still anticipated although it is imperative that these reductions are driven through to implementation in line with agreed timescales.
- £1.618 million is in respect of areas where issues have been encountered primarily in relation to Adult Social Care and no alternative mitigating action has yet been identified.

3.4.5 In addition to the above, budget pressures have arisen across portfolios. While mitigating actions are being actively implemented to address the position, there remains a £3.697m pressure in relation to Adult Social Care pressures for which no mitigating action has yet been identified.

- 3.4.6 Further details of these areas are included as appropriate within the relevant portfolio monitoring update below

Portfolio Budget Monitoring 2012/2013

- 3.5 The following issues are drawn to Members attention:

3.5.1 Leader

E-volve

Forecast rental shortfalls due to the economic conditions, coupled with some additional one-off costs have led to a budget pressure of £0.277m in this area. The Portfolio has identified a number of actions to address the in year position, including use of delegated balances and cost containment measures across the Portfolio. In light of the current economic conditions, it is anticipated that the rental shortfalls will continue into 2013/2014 and actions are being considered to mitigate the position ongoing as part of the 2013/14 budget process.

3.5.2 Deputy Leader

No Issues to raise at this stage

3.5.3 Cabinet Secretary

No Issues to raise at this stage

3.5.4 Children's Services

External Placements

Demand for external placements continues to increase resulting in a budget pressure of £1.872m. Earmarked reserves and contingencies are available to largely mitigate the position and Children's Services have identified in year efficiencies to ensure a balanced budget at year end. As part of the budget setting process for 2013/2014, a review of the Children Looked After Strategy is being undertaken to develop a sustainable model for the future and to ensure a balanced budget position ongoing.

3.5.5 Health, Housing and Adult Services

Continued demand pressures in adult social care are leading to budget pressures totalling £7.713m. After proposed mitigating actions, there remains a shortfall of £5.315m in year with an ongoing impact into 2013/2014 of £3.673m. Work is ongoing to mitigate this position. However at this stage it is anticipated that use of earmarked transitional resources is likely to be required in 2012/2013., with the ongoing position into 2013/2014 considered as part of the budget planning process.

The key issues are set out below:

Residential and Nursing Care (including Reablement and Independent Home Care)
As reported at the First Revenue Review additional demand pressures are being experienced in the residential, nursing and home care budgets. The Directorate are reviewing progress in respect of the implementation of current strategies concerning alternative solutions in respect of care arrangements which are designed to both save costs but improve outcomes for people. The Directorate are to use delegated balances to reduce the shortfall to £4.651m in 2012/2013 with an ongoing pressure into 2013/2014 of £3.009m.

Housing Related Support:

Consultation and finalisation of arrangements in respect of a review of Housing Related Support Services is anticipated to lead to a temporary one-off shortfall which will be partially met from delegated balances and reserves with further options being considered to mitigate the remaining shortfall of £0.300m in 2012/2013 and £0.050m in 2013/2014

Care and Support

Costs arising from a review operational arrangements will result in a shortfall which is to be partially met by use delegated balances. Officers are considering options to address the remaining shortfall of £0.364m in 2012/2013 and £0.531m in 2013/2014.

3.5.6 Public Health, Wellness and Culture

Sport and Leisure

The service continues to be affected by the impact on income of the economic downturn with a shortfall for 2012/2013 estimated at £0.559m. This can be met from specific contingency provision for the impact of the economic downturn provided in setting the 2012/2013 budget, together with other mitigating actions both within this service area and across the former City Services Directorate.

Culture Sport and Leisure Review

Work is ongoing in relation to a review of service delivery in respect of leisure management services. At this stage it is anticipated that the lead-in time for the review may lead to a shortfall of £0.758m in 2012/2013 and therefore a range of alternative measures have been identified across the former City Services Directorate area to address the shortfall.

3.5.7 City Services

No Issues to raise at this stage

3.5.8 Responsive Services and Customer Care

Customer Services End to End Service Reviews

As reported at the first Revenue Review current planned reviews indicate a shortfall of £2.135m at the end of 2012/2013. At this stage it is anticipated some of the shortfall will need to be accommodated within the overall corporate position for the year with alternative options to be brought forward for the remaining balance as part of the 2013/2014 budget planning process.

3.6 Other Corporate Issues

3.6.4 Transitional costs arising from early voluntary early retirements prior to the current workforce planning programme in 2012/2013 total £4.030m which can be met from specific resources set aside to meet transitional costs as part of the 2010/2011 and 2011/2012 outturn positions.

3.6.5

As reported as part of the budget setting process transitional costs are arising in 2012/2013 as the organisation continues to progress its plans to deliver the Sunderland Way of Working and budget savings. In this context, the Council has introduced a severance scheme which addresses a projected £5m budget shortfall in 2012/13.

4. Reasons for Decision

4.1 To respond to variations in expenditure and income which have arisen in 2012/2013 and enable effective budgetary control to be exercised.

5. Alternative Options

5.1 No alternative options are proposed

6. Impact Analysis

6.1 Impact assessments of Directorate actions to ensure the achievement of savings targets and a balanced budget position will be undertaken within Directorates as each action is developed.

7. Other Relevant Considerations / Consultations

7.1 The report identifies a number of risks in relation to the delivery of budget savings. However, actions in place and the identified use of available transitional fund resources are anticipated to be sufficient to mitigate the risks identified. Further confirmation of mitigating actions will be provided as part of the third review which will be reported to members in due course.

8. **Background Papers**

8.1 There were no background papers relied upon to complete this report.

Appendix A

Cabinet Meeting – 10th October 2012 Variations Necessitating Contingency Transfers 2012/2013

	Justification / Approval	2012/2013 £	Full Year Effect £
Public Health, Wellness and Culture			
Sport and Leisure - impact of economic downturn	Specific Provision	314,000	314,000
City Services			
New Adoptions - Works arising following Washington Land Transfer.	Specific Provision	35,419	35,419
Improvement Programme Efficiencies			
Improvement Efficiencies		(777,772)	0
Training Efficiencies		(411,000)	0
Flexible Working Efficiencies		(1,246,662)	0
Contingencies Total		(2,086,015)	349,419

Cabinet Meeting – 10th October 2012

Revenue Budget Position After Second Review 2012/2013

	First Review 2012/2013	Budget Transfers	Transfers from Contingency fund	Second Review 2012/2013
	£'000	£'000	£'000	£'000
Portfolio				
Leader	7,243	(49)	(318)	6,876
Deputy Leader	5,288	(17)	(593)	4,678
Cabinet Secretary	6,859	(20)	(704)	6,135
Children's Services	53,897	45	(323)	53,619
Health, Housing and Adult Services	69,394	114	(90)	69,418
Public Health, Wellness and Culture	17,941	650	319	18,910
City Services	44,666	(463)	(330)	43,873
Responsive Services and Customer Care	4,361	(260)	(47)	4,054
Portfolio Expenditure	209,649	0	(2,086)	207,563
Contingencies	21,403	0	2,086	23,489
Technical Adjustments	(22,976)	0	0	(22,976)
Levies	15,709	0	0	15,709
Capital Financing Costs:				
Revenue Contributions to Capital Programme	2,570	0	0	2,570
Debt Charges and Interest	20,959	0	0	20,959
Total Expenditure	247,314	0	0	247,314
Use of Balances	(2,272)	0	0	(2,272)
Net Budget Requirement	245,042	0	0	245,042

CABINET MEETING – 10th October 2012

EXECUTIVE SUMMARY SHEET- PART I

Title of Report:

Budget Planning Framework 2013/2014 and Medium Term Financial Strategy 2013/2014 – 2015/2016

Author(s):

Chief Executive and Executive Director of Commercial and Corporate Services

Purpose of Report:

This report identifies the key factors influencing the development of the Councils financial plans into the medium term and sets out the budget planning framework for the Council for 2013/2014. The report sets out the headlines and context for the Medium Term Financial Strategy 2013/2014 to 2015/2016 which will be formally considered in due course.

Description of Decision:

Cabinet is recommended:

- to agree the proposed Budget Planning Framework summarised at Section 11 of the report which will guide the preparation of the Revenue Budget for 2013/2014;
- to note that the full Medium Term Financial Strategy 2013/2014 to 2015/2016 will be presented to Cabinet in February

Is the decision consistent with the Budget/Policy Framework?

Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

Adoption of the Budget Planning Framework forms an essential part of the process of the preparation and compilation of the Revenue Budget for 2013/2014.

Alternative options to be considered and recommended to be rejected:

There are no alternative options recommended.

Impacts analysed:	
Equality <input type="checkbox"/>	Privacy <input type="checkbox"/> Sustainability <input type="checkbox"/> Crime and Disorder <input type="checkbox"/>
Is this a “Key Decision” as defined in the Constitution? No	Scrutiny Committee
Is it included in the 28 day Notice of Decisions? No	

Cabinet 10th October 2012

**Budget Planning Framework 2013/2014 and Medium Term Financial Strategy
2013/2014 – 2015/2016**

**Report of the Chief Executive and Executive Director of Commercial and Corporate
Services**

1 Purpose of Report

This report identifies the key factors influencing the development of the Councils financial plans into the medium term and sets out the Budget Planning Framework for the Council for 2013/2014. The report sets out the headlines and context for Medium Term Financial Strategy 2013/2014 to 2015/2016.

2 Description of Decision

Cabinet is recommended:

- to agree the proposed Budget Planning Framework summarised at Section 11 of the report which will guide the preparation of the Revenue Budget for 2013/2014;
- to note that the full Medium Term Financial Strategy 2013/2014 to 2015/2016 will be presented to Cabinet in February

3 National Economic Context

3.1 Impact of the Deficit Reduction Plan

There continues to be uncertainty as to the impact that the Government's policy to eliminate public sector debt over the next few years will have. The economy has recently faltered, and is currently in a 'double dip' recession, with negative growth in quarter 1 of 2012 of -0.3% and quarter 2 of -0.5%.

Only very low economic growth is predicted over the medium term. The International Monetary Fund have revised world growth for 2012 down by 0.5% to 3.5% with little or no growth in Europe. The Bank of England are predicting no growth for 2012 and 1.7% growth in 2013.

The fiscal outlook therefore continues to remain very challenging over the medium term with an increasingly clear link between public sector finances and the state of the economy. Therefore, as the economy remains very weak, the prognosis is one of deeper and longer public sector funding reductions.

3.2 Inflation

The Consumer Price Index (CPI) has been above the Government's target level of 2% since December 2009 placing additional pressures on the Council's finances. It is anticipated that whilst non pay volatility will continue there will be continued suppression of pay. The rate of inflation (CPI) is forecast to continue to fall and to

reach the Governments target of 2.0% around the end of 2012, remaining near that level until 2015.

The position will therefore continue to be regularly monitored and reviewed.

3.3 Base Rate

The Bank Base Rate has remained at an all time low of 0.5% since March 2009. The high level of concerns over growth in both the UK economy and in particular the Eurozone means that base rates are likely to remain low throughout 2012/2013. A number of forecasters are anticipating a further decrease in base rate with no rise in base rate expected until the last quarter in 2014.

4 Funding Changes - 2013/2014 onwards

4.1 Local Government Resource Review

4.1.1 Beyond 2012/13 the Government Funding position is very uncertain due to the potential significant impact of the Government's Local Government Resource Review.

Business Rates Retention

4.1.2 A new Business Rates Retention system will replace formula grant funding from 2013/14. The system is currently being consulted upon and the final scheme details are yet to be finalised,

Importantly, the basis on which the starting point (baseline formula grant position) will be calculated remains unclear as the Government is considering a number of possible changes to data and weightings used in the current 2012/13 Formula Grant methodology. Given the Council are significant net recipients of redistributed business rates, receiving £58m in funding per annum, the continued lack of clarity makes medium term planning difficult.

Key features of the proposed system include:

- 50% of Business rates will be retained locally (local share) and 50% will form part of the national 'central' share retained by Central Government to be redistributed
- 'top up' councils such as Sunderland will have their allocations fixed but will be index linked to RPI
- Reviews of the system to be kept to a minimum of 7 years (Government prefer a 10 year reset period).
- to avoid disproportionate gains a levy arrangement will be included in the new arrangements (this only affects tariff authorities)
- A safety net arrangement will be included to seek to protect Authorities from significant falls in their Business Rates income.

The Council will continue through ANEC (and directly) to respond to Government consultation papers on the new system.

National Funding Totals

4.1.3 The Government has indicated that it will revise total funding available to reflect the worsening economic position and other known factors resulting in significantly greater funding reductions than those set out in SR10 – currently the position is:

- 2013/14 revised from -0.8% to -12.3%
- 2014/15 revised from -5.8% to -8.7%

4.1.4 Latest indications are that the Local Government Finance Settlement will not be received until mid December which compounds financial planning difficulties .

The LGA has devised a model to capturing all known changes to provide an estimate of the likely funding allocations and demand pressures through to 2019/20. The model:

- Predicts reduced government funding nationally
 - Funding 2010/2011 of £29.7bn reduced to £24.2bn in 2014/2015.
- Highlights the dilemma faced by Local Government in addressing
 - National prioritisation of schools, health, concessionary travel
 - Growing demographic adult and children's social care pressures

4.2 Public Health Transfer of Funding

The White Paper Healthy Lives, Healthy People, sets out how Local authorities will have a new role in improving the health and wellbeing of their population. There will be ring-fenced public health funding from within the overall NHS budget, dedicated to support this. The funding along with responsibility for the function will be transferred to local authorities through a ring fenced grant payment from April 2013.

The value for Sunderland of current spend in respect of the responsibilities transferring is circa £19.6 million. Whilst the Government have suggested that funding will be protected to reflect current spend levels for the first year following transfer, final allocations will be announced by the Government by the end of December. In addition consultation is underway on the basis of the future funding formula. The consultation has enabled indicative allocations to be calculated from proposed formula recommendations made by the Advisory Committee on Resource Allocation. The analysis indicates a potential substantial reduction in funding for Sunderland of £5.9m per annum if the formula was introduced in its current form. Sunderland have formally opposed the proposed funding allocation which is viewed as unfair and in particular does not take into account existing prioritised spend on Public Health within the city or reflect need appropriately.

4.3 Welfare Reform

The Welfare Reform Bill published in February 2011, set out some of the most significant proposed changes to the welfare system in decades. The Bill contains the provision to replace six working age benefits including Housing Benefit, with

the new 'Universal Credit'. The Spending Review 2010 assumed that welfare reform changes would generate £18bn savings nationally. In the March 2012 budget the Chancellor announced the requirement for a further £10bn of savings from the welfare budget. The Council continues to implement a variety of measures to seek to mitigate against the significant adverse impacts anticipated across the City from these changes.

A key change in the Welfare Reform Bill is the Government proposal to abolish the national Council Tax Benefit system and replace it with a Local Council Tax Support scheme from 1 April 2013. As part of the Spending Review 2010, the Government indicated that as well as the transfer of responsibility, it will cut the level of grant funding for the Local Council Tax Scheme by an average of 10% nationally in 2013/14. However, the reductions vary based on benefit caseload information which the government has provided. For Sunderland the estimated reduction equates to approximately 13% (£3.4m). Exact figures will be finalised as part of the Local Government Finance settlement. Annual allocations are to be provided for 2013/14 and 2014/15 based on Office of Budget Responsibility forecast for spending on Council Tax Benefit. The Government will consider if a new basis of funding is required from 2015/16.

Within Sunderland, there are significant concerns as to the adverse impact a grant reduction of £3.4m will have, as well as the impact the wider welfare reforms will have on the City and its residents.

A Draft Local Council Tax Support Scheme and associated measures was endorsed by Cabinet on 18th September for the purposes of consultation with the major precepting authorities and the public. The proposals aim to mitigate the impact of the Government funding reductions of £3.4m to avoid a further addition to the reductions target required for 2013/14. It is intended the Council's final new scheme will be approved by Cabinet by 31 December 2012

4.4 Schools Funding Reform

New funding arrangements are to be introduced from April 2013 for all schools and academies. This is the first stage of introducing a national funding formula in the next spending review period. The Government through the new formula is seeking to develop a clear and transparent funding formula that supports the needs of pupils and enables Schools and Academies to be funded on a broadly comparable basis.

Planned changes and data sets to be used are in the main determined and provided by the Department for Education. The limited flexibility that is available has been consulted upon with schools during the period 17th September to 4th October.

Planned changes will result in movement of funding between Schools. In order to provide stability in school funding, transitional arrangements through the Minimum Funding Guarantee are available. The main changes in school funding can be attributed to one or more of the following factors: change in data sets to be used, previous standard fund grant funding being distributed by pupil numbers and not

on historic basis, a single lump sum value in the primary and secondary sectors, and a single funding rate for all primary children.

The outcome of the consultation will be discussed at the October meeting of the Schools Forum.

4.5 Academies Top Slicing

In addition to the School Funding Reform, the Government is consulting on funding Academies and local authorities for the functions that devolve to Academies. The consultation sets out the additional reduction to Local Authority funding and the transfer of resources to the DfE from April 2013.

The national total has been determined, using the 2011/2012 estimated levels of expenditure, as £1.22bn. The potential implication to Sunderland is a grant reduction of up to £1m. The Local Authority has concerns around the use of the 2011/2012 data as it does not reflect reductions implemented in 2011/2012 and 2012/2013 and therefore overstates the spend that is currently being incurred by Local Government. These concerns have been reflected in Sunderland's response to the consultation.

4.6 Spending Review

The Government has not yet confirmed the date of the next spending Review although speculation is mounting that it could be brought forward to 2013.

5 Summary Outlook

At this stage, given the changes in the economic position and indications from Government regarding further additional reductions to that announced in CSR10 in the report, the outlook for local government funding continues to be bleak and subject to both unprecedented reductions and change.

6 Local Government Finance Settlement

The Local Government Finance Settlement announced in December 2010 covered the two year period 2011/2012 and 2012/2013. As set out at paragraph 4.1 the Government is consulting on changes to the local government finance system from 2013/2014. This is a key issue for Local Authorities and particularly for Sunderland.

6.1 2012/2013 Summary Position

In overall terms taking formula grant reductions, cost pressures and other grant reductions into account the total reductions required for 2012/2013 were £28.1m to be achieved through:

- £6.00m further reconfiguration of back office support
- £0.49m from further review and maximisation of utilisation of ICT
- £1.09m from implementation of smarter working
- £15.58m from the continued implementation of Directorate Three year Improvement Plans

- £4.90m use of Corporate and one off resources

The implementation of savings proposals continues to be rigorously monitored and as we progress through the second year of the SR10 spending review there are challenges with delivering this significant reduction. However, at this stage it is anticipated that the savings will be achieved in 2012/2013 and the ongoing position in 2013/2014 secured apart from unavoidable pressures outlined at 8.1.2. More detail in respect of the 2012/2013 position is set out in the Revenue Budget Second Review 2012/2013 report elsewhere on this agenda.

6.2 2013/2014 and Beyond

Government indicated at a national level the overall grant reductions in the Spending Review 2010 for local government and indicated that it will revise total funding available to reflect the worsening economic position. However, it is not possible to accurately estimate the impact on each individual authority's grant allocation for 2013/14 and 2014/15. This position is even more uncertain given the position in respect of the Local Government Resource Review as set out at paragraph 4.1.

Using the indicative totals from the Spending Review and associated information, the reduction in grant is estimated to be £11.9m for 2013/14 and £9.7m, for 2014/15. However, recent national illustrative planning figures would suggest reductions in grant of £14.2m for 2013/2014. These forecasts are both before cost pressures are added. The significant variations in potential grant loss create difficulties from a financial planning perspective. Plans will need to be revisited when the position is clarified.

6.3 Other Core Grant Funding

The Government are proposing to incorporate a number of Core grant funding allocations into the new Business Rates Retention system including Formula Grant, Early Years Intervention, Learning Disabilities, Health Reform, and Preventing Homelessness. Final funding allocations will not be made available until the government releases its detailed information as part of the local government finance settlement for 2013/14, where it is hoped that indicative allocations will also be made available for 2014/15 to help with longer term financial planning.

7 Local Income Position

7.1 Council Tax

The Localism Act received royal assent on 15th November 2011 and provides for the provision of referendums to veto excessive council tax increases. This effectively places a limit on council tax increases and if councils exceed the government limits then the public will be able to vote to agree or veto any considered 'excessive' increase.

As part of the settlement the Government has issued guidance on capping rules for increases. For 2012/13 the cap was set at 3.5%. In accordance with the Localism Act any increase above these levels may require a referendum:

At the present time there is no national provision for a 'freeze' for 2013/2014 and therefore if this position remains the Council Tax position will require consideration as part of the budget process

7.2 Reserves and Balances

The Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

In accordance with the approach adopted to date all earmarked reserves will be revisited as part of the budget process to ensure they still accord with the Council's priorities and overall funding position.

8 Spending Pressures and Commitments

It is proposed to take into account the following spending commitments in the Budget Planning Framework for 2013/2014. Noting that at this stage in a number of cases specific cost detail require finalisation and will be subject to review and refinement throughout the budget setting process:

8.1 Replacement of One-off Resources and Budget Pressures in 2012/2013

8.1.1 In meeting the funding gap for 2012/2013 the Council utilised £2.272m of one off resources (reserves). This therefore represents an ongoing pressure into 2013/2014.

8.1.2 As highlighted in the latest revenue budget monitoring report for 2012/2013 ongoing pressures of £3.673m arising in respect of adult social care will need to be addressed in 2013/2014. In addition savings planned in respect of end to end service reviews indicate a shortfall of £2.135m at the end of 2012/2013, which will need to be replaced with alternative savings in 2013/2014.

8.2 Pay and Pensions

8.2.1 Pay

The Government built its assumptions of a two year pay freeze for public sector workers (2011/2012 and 2012/2013) into its SR10 spending plans, except for those workers earning less than £21,000 a year. Beyond 2012/2013 the Government has indicated a limit on public sector pay of a 1.0% pay increase. For planning purposes a prudent provision has been built into the MTFS from 2013/2014.

8.2.2 Pensions

The results of the Actuarial review of the Local Government Pension Scheme 2010, was implemented in 2011/2012 covering three years to 2013/2014. There is an increase of 5.3% for 2013/2014.

The Government has agreed to implement the recommendations from the Hutton

Review and revised details have now been agreed with the Unions and they are currently balloting their members and recommending acceptance of the new scheme.

The cost implications of the new scheme will need to be fully reflected in the next actuarial review to be carried out in 2013 which will help inform the council assessment of the financial impact on future year's budgets.

8.3 Energy Prices

Energy and vehicle fuel prices continue to be particularly volatile. It is therefore proposed that prudent provision be included for continued annual increases in charges for gas, electricity and vehicle fuel for the medium term.

8.4 Waste Disposal

The impact of cost variations in relation to waste disposal have been factored into the Medium Term Financial Strategy including landfill tax, volume of waste, recycling implications, and the impact of implementing the Waste Disposal Strategic Solution.

8.5 Adult Services Demand Issues

The increasing longevity of the national and specifically, the city's, population continues to place pressure on Adult Social Services budgets. In addition, client expectations and increasing demand to support clients with complex cases to enable clients to maintain independent living, is requiring reconfigured services and additional investment. With these pressures in mind the Government announced additional funding for Primary Care Trust's for the period of the spending review with an expectation that the funding is passported to Local Authorities for investment within Social Care services.

The impact of additional cost pressures and necessary investment have been factored into plans on an initial basis.

8.6 Children's Services Demand Pressures

There continues to be increasing demand pressures in relation to safeguarding and specifically external placements and prudent provision will be made as appropriate to strategy.

8.7 Economic Downturn

Whilst significant resources have already been earmarked to support service pressures and actions in response to the economic downturn as part of the previous years' budgets, given the continuing uncertainties, this will need to be kept under review and appropriate provision made throughout the budget process.

8.8 Capital Financing

Prudential borrowing has been provided for within the medium term financial position in relation to known investments over that period, together with a provision

to provide future flexibility at this stage to enable strategic priorities of the Council to proceed, in the future.

9 Spending Priorities

9.1 Priorities from Consultation

9.1.1 The Budget Consultation for 2012/2013 was undertaken within the context of the need to significantly reduce spending for a second year in light of the Government funding reductions. The findings demonstrated general support amongst respondents for the direction of travel of services and for the councils overall approach to making savings.

9.1.2 The proposals for the 2013/2014 Budget Consultation process are set out elsewhere on today's Cabinet agenda. The approach adopted will broadly follow that adopted last year which explored views of residents about the direction of travel for services in response to the changing financial landscape.

10 Summary Resource, Pressures and Commitments Position

10.1 The total reduction in resources and spending pressures represents the estimated gross funding gap. However at this stage there is significant uncertainty in relation to:

- The general economic climate and public sector finances (direct connectivity between the economy and public finances)
- Fundamental changes to the Local Government Funding Regime
- Settlement confirmation probably not available until early December
- Significant other changes within the system (Welfare Reform, Health; Schools etc)

10.2 It is clear that the next three years will be much more challenging than the last three years. The challenge is significant and unprecedented given the compound impact of reductions over a prolonged period, with the prospect of significant reductions being required year on year over the medium term with a continued reduction in Council resources and capacity over the 2013-2016 period in prospect.

10.3 The table below summaries the best estimate of the resource and pressures position for next year taking account of the issues set out in paragraphs 4 to 8 above. Clearly this forecast is volatile due to the uncertainty surrounding the settlement and a number of other key financial issues.

	2012/13	2013/14
Total Savings Requirement	£28.1m	£32.0m

10.4 As outlined the savings requirement for 2013/2014 and beyond remains uncertain because of the impact of the Local Government Resource Review which will not be known until the end of this year. The resource gap is compounded by the fact that cost pressures need to be funded as do ongoing issues from 2012/2013 as set out in 8.1.2. In respect of the latter, Directors will continue to seek to mitigate this

position during this year. Clearly therefore the savings requirement will be subject to further change given the large number of uncertainties.

11 Budget Planning Framework

11.1 Current Strategy

The Council's approach over the last three years has been to deliver savings through the Sunderland Way of Working. The approach has been extremely successful and delivered all targets while supporting the most vulnerable residents in the city. It has enabled economic regeneration to attract new businesses to invest in the city, despite the prevailing economic conditions.

The savings programme transformed the Council into a more efficient and effective organisation and protected as far as possible frontline services through:

- The Business Transformation Programme – focussing on back office services
- Service Reviews and Directorate Modernisation programmes.

The approach provides us with a strong platform for the next three years.

11.2 New Transformation Framework to drive change

A New Framework will take this approach to the next stage to drive through further change - set in the context of the Community Leadership role of the Council and a reduced funding envelope. The Council's principles and values will remain at the heart of the approach.

Key elements of the Framework include:

- Demand Management - Developing the strategies and policies that enable the Council to manage demand and deliver services in a different and more agile way within communities;
- Cost of Supply and Customer Services Network (CSN) development - Increased focus on the CSN as the gateway and connector of demand and supply for services with the aim of targeting resources to areas of greatest need alongside continued delivery of efficiencies within Council services;
- Development of Alternative Service Delivery Models for services – continuing to look at the most effective and efficient models of provision for services over the medium term;
- Strategic Services and Fixed Assets – further and continual review to meet the future needs of the Council and its communities and maximise use of Council assets

11.3 Addressing the Savings Requirement

11.3.1 It is proposed the following revised budget planning framework as set out below is adopted:

- General Issues

- Budget planning to be based on high level position outlined at paragraph 10 and updated in light of the Local Government Settlement in December;
 - The impact of schools organisational and funding changes be updated as more information emerges;
 - Provision for spending commitments be included at this stage on the basis set out at paragraph 8 and kept under review;
 - Spending priorities be considered in line with the finding of the budget consultation and emerging service improvement plans as set out in paragraph 9;
 - Budgets be prepared on the basis that all spending pressures not specifically identified above as commitments be accommodated within Directorate cash limits;
 - All commitments against Delegated surpluses / reserves to be reviewed;
 - The position regarding Council Tax to be considered as part of the budget process
 - Commitments against general balances as set out in Appendix A be noted and updated throughout the budget process.
- Current Budget Savings Programme:

In accordance with the budget planning framework agreed for 2012/2013

 - Original permanent planned savings for 2012/2013 will be achieved or an alternative must be delivered on an ongoing basis in 2013/2014;
 - Savings originally identified for 2013/2014 will be achieved. Alternative savings will need to be identified by Directorates where a proposal has become unviable;
 - Adoption of the New Transformation Framework
 - Developing a programme of activity based around the new key emerging elements of Business Transformation set out at paragraph 11.2;
 - Revisiting /refocusing of existing plans to put in place a new programme including an updated approach to workforce planning;
 - Consideration of the challenges and opportunities arising from the transfer of the Public Health function;
 - Pressing forward with consideration of plans for new models of service delivery & improving services;
 - Directorates be requested to bring forward additional savings plans to enable a programme of additional key service reviews to be proposed;
 - Continued focus on Progressing Regeneration, Funding Leverage & Commercial Opportunities.

11.3.2 The framework will be robustly managed to ensure to ensure financial resilience is maintained

12 Reasons for Decision

12.1 The Budget Planning Framework forms an essential part of the process of the preparation and compilation of the Revenue Budget for 2013/2014.

13 Alternative Options

13.1 There are no alternative options recommended.

14 Impact Analysis

14.1 Impact assessments of Directorate actions to ensure the achievement of savings targets and a balanced budget position will be undertaken within Directorates as each action is developed.

15 Background Papers

15.1 There were no background papers relied upon to complete this report.

Statement of General Balances

	£m
Balances as at 31st March 2011	12.419
Use of Balances 2011/2012	
- Contribution to Revenue Budget (approved as part of 2011/2012 budget)	(4.849)
Sub total	7.570
Other Additions to and Use of Balances during 2011/2012	
- Debt Charges and other Contingency Savings (Reported Second Revenue Review October 2011)	4.000
- Transfer to Strategic Investment Reserve to support transitional costs (Reported Second Revenue Review October 2011)	(4.000)
Estimated Balances 31st March 2012	7.570
Use of Balances 2012/2013	
- Contribution to Revenue Budget	(2.272)
Additions to Balances 2012/2013	
- Transfer from Strategic Investment Reserve to support transitional costs	2.272
Estimated Balances 31st March 2013	7.570

CABINET MEETING – 10th October 2012 EXECUTIVE SUMMARY SHEET- PART I	
Title of Report: Proposals for Budget Consultation 2013/2014	
Author(s): Chief Executive and Executive Director of Commercial and Corporate Services	
Purpose of Report: To propose the budget consultation strategy and framework to inform the preparation of the Budget for 2013/2014.	
Description of Decision: Cabinet is recommended to approve the budget consultation strategy and framework as set out in this report and refer it to the Scrutiny Committee for consideration.	
Is the decision consistent with the Budget/Policy Framework? *Yes	
If not, Council approval is required to change the Budget/Policy Framework	
Suggested reason(s) for Decision: To comply with the constitutional requirements taking account of central government guidance.	
Alternative options to be considered and recommended to be rejected: There are no alternative options recommended.	
Impacts analysed:	
Equality <input type="checkbox"/> Y <input type="checkbox"/> Privacy <input type="checkbox"/> N/A <input type="checkbox"/> Sustainability <input type="checkbox"/> N/A <input type="checkbox"/> Crime and Disorder <input type="checkbox"/> N/A <input type="checkbox"/>	
Is this a “Key Decision” as defined in the Constitution? <div style="text-align: right;">No</div>	Scrutiny Committee
Is it included in the 28 day Notice of Decisions? <div style="text-align: right;">No</div>	

Cabinet - 10th October 2012

Proposals for Budget Consultation 2013/2014

Report of the Chief Executive and Executive Director Commercial and Corporate Services

1. Purpose of Report

- 1.1 To propose the budget consultation strategy and framework to inform the preparation of the Budget for 2013/2014.

2. Description of Decision

- 2.1 To approve the budget consultation strategy and framework as set out in this report and refer it to Scrutiny Committee for consideration.

3. Introduction and Background

- 3.1 The Budget and Policy Framework procedure rules contained within the Constitution of the Council requires consultation on budget proposals to take place. This report sets out proposals for budget consultation as part of the 2013/2014 budget process.
- 3.2 For a number of years the Council has recognised consultation as an important part of planning and delivering services that meet peoples' needs. Consultation by the City Council is already very wide-ranging and intensive. Examples range from:
 - consultation in relation to major strategies such as recent consultations on the Carers Strategy;
 - satisfaction surveys such as the Residents Survey;
 - project specific consultation.

Community Empowerment

- 3.3 The Government published Best Value Statutory guidance in September 2011. The guidance states that authorities have a duty to consult representatives of council tax payers, those who use or are likely to use services provided by the authority, and those appearing to the authority to have an interest in any area within which the authority carries out functions. Authorities should include local voluntary and community organisations and small businesses in such consultation. This should apply at all stages of the commissioning cycle, including when considering the decommissioning of services.
- 3.4 This guidance provides further commitment to strengthen accountability to local people and empower local communities. This further demonstrates the need for involvement of local residents and voluntary and community sector in the budget setting process to shape what is best for Sunderland.

Budget and Council Tax Consultation

- 3.5 Central Government highlighted the need for Local Authorities to establish the views of local taxpayers before they take budget decisions with the publication of guidance in 2002 on conducting budget and council tax consultation.
- 3.6 The 'Council Tax Consultation: Guidelines for Local Authorities' sets out the issues that local authorities should consider when designing their own individual approach to council tax consultation and identifies different methodologies and approaches which might be taken. The following suggested approach draws on this guidance as well as the strong track record and experience of the Council in this context
- 3.7 It should be noted that the Council remains the ultimate decision making body regardless of the valuable consultation undertaken in relation to budget setting. The process of consultation is about providing Members with more information in order to help them to come to an informed judgement when making budget decisions.

4. Government Guidance on Council Tax Consultation

- 4.1 There are numerous options set out in the Government guidance for developing a dialogue with the public and stakeholders on budget matters. This is simply a menu of methodologies available. The approaches set out are:

- Surveys of citizens panel members e.g. in Sunderland, Community Spirit;
- Community workshops;
- Quantitative surveys;
- Budget conferences / public meetings;
- Interactive websites;
- Focus groups / forums;
- Referenda.

4.2 The guidance recommends against relying solely on a single methodology to ensure that a full range of public opinion can be tested and suggests adopting a staged approach to consultation:

- Initial stage – this should be early in the budget setting process and involve discussions about priorities for different services;
- Later stage – this should take place later in the budget setting process once a firmer picture of the financial position is known. This will consider in more detail specific issues, spending priorities and impact on Council Tax levels.

5. Proposed Arrangements

5.1 The proposed arrangements largely follow the successful arrangements of previous years which are already extensive and involve:

Consultation – Non Budget Specific

5.2 Whilst not budget specific, there are numerous other wide ranging consultations that take place which help to inform the priorities included in the budget consultation process. The Corporate Consultation Strategy seeks to streamline and make maximum use of consultation undertaken including the Resident's Survey, service review specific consultation, and scheme level specific consultation. These are all taken into account and used intelligently to help inform the resource allocation process.

Trades Unions and Chamber of Commerce

5.3 A briefing will be provided in November on the emerging budget resource position, the spending pressures faced by the Council, and the provisional priorities together with an indication of the impact on services and on council tax.

- 5.4 A further consultation is undertaken on the provisional budget proposals during January/February where the priorities, impact on services, and indicative council tax position are shared. Traditionally, if a formal response is to be received to the consultation it is made at this point, prior to the final consideration of the budget by Cabinet and Council.

Schools Forum, Governors and Head Teachers

- 5.5 Following a similar approach to that adopted for the Trades Unions and the Chamber of Commerce, the Schools Forum, Governors Association and Head Teachers are consulted at meetings held in November and again in January. Issues covered at these meetings include the overall budget position, but also the Children's Services specific issues including Dedicated Schools Grant implications, other specific grants, and spending pressures.

Youth Parliament

- 5.6 Following a similar approach to that adopted for the 2012/2013 budget it is proposed to provide a briefing to the Youth parliament on the emerging budget position and discuss issues and priorities for young people which will be taken into account as part of the consultation process.

Citizens' Panel

- 5.7 A self-completion survey is undertaken in October / November of Community Spirit to ascertain views of our citizens' panel. This will include questions around:
- Whether or not respondents support the council's overall approach to meeting the budget challenge and providing services in a different way;
 - What services are most and least important / acceptable for reductions.

Additional questions will also be included in relation to the Council Tax Support Scheme consultation and accompanying information provided regarding proposals.

Other City Residents

- 5.8 In addition to making the survey available to the citizens panel the survey will also be available on-line via the council's e-consultation system. Anyone signed up to the system who has registered an interest in relevant subject areas will be automatically alerted when the survey is added. It will also be promoted to the voluntary and community sector and equality forums.

Focus Group workshop sessions

- 5.8 Further detailed feedback is sought from the citizens' panel in the form of budget consultation focus group workshops. The purpose of this element is to add to the feedback gathered from the questionnaire to provide enhanced information to assist in reaching budget decisions.
- 5.9 Very positive feedback was received from those involved in the Focus Group events in preparing the 2012/2013 revenue budget and it is proposed that this approach be repeated for the 2013/2014 budget process.
- 5.10 The approach includes workshops where members of the Citizens Panel are invited to attend Focus Group events held in November at four locations throughout the City. A number of locations and varying times are used in order to encourage a wider representation of attendance from across the city with sessions held at locations North of the River, South of the River, and in the Coalfields and Washington.
- 5.11 Attendance is limited by necessity to manageable numbers of Citizens Panel representatives at each group i.e. approximately 30 – 40 participants per session. However, the mixture of day and evening sessions ensures options on attendance for participants.
- 5.12 It is proposed the event comprise:
- a briefing on the financial context for the coming Budget, the purpose being to enable participants to understand the broad issues facing the Council.
 - Senior officers present brief overviews of service areas and progress to date in terms of efficiencies;
 - A question and answer session with senior officers which participants have indicated is a valued part of the process.
 - small group discussions where participants will be asked to consider and prioritise service areas and provide rationale for choices.

The aim is to enable a more in depth analysis of local residents' views to be ascertained.

- 5.13 Summary feedback from the events informs the budget decision making process.

Equality Forums and Voluntary Sector

- 5.14 An additional workshop will be held with the Equality Forums and representatives of the voluntary and community sector in order to take into account the views of more marginalised and vulnerable groups and in recognition of the important role of the sector. In addition to the above, this workshop will also include a proportion of time to be devoted to the Council Tax Support Scheme whereby proposals will be explained and considered by participants.

Elected Members

- 5.15 As ward councillors elected members gather the views of local people and are able to feed these views into the budget process as appropriate.

Timetable

- 5.16 A timetable for the proposed consultation is set out at Appendix A.

Budget Consultation 2013/2014 and Beyond

- 5.17 The Council has developed its budget consultation approach over a number of years. Following this years' consultation exercise it is intended to gather feedback on the effectiveness of both the Citizens Panel survey and the focus group workshops and use this to inform the budget consultation process for 2014/2015.

6. Involvement of Scrutiny Committee

In relation to the consideration of the budget, the constitution places a responsibility on the Cabinet to 'canvas the views of local stakeholders as appropriate'. Scrutiny Committee is then required to consider the process proposed and undertaken and ensure its adequacy. It is therefore proposed to refer this consultation strategy and framework to the Scrutiny Committee for consideration.

7. Reasons for Decision

To comply with the constitutional requirements taking account of central government guidance.

8. Alternative Options

There are no alternative options recommended.

9. Impact Analysis

The proposed approach to budget consultation seeks to capture the views and feedback from a wide spectrum of stakeholders including marginalised and vulnerable groups.

Impact assessments of specific budget proposals will be undertaken by Directorate as proposals are developed.

10. Background Papers

10.1 There were no background papers relied upon to complete this report.

Budget Consultation – Proposed Timetable

The timetable below is proposed:

October 2012

- During mid October / late November a survey is to be undertaken using Community Spirit and Equality Forums. This includes exploring support residents to the Councils overall approach to meeting the budget challenge and providing services in a different way.
- The survey will also be available for all residents to complete on-line through the Council's e-consultation solution.

November 2012

- Commence consultation with Trade Unions, representatives of Business Rate Payers, the Schools Forum, Head Teachers, Governors, and the Sunderland Youth Parliament. Consultation covers the anticipated budget constraints and spending priorities identified in the Medium Term Financial Strategy following adoption of the budget planning framework by Cabinet.
- In late November it is proposed to hold four budget consultation focus group workshops for representatives of the Citizens Panel using an Area based approach covering North of the River, South of the River, Coalfields and Washington.
- A workshop with Equality Forums and Voluntary and Community Sector will also be held

January 2013

- Feedback from the consultation exercises in October / November will be reported to Cabinet and Scrutiny Committee to inform the budget decision-making process at that time.

Late January early February 2013

- Final consultations take place with Trades Unions, Chamber of Commerce, the Schools Forum, Headteachers, Governors, and the Youth Parliament regarding the budget.

March 2013

- Feedback to the public generally through appropriate methods including the Council Tax Leaflet and direct to the participants of Community Spirit on:
 - the outcomes of the budget setting process;
 - how the decision-making process was informed by the consultation.

CABINET MEETING – 10 OCTOBER 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

North Eastern Local Enterprise Partnership – Accountable Body

Author(s):

Report of the Deputy Chief Executive and the Executive Director of Commercial and Corporate Services

Purpose of Report:

To provide Cabinet with an update on the activities of the NELEP and to seek agreement to the Council acting as the Accountable Body for the NELEP

Description of Decision:

Cabinet be recommended to:

- (i) Note the progress made by the NELEP in respect of the delivery of its key activities;
- (ii) Confirm that the Council should act as the Accountable Body for the NELEP; and
- (iii) Authorise the Council to take all necessary actions and to exercise all powers and duties on behalf of the NE LEP as the Accountable Body, including without limitation the appointment of staff, the procurement and award of contracts, the provision of loans and grants and to otherwise incur obligations and liabilities on behalf of the NE LEP subject to appropriate indemnification arrangements with the other participating local authorities.

Is the decision consistent with the Budget/Policy Framework? **Yes**

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

The Council has undertaken preliminary Accountable Body work to support the NELEP to enable it to be established, commence delivery of the Growing Places Fund and submit other funding bids. Now that the NELEP has been operating for several months, and it is therefore possible to assess the full extent of the Accountable Body requirements, it is appropriate to confirm the Council's position.

The Council has considerable experience of acting as an Accountable Body, for instance, in support of the TyneWear Partnership and the Tyne and Wear City Regions. It is therefore well placed to take on this role for the NELEP provided.

The Accountable Body duties require a considerable degree of staff resource, across several disciplines, in providing the support to the NELEP. The role provides some strategic benefits resulting from the Council's central involvement in the work of the NELEP and economic development more generally.

Alternative options to be considered and recommended to be rejected:

The other options that are considered and recommended to be rejected are:

- That the role is shared with other local authorities. While some degree of partnership support is possible, for instance, in seconding staff to the NELEP, sharing of the Accountable Body role would be unrealistic because of the need for clear reporting and decision making arrangements. It also would be difficult to provide the range of support that is required, often at short notice.
- That another local authority undertakes the role. With the initial support having been provided by the Council, it would not be feasible to transfer responsibility at this stage. The council also would lose the strategic benefit of acting as Accountable Body.
- That a non local authority partner undertakes the role. This would not be possible because of the extent of professional and technical resources that are required. Also, government requires that a local authority acts as Accountable Body.

Impacts analysed:

Equality Privacy Sustainability Crime and Disorder

Is this a “Key Decision” as defined
in the Constitution? Yes

Is it included in the 28 day Notice of
Decisions? No

Scrutiny Committee:

NORTH EASTERN LOCAL ENTERPRISE PARTNERSHIP

**REPORT OF THE DEPUTY CHIEF EXECUTIVE AND THE EXECUTIVE DIRECTOR OF
COMMERCIAL AND CORPORATE SERVICES**

1 Purpose of the Report

- 1.1 To provide Cabinet with an update on the activities of the North Eastern Local Enterprise Partnership (NELEP) and to seek endorsement to the Council acting as Accountable Body for the NELEP

2 Description of Decision (Recommendations)

- 2.1 Cabinet is recommended to:

- (i) Note the progress made by the NELEP in respect of the delivery of its key activities;
- (ii) Confirm that the Council should act as the Accountable Body for the NELEP subject to its costs being covered and appropriate agreements covering any potential additional liabilities being confirmed with the other partner local authorities; and
- (iii) Authorise the Council to take all necessary actions and to exercise all powers and duties on behalf of the NELEP as the Accountable Body, including without limitation the appointment of staff, the procurement and award of contracts, the provision of loans and grants and to otherwise incur obligations and liabilities on behalf of the NELEP subject to appropriate indemnification arrangements with the other participating local authorities.

3 Background

- 3.1 Local Enterprise Partnerships (LEPs) were formed by the Coalition Government as part of its localism agenda with an emphasis on involving the private sector in generating economic growth. The LEPs have succeeded the Regional Development Agencies which have been abolished.
- 3.2 The NELEP was established in 2011. It covers the 7 local authority areas of Durham, Gateshead, Newcastle, North Tyneside, Northumberland and South Tyneside and Sunderland.
- 3.3 The Board, which is supported by a small executive team led by the NELEP Director, is composed of:
- Private sector (including the chair): 8 members
 - Local authority leaders and elected mayor: 7 members
 - Higher and Further Education sectors: 2 members

4. Funding Position

- 4.1 The core costs of the NELEP during the current financial year are funded by a contribution of £50,000 from each local authority, supplemented by Central Government grant. The NELEP also benefits from a considerable amount of pro bono and in kind support from its private sector partners.

5. Activities to Date

- 5.1 In terms of delivering economic development activity, the main priorities of the NELEP to date have been:
- Co-ordination of the NELEP Enterprise Zone, which includes a number of sites within Sunderland, and liaison with Government
 - Implementation of the Growing Places Fund (GPF) which was introduced by the Government as a means of stimulating economic growth, particularly through loan financing of stalled development projects. £25.253m was awarded to the NELEP for this purpose. The council has 3 projects which are being supported through GPF, and in addition a further private sector led project within the City is also being supported.
 - Development of a Regional Growth Fund (RGF) bid for up to £45m to create a revolving fund for infrastructure investment. An announcement is expected shortly to confirm whether the bid has been successful
 - Development of a bid to Birmingham City Council (acting on behalf of the Regional Growth fund) for funds of up to £22.4m to support an Advanced Manufacturing Supply Chain Initiative (AMSCI)
- 5.3 The volume and complexity of work being undertaken of behalf of the NELEP is therefore increasing rapidly. To date, the Council has undertaken preliminary Accountable Body work to enable progress in establishing the NELEP, and the delivery of the NELEP's priorities aligned to the Council's strategic priorities. A more formal relationship is necessary now that the scope of the likely responsibilities can be fully assessed.

6. Accountable Body Role

- 6.1 As the NELEP is an unincorporated partnership, it is not a legal entity and therefore does not have the capacity to enter into contracts or incur legal rights and obligations. Accordingly, in these circumstances it is necessary for one of the partners to act as the Accountable Body for the purposes of the partnership in order to carry out and implement the decisions of the NELEP, including the appointment of staff, entering into contracts and otherwise exercising and incurring rights and obligations.
- 6.2 In this case, it has been agreed that the Council will act as the Accountable Body for the NELEP as an early decision was required to draw down funding from the government, in particular the Growing Places Fund allocation, and to appoint staff to the executive team. In acting as Accountable Body for the NELEP, this will involve:
- the appointment of partnership staff;
 - applying for and securing third party funding on behalf of the partnership and complying with any funding conditions;

- entering into contracts on behalf of the partnership, including procurement activity and any property agreements;
- the provision of financial assistance to eligible third parties, including loans and the award of grants;
- to exercise the legal rights of the partnership and to discharge its legal obligations and liabilities;
- to provide legal advice in relation to constitutional and governance matters;
- to hold and manage the partnership's budget including funding resources; and
- to provide certain support services to the partnership where required.

- 6.3 The Council will exercise its role as Accountable Body in accordance with the instructions of the NELEP Board (including its sub-committees) and implement the decisions that are taken by those bodies. It will advise the NELEP on matters relating to its accountable duties, for instance, management of funding.
- 6.4 In line with the implementation plan for the NELEP Low Carbon Enterprise Zone, the Accountable Body role will include the monitoring of the overall receipt of business rates, re-imbursement to the host local authorities in respect of the financing costs of infrastructure required within the Zone, but only in so far as business rates are available to meet these costs, and the re-investment of any surplus business rates in accordance with the agreed strategic priorities of the NELEP Board. No additional financial responsibilities would be undertaken on other authorities' behalf.
- 6.5 The Council will incur financial obligations and liabilities on behalf of the NELEP. As a consequence, it is necessary for agreements to be entered into between the participating local authorities (as well as Government) so that any liabilities that cannot be met from the resources available to the NELEP are apportioned between the partners through indemnities in favour of the Council.
- 6.6 The financial and other risk related implications of each Accountable Body function, such as potential clawback of funding, will be assessed before any commitment is agreed with the NELEP. For example in relation to the GPF, the risk of loans not being repaid by the projects that are being supported lies with the NELEP. The role of Accountable Body does not preclude other partners providing support to the NELEP as long as no risk to the council is involved.
- 6.7 The costs to the Council of undertaking the Accountable Body duties will be met through programme management allocations and interest received through the Growing Places Fund and other funds for example, if successful, the RGF and AMSCI bids. This approach will be followed for any further Accountable Body roles that are undertaken by the Council on behalf of NELEP.
- 6.8 The primary responsibility for this role will rest with the Executive Director of Commercial and Corporate Services with input from the Deputy Chief Executive.

7. Reasons for Decision

- 7.1 The Council has provided Accountable Body work for the NELEP to enable it to be established, commence delivery of the Growing Places Fund and submit other funding bids. Now that the NELEP has been operating for several months, and it is therefore possible to assess the full extent of the Accountable Body requirements, it is appropriate to confirm the Council's position.
- 7.2 The Council has considerable experience of acting as an Accountable Body, for instance, in support of the TyneWear Partnership and the Tyne and Wear City Regions. It is therefore well placed to take on this role for the NELEP provided.
- 7.3 The Accountable Body duties require a considerable degree of staff resource, across several disciplines, in providing the support to the NELEP. The role provides some strategic benefits resulting from the Council's central involvement in the work of the NELEP and economic development more generally as well as resource to support this activity.

8. Financial Implications

- 8.1 The costs of undertaking the Accountable duties for the NELEP will be met from programme funds without additional budget implications for the council. If it is not possible to recover costs from programme funds, the Council's commitment will be reviewed.
- 8.2 In the event of unforeseen costs that cannot be met from programme funds and other resources available to the NELEP, the Council will negotiate settlement through the proposed legal agreement with other partner local authorities.

9. Alternative Options

- 9.1 The other options that are considered and recommended to be rejected are:
- That the role is shared with other local authorities. While some degree of partnership support is possible, for instance, in seconding staff to the NELEP, sharing of the Accountable Body role would be unrealistic because of the need for clear reporting and decision making arrangements. It also would be difficult to provide the range of support that is required, often at short notice.
 - That another local authority undertakes the role. With the initial support having been provided by the Council, it would not be feasible to transfer responsibility at this stage. The Council also would lose the strategic benefit of acting as Accountable Body.
 - That a non local authority partner undertakes the role. This would not be possible because of the extent of professional and technical resources that are required. Also, government requires that a local authority acts as Accountable Body.

10. **Background Papers**

10.1 There were no background papers relied upon to complete this report.

CABINET MEETING –10 OCTOBER 2012 EXECUTIVE SUMMARY SHEET – PART I	
Title of Report: HYLTON RED HOUSE PRIMARY/BISHOP HARLAND CHURCH OF ENGLAND PRIMARY SCHOOLS - OUTCOMES OF FIRST STAGE CONSULTATION ON FUTURE ARRANGEMENTS	
Author(s): Executive Director of Children's Services	
Purpose of Report: The purpose of this report is to report back to Cabinet on the outcomes of first stage consultation on future arrangements with regard to Bishop Harland CE and Hylton Red House Primary Schools.	
Description of Decision: Cabinet is recommended to: <ul style="list-style-type: none"> i. Consider the responses received during the first stage of consultation on options to re-organise the existing Bishop Harland CE and Hylton Red House Primary Schools. ii. Subject to Cabinet being satisfied that consultation responses support this to agree to the publication of a statutory notice for the proposed discontinuance of Bishop Harland CE Primary School and Hylton Red House Primary School by the Local Authority, which will be related to the publication of a statutory notice by the Diocese of Durham for the proposed establishment of a new voluntary aided primary school on the Hylton Red House site with effect from 1st September 2013. 	
Is the decision consistent with the Budget/Policy Framework?	*Yes/No
If not, Council approval is required to change the Budget/Policy Framework	
Suggested reason(s) for Decision: Both Bishop Harland CE and Hylton Red House Primary Schools are on an improvement journey, having recently been subject to Department for Education (DfE) scrutiny as schools in an Ofsted category of concern. Both have significant levels of surplus places currently which present challenges in the sustainable delivery of effective education moving forward. Stage 1 of the consultation has now been completed with parents, staff, governors, relevant trades unions and the wider community on options for the future of both schools.	

Alternative options to be considered and recommended to be rejected:

At its meeting on 18 July 2012, Cabinet requested that options be presented for consultation rather than one proposal. Three options were subsequently discussed and are as follows:

Close Bishop Harland CE Primary School and transfer all pupils to Hylton Red House Primary School;

Close Bishop Harland CE Primary School and Hylton Red House Primary School and open a new voluntary aided primary school on the Hylton Red House site;

Keep things as they are but this would mean further changes in the future.

The deadline for all consultation responses is 28 September at which time a preferred option will be recommended to Cabinet.

Impacts analysed:

Equality ☐ Privacy ☐ Sustainability ☐ Crime and Disorder ☐

Is this a “Key Decision” as defined in the Constitution? Yes

Is it included in the 28 day Notice of Decisions? Yes

Scrutiny Committee:

HYLTON RED HOUSE PRIMARY/BISHOP HARLAND CHURCH OF ENGLAND PRIMARY SCHOOLS – OUTCOME OF FIRST STAGE CONSULTATION ON FUTURE ARRANGEMENTS**REPORT OF THE EXECUTIVE DIRECTOR OF CHILDREN'S SERVICES****1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to provide feedback to Cabinet on the first stage consultation on future arrangements for Bishop Harland CE and Hylton Red House Primary Schools.

2. DESCRIPTION OF DECISION

- 2.1 Consider the responses received during the first stage of consultation on options to re-organise the existing Bishop Harland CE and Hylton Red House Primary Schools;
- 2.2 Subject to Cabinet being satisfied that the consultation responses support this, to agree to the publication of a statutory notice for the proposed discontinuance of B H CE Primary School and HRH Primary School by the Local Authority, which will be related to the publication of a statutory notice by the D of D for the proposed establishment of a new voluntary aided primary school on the HRH site with effect from September 2013.

3. BACKGROUND

- 3.1 The 18 July 2012 Cabinet Report provided detailed information about the rationale for proposing change at Bishop Harland CE Primary School and Hylton Red House Primary School. In brief, both schools in recent years have faced and dealt with significant challenges in terms of Ofsted Inspection. The surplus places in each school also present budgetary challenges which could impact on the ability to sustain and progress their substantial improvements made to date. When Bishop Harland CE School had difficulty in recruiting a substantive headteacher, in consultation with the Local Authority and the governing bodies of both schools, it was proposed that the headteacher at Hylton Red House take on this role on a temporary basis. This has led to a 'soft' federation between the two schools which has created successful joint working between teaching staff and governors in a number of curriculum and pastoral areas. Children from both schools now also take part in joint learning. Bishop Harland CE School has recently had an Ofsted Inspection and is now judged to be satisfactory. Nevertheless, there are still significant national drivers which may impose a different organisational model for one or both schools.
- 3.2 The current numbers on roll are 143 at Bishop Harland and 330 at Hylton Red House, a total of 473. The number of surplus places is 67 and 97 respectively, a total of 164 between the two schools. This equates to approximately 25% surplus places.

- 3.3 The schools have already begun to reap the educational benefits brought about by working together and joining up resources. One of the options set out in the 18 July Cabinet Report was therefore to formally join the two schools by closing both existing schools and opening a new voluntary aided school on the Hylton Red House site in existing buildings. Bringing the two schools together as one school for the community at Red House would make the resulting school sustainable for the future and would position it to create positive educational benefits for the delivery of education. Reducing surplus places and reconfiguring school provision can also have clear educational benefits: having the appropriate size school has a beneficial impact upon schools' delivery of teaching and learning including class size organisation. An excess of places ties up resources that could otherwise be invested in teaching and learning.
- 3.4 Initial consultation with the governing bodies of both schools also included consultation with Hylton Red House nursery staff and governing body, who were asked to consider whether the nursery should be part of the proposal. Following discussion, Governors of the nursery school did not wish to progress this further. As Bishop Harland CE School has a nursery with 26 part time places, if the two schools were brought together as one school on the Hylton Red House site, it was proposed that the nursery class be transferred to Hylton Red House Nursery School.
- 3.5 The governing bodies of both Bishop Harland and Hylton Red House schools have worked in partnership with officers of the Council and the Church of England Diocese of Durham, over a period of time to consider options for an innovative solution to provide a sustainable and robust future for primary education to serve the Hylton Red House community.

4. OPTIONS FOR CONSULTATION

- 4.1 In addition to the option described in the Cabinet Report of 18 July 2012 to close both schools and to re-open a new voluntary aided primary school in existing buildings on the Hylton Red House Primary site, Cabinet requested that other options be considered in the first stage of consultation. The issue of one school being voluntary aided and the other maintained presented challenges and limits the viable options available because of the differing governance arrangements required. For example, a hard federation could not be established because the legal constitution of the governing bodies is different. However two other options were developed and so the range considered at consultation stage are as follows:

Option 1 - To close Bishop Harland CE Primary School and transfer all pupils to Hylton Red House Primary School;

Option 2 - To close Bishop Harland CE Primary School and Hylton Red House Primary School and to open a new voluntary aided Church of England school on the Hylton Red House site;

Option 3 - To keep things as they are but this would mean further changes in the future.

- 4.2 The key difference between Option 1 and option 2 is that in option 1 the Church of England status of Bishop Harland would be lost in the closure of the school whereas in option 2 this would be retained. The other difference is that in option 1 only the staff in Bishop Harland would be subject to redundancy before being ringfenced to any posts arising from the increase in size at Hylton Red House Primary, whilst in option 2 all staff would be made redundant and then ringfenced to opportunities within the new school. In option 2 the proposed new school would be a 2.5 form entry school and the existing nursery provision from Bishop Harland CE School would transfer to Hylton Red House Nursery School.
- 4.3 The 'status quo' option which would see both existing schools remain as they are was also included within the consultation. The likely outcome of this option is that DfE would require Bishop Harland to become an Academy as part of an academy chain, with potentially an external sponsor, on the basis of current Ofsted performance.
- 4.4 The consultation leaflet and response form are attached at Annex 1.

5. CONSULTATION PROCESS AND OUTCOMES

- 5.1 The first stage informal consultation on options began on 4th September 2012 and concluded on 28th September 2012. Five meetings were held in total for the staff, governors, parents and wider communities of both schools and Hylton Red House Nursery. The notes of the public meeting held on 11th, 12th and 17th September are appended in Annex 2 of this report. Notes of the staff and governing body meetings will be available to view prior to the Cabinet Meetings. Trades Union representatives were also present at each of the meetings.
- 5.2 Information about the rationale and options for consultation were sent to the parents of both schools and Hylton Red House Nursery and the wider community. Responses were sought by the due date of 28th September. A breakdown of the responses received is also attached at Annex 2 to this report, along with some comments provided by respondents.
- 5.3 In terms of the consultation response forms, the breakdown shows that the significant majority of respondents (more than 95%) support 'Option 2' – to close both schools and to create a new Church of England School on the Hylton Red House Site. Most of the commentary that is provided acknowledges that the schools are already working well together in the soft federation and can build upon this success to improve outcomes for the children in both schools. There is some support for retaining a Church of England presence in the north of the

city at the new school with others seeing Option 2 as the fairest option given that both schools would close to create the new entity. Whilst supporting Option 2, there are a number of responses that express concerns about the additional distance that children may have to travel to school in bad weather and access/ parking arrangements on the Hylton Red House site. Should Option 2 progress to statutory proposal stage, then further work will be done in consultation with parents to address concerns.

- 5.4 Although the consultation responses show significant support for Option 2, a separate petition containing 71 signatures was presented at the Bishop Harland CE School public meeting on 12th September to 'Keep Bishop Harland open'. The meeting was informed that signatures had been collected locally from residents of the Hylton Red House estate. This petition has been logged as part of the overall consultation response.
- 5.5 One clear concern is the future of the Bishop Harland CE site should the option to close both schools to form a new school on the Hylton Red House site. Should this occur, it is likely that the ownership of the new school site would transfer to the Diocese of Durham from the Council, with the ownership of the Bishop Harland site transferring from the Diocese to the Council. Should Option 2 be progressed there will be further consultation with the residents of the estate on the future of the Bishop Harland site given the reasonable concern that have been expressed.

6. NEXT STEPS IN THE CONSULTATION PROCESS

- 6.1 Subject to Cabinet agreement, the next step in the consultation process will be the publication of statutory proposals by the Local Authority and the Diocese of Durham. The future process and timescales would be as follows:
- (i) **Publication** of statutory notices in October 2012 following Cabinet recommendation – 1 day
 - (ii) **Representation** - Must be 6 weeks - up to late November 2012. This phase would include further public meetings and an opportunity for statutory representations to be made in objection to or in support of the proposal.
 - (iii) **Decision** – School Organisation Committee of Cabinet must decide the proposals within 2 months maximum - December 2012
 - (iv) **Opening of the new school**– September 2013

7. REASONS FOR THE DECISION

- 7.1 Both Bishop Harland CE and Hylton Red House Primary Schools are on an improvement journey, having recently been subject to Department for Education scrutiny as schools in concern. Both have significant levels of surplus places currently which present challenges in the sustainable delivery of effective education moving forward.

8. ALTERNATIVE OPTIONS

8.1 At its meeting of 18 July 2012, Cabinet requested that options be presented for consultation rather than one proposal. Three options were subsequently discussed and are as follows:

- (i) Close Bishop Harland CE Primary School and transfer all pupils to Hylton Red House Primary School;
- (ii) Close Bishop Harland CE Primary School and Hylton Red House Primary School and open a new voluntary aided primary school on the Hylton Red House site;
- (iii) Keep things as they are but this would mean further changes in the future.

8.2 The deadline for all consultation responses is 28 September at which time a preferred option will be recommended to Cabinet.

9. LEGAL IMPLICATIONS

9.1 Any proposals for school re-organisation require the publication of statutory proposals, in this case by the Local Authority and the Diocese of Durham. From May 2007 decisions on school organisation are an executive function of the Council, carried out by the School Organisation Committee (SOC) of Cabinet. The indicative timescales shown above suggest that decisions will be required in December 2012.

9.2 Should Cabinet agree to take forward an option which brings both schools together, further work would need to be undertaken in relation to the issue of land and property ownership and on the future of the Bishop Harland site. At the present time all of the land and buildings at Hylton Red House Primary School are in the ownership of the Council whereas at Bishop Harland School, the playing fields are in the ownership of the Council and the buildings are owned by the Church of England.

10. FINANCIAL IMPLICATIONS

10.1 Both schools are currently funded through Dedicated Schools Grant (DSG). Depending on the option taken forward, capital investment would be required at Hylton Red House School in relation to the condition and suitability of the current building. Discussions are currently underway between council officers and the Diocese of Durham in relation to capital funding and any implications for the Children's Services capital programme will be brought forward for consideration due course. Investment would also be required at Hylton Red House Nursery School to enable the additional numbers to be accommodated.

11. RELEVANT CONSULTATION

11.1 Section 5 of the report outlines the consultation process and outcomes.

12. IMPACT ANALYSIS

- 12.1 Should Cabinet agree to the publication of a statutory notice, an equalities impact assessment will be conducted in conjunction with the statutory consultation.

13. ANNEXES TO THE REPORT

- | | |
|---------|--|
| Annex 1 | Consultation leaflet and response form |
| Annex 2 | All minutes of public meetings and comments / analysis of all feedback forms will be included in Annex 2 |

BACKGROUND PAPERS

Cabinet Report 18 July 2012.

Annex 1

Consultation on School Place Planning for Bishop Harland, Church of England (CE), Voluntary Aided (VA) and Hylton Red House Primary Schools

You may already be aware that the governors of Bishop Harland CE VA and Hylton Red House primary schools, the Dioceses of Durham and Newcastle and the Council have been working closely to look at the current position at both of the above schools. The education of our children and young people is important to all of us, so it is very important that we consult as widely as possible to ensure that all views are considered.

The Council's Cabinet has agreed to a first stage consultation on options for the future of both schools. Depending on the outcome of this stage of the consultation, further statutory consultation will take place in October.

Meetings for parents/carers of children attending Hylton Red House Primary School, Bishop Harland CE Primary School and Hylton Red House Nursery School have already been held. To ensure that everyone has an opportunity to have their views heard at this first stage of the consultation process the following meeting for the wider community has been arranged:

Hylton Red House Primary School

6pm – 7.30pm, Wednesday 19th September 2012

Overleaf you will find some information, including the options that we are consulting on. At the meeting you will hear more about the options and you will have the opportunity to ask questions and put your views. You will also be given information on how to respond in writing or by email.

We hope you are able to take part in this important consultation but if you are unable to attend the meeting you can contact Val Thompson, Business Relationship and Governance Manager, on 5611372 or at val.thompson@sunderland.gov.uk, for further information.

Bishop Harland, Church of England (CE), Voluntary Aided (VA) and Hylton Red House Primary Schools - School Place Planning Phase 1 Consultation, September 2012

Bishop Harland CE VA and Hylton Red House Primary Schools have worked very closely together for some time. The arrangement has created successful joint working between teaching staff and governors in a number of areas. Children from both schools now also take part in joint learning. The Council regularly reviews pupil numbers in schools across the City, to ensure that there are sufficient school places and that schools have sufficient pupils to enable them to manage their budgets to deliver effective education. Pupil numbers at Bishop Harland CE VA and Hylton Red House Primary Schools have recently been reviewed and some concerns have been raised about the falling numbers in each school. It has been agreed by the governing bodies, the Dioceses of Durham and Newcastle and the Council, that action needs to be taken to secure the long term stability of both schools and maintain and build on the successful joint working between the schools.

What are the issues?

The key issues are:

- Both schools have worked together successfully to improve performance, under the leadership of a single headteacher. The success has been recognised by Ofsted and it is important that it is sustained
- Both schools are currently operating with spare places.
- Pupil projections show that the falling numbers are set to continue.
- Schools with spare places can experience challenges in managing budgets and class organisation.

What options are to be considered to address the issues?

We are consulting on the following options:

- | | |
|----------|--|
| Option 1 | - Close Bishop Harland and transfer all pupils to Hylton Red House Primary School |
| Option 2 | - Close Bishop Harland Primary School and Hylton Red House Primary School and open a new Church of England Voluntary Aided Primary School on the Hylton Red House site |
| Option 3 | - Keep things as they are, but this would mean further changes in the future |

What will happen next?

The consultation meetings on options will give you an opportunity to hear more about what each option means, to ask questions and to make your views known. The consultation will run until 28 September and Cabinet will

then consider all responses, subject to the outcomes of this first round of consultation, there will a second period of consultation in October to consider firmer proposals.

How can I make my views known?

- You can attend the meeting
- You can use the response form that will be available at the meeting to respond in writing to the specific questions and add any additional comments.
- By email to cs.response@sunderland.gov.uk

SCHOOL PLACE PLANNING FOR THE FUTURE
CONSULTATION RESPONSE FORM – September 2012

We would like to have your views on the options relating to Bishop Harland CE and Hylton Red House Primary Schools. Please note that this is NOT a vote on options, but we will use your responses to shape the proposals for the next stage of consultation.

Q1. Are you responding to this consultation as a:

Parent/Carer	<input type="checkbox"/>
Headteacher	<input type="checkbox"/>
Governor	<input type="checkbox"/>
School Staff	<input type="checkbox"/>
Resident	<input type="checkbox"/>
Other	<input type="checkbox"/>

Q2 If you have a child at one of the schools please tick which school they are attending:

Bishop Harland CE Primary	<input type="checkbox"/>
Hylton Red House Primary	<input type="checkbox"/>

Q3 Do you have a preferred option? Yes/No

If your answer is yes please tick which option:

Please note - this is not a vote on the options but it is helpful to know if you have a preference

Option 1 Close Bishop Harland and transfer all pupils to Hylton Red House Primary School	<input type="checkbox"/>
Option 2 Close Bishop Harland Primary School and Hylton Red House Primary School and open a new Church of England Voluntary Aided Primary School on the Hylton Red House site	<input type="checkbox"/>
Option 3 Keep things as they are, but this would mean further changes in the future	<input type="checkbox"/>

Q4 What are your comments/views on the options?

Comments
on options

Q5 Do you think there are other options that could be considered?

YES ☐

NO ☐

DON'T KNOW ☐

If your answer is yes please set out your suggested alternative option(s)

Alternative
options

If you have any general comments to make please use the box below
(*continue on a separate sheet if necessary*):

General
Comments

Print Name:

Signature: **Date:**

THANK YOU FOR YOUR RESPONSE

**Please return by 28 September to:
Children's Services, Sandhill Centre, Sunderland SR3
4EN or by email to: cs.response@sunderland.gov.uk**

Annex 2 (a)

PUBLIC FIRST STAGE CONSULTATION MEETING HELD AT HYLTON RED HOUSE PRIMARY SCHOOL

A Local Authority School Place Planning Consultation was held on Tuesday 11th September 2012 at 6.00 pm.

Those present were:-

(a) Governors

Mrs S Humble (Vice Chair), Mr S Williamson (Headteacher)

(b) Clerk to the Governing Body

Lisa Hutchinson (Specialist Minute Taking)

(c) In Attendance

Val Thompson, Business Relationship and Information Governance Manager
Beverley Scanlon, Head of Commissioning and Change Management
Gary Robinson, Governor Support Manager
Stuart Bain, Chair of Education Board - Diocese
Jeremy Fitt, Diocesan Director of Education

42F/12 Apologies for absence

Apologies for absence were received from Mrs A Hodgson.

Governors agreed to accept to accept the apologies.

43F/12 Declaration of Interest

No governors declared an interest in any agenda item.

44F/12 LA School Place Planning Consultation

Welcome and Introductions

Mr Williamson welcomed Parents to the LA School Place Planning Consultation and recapped on the Soft Federation arrangement between Hylton Red House Primary School and Bishop Harland COE VA School.

Mr Williamson discussed anxieties and stated that the consultation was for Parents to find out more information regarding the future of Hylton Red House Primary School. Mr Williamson thanked Parents for attending and confirmed that the decision around options Mrs Thompson would discuss were still under negotiation and no decisions had been made.

Mr Williamson introduced Mrs Thompson and Mrs Scanlon from the LA, Mr Fitt and Mr Bain from the Diocese highlighted to parents that they would be able to answer questions relating to the LA and Church of England.

Mr Williamson introduced Mrs Humble, Vice Chair of Governors, Mr Robinson who was supporting the LA presentation and the Clerk who would record a minute of the meeting.

Presentation

Mrs Thompson told parents/carers that there would be a power point presentation (See Annex 1) and that parents/carers would be welcome to comment and ask questions when the presentation concluded. The points covered were:

Explanation of the legal differences between the status of Maintained and Church of England Schools with regards to building, staffing and budgets.

Maintained Schools buildings were owned by the LA, staff employed by the LA and budgets set via the LA. Church of England Schools buildings were owned by the Church, the playing fields owned by the LA, staff employed by the Governing Body and budgets set by the LA.

The impact the Soft Federation and the Executive Headteacher had made in improvements for both Schools.

The surplus place position of both schools and the estimated percentage of surplus places currently and by 2015 indications are that there will be a surplus of 20%. The data used to project the numbers is live births within each ward.

Three options were presented for managing the position in terms of sustaining improvement at both schools and addressing the surplus place positions.

In terms of buildings, for both Schools, Option 1 would remain as they are. Bishop Harland owned by the Church and Hylton Red House by the LA.

Option 2 would incorporate a transfer of the building at Hylton Red House site from LA to Diocese and a possible transfer of the site at Bishop Harland to be owned by the LA. Neither option 1 or Option 2 would include a nursery class.

Mrs Thompson referred to the difficulties of managing budgets effectively to ensure a stable staffing structure when operating with significant surplus places. If a school could be established which operates with a minimum number of surplus places it would enable a stable staffing structure to be maintained and provide effective education for the community.

Parents/carers were aware of recent Ofsted inspections and that unless a local solution can be found, the school would possibly become an enforced Academy in the future. Mrs Thompson discussed the difficulties of managing budgets with significant surplus places and the impact on being able to offer the best education for the children. The LA was looking at what was best for the community in terms of maintaining and building on the excellent progress achieved so far.

Mrs Thompson informed parents/carers that the budget was based on pupil roll and that surplus places make it more challenging to manage budgets effectively. Both schools had successfully managed their finances well to date, but this would be difficult to maintain in the future.

Mrs Thompson explained that a preferred option would be looked at by Cabinet in October with a final decision by December. Cabinet consisted of elected members of the Council including the Leader of the Council and various portfolio holders.

The final decision would be made by The School Organisation Committee of Cabinet in December but there would be further consultation before that stage.

HR Information

Mrs Dobrianski confirmed that under Option 1 the Governing Body would declare all posts redundant. Governors at Hylton Red House Primary School would then be approached to consider the Bishop Harland Staff for additional posts on a non competitive basis. The LA would continue their duty to support the redeployment of staff.

Option 2 would declare all posts redundant within Bishop Harland and Hylton Red House Schools. The temporary Governing Body would devise a new staffing structure for the new school. Staff would be ring fenced to positions and if displaced would be supported by the LA in finding a new post through redeployment if possible.

Mrs Dobrianski noted that Option 3 would mean no staffing changes.

Diocese/Church of England

Mr Fitt set out the history of Church of England schools and spoke of the diversity that they can bring to a community.

Mr Fitt explained that the Church of England was interested in keeping a presence in the area to maintain a Church School. Mr Fitt highlighted that there were only 2 Church of England Primary Schools within the City at present and 1 secondary school.

Mr Fitt reiterated that it was in the interest of the Community to have a local solution rather than an imposed solution to the current position.

Response Forms

Mrs Thompson informed parents/carers that Response Forms were available and that all comments and feedback would need to be submitted by 28th September 2012.

Mrs Thompson drew attention to the fact that one of the questions asked for respondents to tick which is their preferred option but stressed that this was not a vote on options.

Questions

The following questions were asked by Parents:

- Q: Will Option 2 have more classes or more pupils per class?
- A: Mr Williamson discussed that his preferred option was to have more classes.
Classrooms within Hylton Red House are currently empty due to the falling roll number and are being used for other resources and interventions and would be reinstated as classrooms if there was a new school. .
- Q: Mrs Lock asked about the Nursery and if Hylton Red House Nursery would be part of the new School? Mrs Lock stated she was worried about her 2 year old and if there would be enough spaces for her child.
- A: Mrs Thompson confirmed the nursery was completely separate from the school and that they manage admissions themselves. However, the local authority would look at the nursery and do some remodelling if necessary to meet demand.
- Q What if my child has an older sibling in the School, would this be taken into account?
- A Mr Fitt stated that the Diocese work closely with the LA regarding admissions and that their admissions policies, overseen by the Dioceses are generally similar to local authority admissions policy.

Mrs Thompson stated that a sibling is one of the highest criteria in terms of allocation of places.
- Q: What are the time frames as parents need to consider new uniforms and places?
- A: Mrs Thompson advised that a report would be taken to Cabinet in October and there would be further consultation on a form proposal if Cabinet agreed. A final decision would then be made in December. If there was to be new school it would be effective from September 2013.

Uniforms will be discussed with the Governing Body as costs would be involved and would not want this to affect parents.

Mr Bain confirmed that funding will also be discussed via the Dioceses with regards to uniforms.
- Q: Will the children meet their classmates prior to the new school academic year and will they be put in classes with people they know?
- A: Mr Williamson recapped on the years 3 and 6 working together across the soft federation and that he planned to have parents work with the schools for children to meet one another if there was to be a new school.

Mr Bain confirmed that there could be an event arranged for the children to be brought together. This would also see the community coming together.

Q: Miss Willis asked about Bishop Harland Nursery and the current places and if they would transfer to Hylton Red House Nursery School?

A: Mr Williamson stated that the children completing 3 terms would automatically be ready for reception class within the new school. Other children ready for Nursery would go to Hylton Red House Nursery School. Mr Williamson reiterated that the nursery would remain as a separate identity.

Q: Miss Hedley asked about capacity of the Nursery?

A: Mrs Thompson stated that this was taken into account. If there was to be a new school surveyors would be working with both the new school and the nursery to discuss remodelling if necessary.

Mr Fitt said that he thought the Hylton Red House site had a lot of potential compared to Bishop Harland's site. This site had a lot more to offer in terms of size and potential.

Mr Bain discussed Collective worship in assemblies and that RE Studies help children prepare for the future; however the Diocese does not force this upon people. The intention was for the best school and education for this community.

Q: Mrs Lock asked about Bishop Harland's Ofsted report and asked what plans were in place to maintain the levels at Hylton Red House so that standards don't drop.

A: Mr Williamson stated that the children were already being taught across the schools. Miss Watson confirmed and gave some examples of the joint working.

Mr Williamson discussed Bishop Harland COE VA School and their progress made to date. Hylton Red House Primary School is a bit further on in the journey and has improved much more since the Ofsted inspection.

Mr Bain stated that delivery would be easier having one building and the consistent approach and expectations of staff would continue.

Miss Watson discussed the consistency of working together across the schools and highlighted that they were one team working together to make sure the children receive the best education.

Miss Bulmer agreed with Miss Watson's statement and confirmed she was in full support.

Q: Miss Hedley asked about the day to day running of a Church of England School and what is the difference from maintained?

A: Mr Williamson confirmed that there would not be much of a difference as the School are working already on the lines of a Church of England School. The children visit the local Church at intervals throughout the year.

Mr Williamson discussed Rev Jennifer Bradshaw and how her visits are regular to both of the Schools.

Mr Bain briefed on RE studies and confirmed that the 6 major faiths are taught. Miss Watson confirmed that the children were taught this already in school as a requirement by law.

Q: If the new School became outstanding would the children in the community be guaranteed a place or will you be letting other children from other catchment areas in?

A: Mrs Thompson discussed admissions criteria and that as the final tiebreaker for places for admission is distance, children in the community would be in a strong position to get places. Mrs Humble discussed the Options and stated that as part of the Finance Committee and with consideration of the reduced budget, Option 3 would not be viable as there would be insufficient budget provision to meet the needs longer term.

Mrs Humble stated that she thought Option 2 was the best option for the children and their needs and to offer them the best academic start in life.

Miss Hedley stated she attended Church at the weekend as she wanted to understand the faith aspects more in case her child asked questions relating to RE. Miss Hedley stated as part of the Governing Body, she also favoured Option 2 as this option was fair for all the children in the community not just her own and she wanted the best for everyone.

Mrs Partridge informed fellow parents that she was a past pupil of Bishop Harland COE VA School and that the day to day running of the School was no different to a maintained School.

A discussion around Bishop Harland COE VA School and the children living in that area took place. Mr Williamson stated that a good school was what mattered and that people would travel to get their children into a good school.

Mr Williamson stated he would organise a coffee morning/afternoon at the School for parents who wished to discuss the options provided by the LA with other parents before submitting their response form.

Mrs Thompson thanked parents for their participation and their challenging questions. Mrs Thompson reminded parents about the response forms that they could collect on their departure.

PUBLIC FIRST STAGE CONSULTATION MEETING HELD AT BISHOP HARLAND CHURCH OF ENGLAND VOLUNTARY AIDED SCHOOL

A Local Authority School Place Planning Consultation was held on Wednesday 12th September 2012 at 6.00 pm.

Those present were:-

(c) Governors

Mr R Thorndyke (Chair), Mrs E Watson, Mr S Williamson (Headteacher)

(d) Clerk to the Governing Body

Lisa Hutchinson (Representing Children's Services)

(c) In Attendance

Val Thompson, Business Relationship and Information Governance Manager
Beverley Scanlon, Head of Commissioning and Change Management
Gary Robinson, Governor Support Manager
Jeremy Fitt, Diocesan Director of Education

46F/12 Apologies for absence

There were no apologies for absence.

47F/12 Declaration of Interest

No governors declared an interest in any agenda item.

48F/12 LA School Place Planning Consultation

Welcome and Introductions

Mr Williamson welcomed Parents to the LA School Place Planning Consultation and recapped on the Soft Federation arrangement between Bishop Harland COE VA School and Hylton Red House Primary School.

Mr Williamson thanked parents for attending and discussed how a lot of conversation had already taken place regarding the School and its future and stated that this was something parents and staff were passionate about.

Mr Williamson confirmed to parents that this was a consultation by the LA and not the school or Dioceses.

Mr Williamson introduced Mrs Thompson and Mrs Scanlon from the LA and Mr Fitt from the Dioceses and advised parents that they would be able to answer questions relating to the LA and Church of England.

Mr Williamson introduced Mr Thorndyke, Chair of Governors and Rev Jennifer Bradshaw the new Vicar at St Cuthbert's. Mr Robinson was in

attendance supporting the presentation and Mr Williamson introduced the Clerk to the Governing Body who would provide a minute of the meeting.

Mr Williamson also welcomed Mrs Trotter, former Deputy Head of the School.

Presentation

Mrs Thompson told parents/carers that there would be a power point presentation (See Annex 1) and that parents/carers would be welcome to comment and ask questions when the presentation concluded. The points covered were:

Explanation of the legal differences between the status of Maintained and Church of England Schools with regards to building, staffing and budgets.

Maintained Schools buildings were owned by the LA, staff employed by the LA and budgets set via the LA. Church of England Schools buildings were owned by the Church, the playing fields owned by the LA, staff employed by the Governing Body and budgets set by the LA.

The impact the Soft Federation and the Executive Headteacher had made in improvements for both Schools.

The surplus place position of both schools and the estimated percentage of surplus places currently and by 2015 indications are that there will be a surplus of 20%. The data used to project the numbers is live births within each ward.

Three options were presented for managing the position in terms of sustaining improvement at both schools and addressing the surplus place positions.

In terms of buildings, for both Schools, Option 1 would remain as they are. Bishop Harland owned by the Church and Hylton Red House by the LA.

Option 2 would incorporate a transfer of the building at Hylton Red House site from LA to Diocese and a possible transfer of the site at Bishop Harland to be owned by the LA. Neither option 1 or Option 2 would include a nursery class.

Mrs Thompson referred to the difficulties of managing budgets effectively to ensure a stable staffing structure when operating with significant surplus places. If a school could be established which operates with a minimum number of surplus places it would enable a stable staffing structure to be maintained and provide effective education for the community.

Parents/carers were aware of recent Ofsted inspections and that unless a local solution can be found, the school would possibly become an enforced Academy in the future. Mrs Thompson discussed the difficulties of managing budgets with significant surplus places and the impact on being able to offer the best education for the children. The LA was looking at what was best for the community in terms of maintaining and building on the excellent progress achieved so far.

Mrs Thompson informed parents/carers that the budget was based on pupil roll and that surplus places make it more challenging to manage budgets effectively. Both schools had successfully managed their finances well to date, but this would be difficult to maintain in the future.

Mrs Thompson explained that a preferred option would be looked at by Cabinet in October with a final decision by December. Cabinet consisted of elected members of the Council including the Leader of the Council and various portfolio holders.

The final decision would be made by The School Organisation Committee of Cabinet in December but there would be further consultation before that stage.

HR Information

Mrs Dobrianski confirmed that under Option 1 the Governing Body would declare all posts redundant. Governors at Hylton Red House Primary School would then be approached to consider the Bishop Harland Staff for additional posts on a non competitive basis. The LA would continue their duty to support the redeployment of staff.

Option 2 would declare all posts redundant within Bishop Harland and Hylton Red House Schools. The temporary Governing Body would devise a new staffing structure for the new school. Staff would be ring fenced to positions and if displaced would be supported by the LA in finding a new post through redeployment if possible.

Mrs Dobrianski noted that Option 3 would mean no staffing changes.

Diocese/Church of England

Mr Fitt set out the history of Church of England schools and spoke of the diversity that they can bring to a community.

Mr Fitt explained that the Church of England was interested in keeping a presence in the area to maintain a Church School. Mr Fitt highlighted that there were only 2 Church of England Primary Schools within the City at present and 1 secondary school.

Mr Fitt reiterated that it was in the interest of the Community to have a local solution rather than an imposed solution to the current position.

Response Forms

Mrs Thompson informed parents/carers that Response Forms were available and that all comments and feedback would need to be submitted by 28th September 2012.

Mrs Thompson drew attention to the fact that one of the questions asked for respondents to tick which is their preferred option but stressed that this was not a vote on options.

Questions

The following questions were asked by Parents:

- Q: Would teachers already employed at the school automatically get the jobs at the new School.
- A: Mrs Thompson stated that the LA would be looking to redeploy the staff.
- Q: Is Town End Farm School Closing?
- A: Mrs Thompson stated that Town End was not closing and was an Academy now.
- Q: Can I clarify will staff from both schools be redeployed at the new school.
- A: If there was a new school, the temporary governing body would establish a new staffing structure and staff would be ring fenced to posts. The LA would support redeployment for staff that were displaced.
- Q: If both schools closed and new school would open, is there a new name etc.
- A: Mrs Thompson confirmed that this would be a new school with a new name and that it would be in the current building on the site which would have some remodelling done to it.
- Q: Would the new school be an academy?
- A: No it would be a Church of England School, to offer diversity for parents.
The 1st option would mean no option for a Church of England School on the North side of the City.
- Q: A discussion over spare places at Hylton Red House and Bishop Harland took place. How are you going to accommodate all the pupils in the new School?
- A: Hylton Red House is a much bigger building and will accommodate the children from both Schools.
- Q: Can you guarantee my child gets a place.
- A: Yes all pupils currently attending the school currently would be offered a place at a new school.
- Q: What about the Nursery? What if Hylton Red House Nursery was full, where do we take our Children?
- A: LA have looked at available places and will do some remodelling to the building if necessary to meet the demand for places.
- Q: Is the main reason for this consultation around the budget?

A: Mrs Thompson stated that a local solution is needed rather than having an external solution imposed. The budgetary position is a significant factor in ensuring a sustainable school for the community.

Ms Scanlon discussed the Church of England Schools and how the Diocese would like to sustain this presence in this community.

Mrs Thompson discussed the new funding formula to be introduced to schools which would mean that small schools would potentially receive less funding.

Q: Will there be more children in each class?

A: Mr Williamson discussed pupil teacher ratios and explained the flexibility afforded in a bigger school.

Mrs Trotter confirmed that in her previous role at the School as Deputy Headteacher she had 53 children per class when she taught in the School.

Q: Would the teacher be able to get to know the children well if there were bigger classes?

A: Mr Williamson confirmed that all staff knew all of the children no matter how big the class.

Q: How can you guarantee success with Ofsted?

A: The two schools work together now and we are in the top 18 Schools in Sunderland.

Q: Smaller class sizes provide more engagement with teacher; surely the potential grades are better due to this.

A: Mr Williamson stated that it's the way the children are taught in the class that is important.

and that there would be no more than 30 children per class. There would also be the option to do intervention and support with identified individuals.

Q: Year 5 and Year 6 are currently in mixed classes. What would the plans be for a new school?

A: A new school would have 75 children in one year group, equalling 5 classes for the year group including one mixed class. There are no indications that children in mixed classes do less well.

Mr Fitt discussed how this was not about saving money regarding teachers. A lot more children would be there but in effect the two budgets would be put together and the budget would allow more flexibility and greater economies of scale.

Mr Fitt recapped on the close working with the City Council regarding options for the schools and that the Dioceses view is that the only option they could support would be Option 2.

Option 1 would mean the closure of a Church of England School, there would not be a presence in this part of the City. Hylton Red House Primary School in lots of ways operated like a Church of England School at present.

Mr Fitt discussed Option 3 and doing nothing. The Dioceses view is that there would be advantages in bringing two schools together. It would be maintaining diversity for the community.

Hylton Red House Primary was in a lot of trouble regarding standards and Ofsted. The school now is measured as a good school. Bishop Harland was also in trouble for a few years and had difficulty recruiting a suitable headteacher. Under the leadership of Mr Williamson the school is now technically satisfactory and building towards good. However, we still need to find a local solution to ensure that education in this part of the City is secure.

The Minister for Education has the power to make the School into an Academy and impose a sponsor of his choice. A local solution would be better and we need to make it sustainable.

Q: What are the plans of safety for children travelling further to school.

A: As part of any plans for a new school, pedestrian and vehicle access, would be considered and addressed..

Q: Would there be a pupil bus?

A: Mrs Thompson stated that the LA cannot say for certain at present. There are 106 children with less than a mile to travel. Plans may not include a bus.

Q: What about uniforms.

A: Mr Williamson stated he would negotiate with the temporary governing body for a new uniform to be provided for each pupil.

Mrs Thompson discussed the time frames and that a decision would be made in December 2012. If the decision was that a new school was to be opened it would be in September 2013. .

Q: Can we have a new building?

A: Mrs Thompson stated that the LA does not have the finances for a new building.

Q: What if it costs too much to do any repairs can we have a new building.

A: Mrs Thompson confirmed the building had been looked at by surveyors and it is structurally sound.

Q: Parents at Hylton Red House School think it's their School.

A: Mr Williamson discussed the positive feedback from the parent's consultation at Hylton Red School. Parents expressed they were concerned for parents from Bishop Harland being isolated and wanted the best for all of the children. A lot of them want to support all of the children in the Community and that's why they were happy for me to come to this school as headteacher.

The Church wanted the community to do well, save as many staff as possible and get the best for the children. Outward bound activities were discussed and how this would be retained in a new School.

Staff had worked incredibly hard and school did not want to lose them. However, both schools were struggling with finances and could not sustain the current position.

Mr Williamson stated that he believed Option 2 presented the right way forward. The most important part of an outstanding school was all about the children, staff and parents, not about the building or where it was located.

Q: We have some signatures for you in terms of support regarding the school. Can we hand this over to you?

A: Yes, thank you. Mrs Thompson accepted the document.

Mrs Trotter stood up to speak to the parents and stated her heart sank when she had heard the news. Mrs Trotter recapped on her time at the School from 1964 – 1994 and stated within the 30 years of working at the School she had loved every minute of it and that it was important to her for the School to continue as a Church School and to continue the ethos.

Mrs Trotter discussed how things changed and improved and in her opinion, Option 2 was the very best for the children. Mrs Trotter stated she endorsed what Mr Williamson said and what we feel about our children is so important. Mrs Trotter acknowledged and understood parents concerns.

The children would get used to a new building especially with the same headteacher and staff who would provide security and continuity for them.

Q: Under Option 2 will staff who transfer get to know children.

A: Miss Jarvis confirmed that the staff from both schools were already working together which included staff meetings and working together in the classrooms. A lot of the children know the staff already.

Miss Jarvis highlighted that staff were fully behind Option 2 and stated they were not considering their own jobs and that their priority was an outstanding school for the children.

Mr Williamson briefed parents on the Outward bound work that was shared across both schools.

- Q: Are the options on the response forms. Will the decision be made anyway and does our opinion matter?
- A: Mrs Thompson confirmed that the options are valid and that Cabinet will make their decision after considering all the feedback and responses from the consultation.
- Q: Hylton Red House Nursery was discussed. Is it separate under a different Governing Body.
- A: Yes
- Q: I've applied for a place in Bishop Harland Nursery will need to apply to Hylton Red House now?
- A: Mrs Thompson confirmed that the LA will arrange the transfer of admissions to nursery applications .
- Q: Are they guaranteed a place in the nursery.
- A: Mrs Thompson stated that the nursery would be expanded if necessary to meet demand from the local area. However there is never a guarantee of a place in reception but the planned admission number of 75 should be sufficient places to meet demand.
- Q: Is there a priority for allocating reception places, if they have attended the nursery do they get a place in reception?
- A: No there is no automatic transfer. Parents have to apply for reception places.
- Mr Thorndyke reminded parents that Mr Williamson was on loan to Bishop Harland and that if the schools stay as they are the governing body would have the same issues as previously in terms of having to find a suitable headteacher.
- Q: Mrs Rodgers asked if things stay as they are would Mr Williamson have to stop working in Bishop Harland. .
- A: Mr Williamson said if things stay as they he could not sustain managing both schools.

Mr Thorndyke stated he felt this was a big issue as appointing a new headteacher would be difficult..

Mr Thorndyke discussed the proposals for working together and felt that Option 2 would enable a strong school to be established to serve this community and that. governors were in favour of option 2.

Mr Williamson stated that he had arranged a coffee morning from 9.00 – 10.30am on Tuesday 18th September 2012 so that parents could discuss the options. Mr Williamson stated that he and Miss Jarvis would be available for this event to answer any questions.

Parents stated they thought this was helpful.

Q: Has anyone asked what the kids want.

A: Mr Williamson said that the staff would be discussing it with children in a sensitive and encouraging way.

Mrs Thompson thanked parents for the helpful debate and confirmed that it was important to know what parents think.

Mrs Thompson closed meeting.

PUBLIC FIRST STAGE CONSULTATION MEETING HELD AT HYLTON RED HOUSE PRIMARY SCHOOL ON WEDNESDAY 19TH SEPTEMBER 2012 AT 6.00 P.M.

Those present: -

Local Authority Officers

Beverley Scanlon – Head of Commissioning & Change Management
Val Thompson – Business Relationships & Governance Manager
Gary Robinson – Governor Support Manager

Local Authority Councillors

Cllr R Bell
Cllr R Copeland
Cllr V Davison
Cllr P Smith

Others

Mr P DeVere –UNISON representative
Mr J Fitt – Diocesan Director of Schools – Diocese of Durham
Mrs A Hodgson – Chair of Governors -
Mrs L Watson – Acting Headteacher, Hylton Red House Primary School
Mr S Williamson – Executive Headteacher – Bishop Harland CE Primary School and Hylton Red House Primary School

Together with 34 members of the public (including some school staff, parents and governors)

School Place Planning - Consultation on the future of Bishop Harland CE Primary School and Hylton Red House Primary School

Beverley Scanlon welcomed everyone to the meeting and introduced the officers present. Beverley explained that the purpose of the meeting was to explain options regarding the future of the two schools and to seek the views of the community as part of this consultation exercise. Similar meetings had already taken place with employees, parents and governors of both schools.

In undertaking this exercise the Local Authority had been working closely with the Diocese to secure the best possible educational provision for children in the area.

Val Thompson highlighted the differences between Bishop Harland CE Primary School (a maintained Voluntary Aided school) and Hylton Red House School (a maintained community school). Val set out the background to this exercise, drawing attention to the pressure that both schools had been under in the past and the falling pupil rolls. The progress that both schools had made as part of a federation was highlighted. Projected pupil numbers up to 2015 were illustrated.

Three options were being consulted upon: -

- Option 1 - Close Bishop Harland and transfer all pupils to Hylton Red House Primary School
- Option 2 - Close Bishop Harland Primary School and Hylton Red House Primary School and open a new Church of England Voluntary Aided Primary School on the Hylton Red House site

- Option 3 - Keep things as they are, but this would mean further changes in the future

The implications in terms of buildings, finance and staffing were set out for each option. Val made it clear that option 2 did not mean that a new school building would be provided. Instead the existing Hylton Red House Primary School building would be remodelled and upgraded to accommodate the pupils from Bishop Harland.

It was also pointed out that under option 1 or option 2 the nursery class currently at Bishop Harland would not transfer, as Hylton Red House Nursery School (located on the same site as Hylton Red House Primary School) would remain a separate school and would accommodate the nursery pupils.

It was pointed out that option 3 could eventually lead to an enforced academy in the area, rather than a local solution.

The next steps in the process were outlined, which included consideration by the Council's Cabinet, further consultation and consideration by the School Organisation Committee of the Cabinet. Any closure or establishment of a school was a statutory process.

Everyone was invited to submit their views regarding the options available and it was explained that comments could be submitted using the response form, by letter or by e-mail. It was stressed, however, that whilst respondents could indicate a preference for one of the available options, this exercise was not a ballot. The purpose of the consultation was to find out people's views.

Questions and comments were invited: -

Question – What is the capacity of the Hylton Red House Primary building?

Mr Williamson - The building could accommodate 525 pupils. It had been constructed for more pupils than it currently held. There were 20 classroom spaces but some were not currently used as classrooms. If proposals were to proceed to the next stage there would be consideration of what needed to be done to the building to bring it up to the required standard.

Question – Would there be enough space to accommodate all Bishop Harland children at Hylton Red House Primary School?

Mr Williamson – It was confirmed that there was sufficient space.

Question (Mrs Hodgson, Chair of Governors – Hylton Red House Primary School) – What was the response of the trade unions to the options?

Val Thompson – The official view of the trade unions could not be anticipated, as consultation was still ongoing. However, initial views seemed positive. One member of school staff present at the meeting (who was also a GMB representative) confirmed that the views of unions were being taken on board.

Question – What will happen to the Bishop Harland site if this was closed? The closure of Downhill Primary School in 2001 was commented upon.

Val Thompson – Nothing had yet been decided about the future of the Bishop Harland site but, if it did close, options were already being looked at.

Jeremy Fitt assured those present that the church was keen to keep a presence in the area, both in the provision of education and in the community. One idea was that the building could house some community facilities (e.g. for use by young people or young mums). A land/building swap between the Diocese and the Local Authority could be arranged to facilitate this.

Question – The DFE were promoting academies as providing the best education. Why would it be so bad if an academy was established?

Val Thompson – The difference between those schools that had chosen to convert to academy status and those who were forced to become academies was highlighted. It was felt important to find a local solution rather than to have something imposed on the schools.

Jeremy Fitt added that the Diocese was not opposed to academies and there were many CE academies in existence. However this was different to enforced takeovers of schools. Jeremy also commented upon the economies of scale that could be achieved by bringing the two schools together.

Comment – In relation to possible community use of the Bishop Harland site, why was it not used for this purpose already? Also, was it affordable to provide community facilities?

Question - Would a combined school mean smaller classes?

Jeremy Fitt answered that it was important to distinguish between the size of the school building and the size of classes. There were economies of scale by having a larger single school and there was no reason why classes would be any larger than at present.

Mr Williamson pointed out that there had been cutbacks in staff in both schools due to financial pressures which had led to larger classes and mixed-age classes. Class sizes in both schools were around 25-28 but these would grow if the schools remained open in their current forms. By combining resources there had already been benefits but if no action was taken there would be difficulties for both schools.

Question – if the Bishop Harland site was used for community facilities, would the caretaker remain on site?

Mr Williamson said that it was not possible to discuss what was likely to happen to individual members of staff such as caretakers at this stage.

Comment – the former Downhill Primary School site was constantly vandalised since it had ceased to be used as a school.

Val Thompson – It would be a matter for the Diocese and the Local Authority to discuss security implications if the Bishop Harland site was no longer used as a school. This would not be disregarded and the Local Authority had a lot of experience around closing buildings. This would be part of further consultation.

Comment – In relation to possible community use it was already difficult to maintain the nearby St Cuthbert's church hall. This needed to be carefully considered.

Val Thompson - More consultation would be needed if community use was being considered for the Bishop Harland site. These discussions would include security issues.

Comment – The closure of the Southwick Primary School site had resulted in regular vandalism. The same would happen to the Bishop Harland site if it were not used as a school. The affordability of community facilities needed more consideration.

Val Thompson – Community use was just one option.

Comment – in response to the comments about future use of the Bishop Harland building, one member of the audience reminded those present that the consultation was about providing an excellent education and was not just about buildings.

There was strong audience support for this comment. A member of school staff said that the schools could not go on as they were and the decision should not be based on what would happen to a building. A union representative from one school commented that staff were prepared to risk their jobs in order to bring about the best education in the area.

Question – If the Hylton Red House Primary site was retained as the single school would there be resources to develop improved dining or sporting facilities?

Val Thompson – The site would be refurbished and improved.

Question – If provision was all on the Hylton Red House Primary site, what could be done to improve safety in terms of traffic on and around the site?

Val Thompson – This would be something that would be carefully looked at during the process of planning the new site. Some preliminary work had already been undertaken.

Question (Mrs A Hodgson – Chair of Governors) – Bearing in mind the desirability of schools remaining in local control what is the relationship between the Local Authority and the Diocese?

Jeremy Fitt - There were around 5,000 Church of England schools in the country. The relationship between the Diocese and the Local Authority was strong because both parties wanted the best possible education. It was noted that Church of England schools often performed better than other schools and also added a spiritual dimension to a child's education.

Jeremy drew a distinction between Church of England schools and Roman Catholic schools. CE schools were not just for those children who attended church. Instead they served the whole community. The religious ethos was certainly never forced on to pupils.

Question – With regard to the employment status of staff in a church school, was there any variation in the terms and conditions? Also, it would cause disruption by re-organising the schools.

Mr Williamson explained that he had been Headteacher of a CE school in the past. Whilst there were some light differences in the contracts of staff the schools followed

the same terms and conditions as community schools. The policies and pay were similar and there was no reason to change this.

There would be as little disruption as possible for children, and it was noted that children were very adaptable. Transitional arrangements would be put in place to make this easier.

Question – How has the uncertainty affected staff morale?

This question was answered by members of staff in the audience. They indicated that all staff wanted option 2.

Question – Why was the new school proposed to be a church school?

Mr Williamson – If the new school had not been proposed as a church school it was likely that it would be subject to competition rules. There was an exception to this in the case of proposed church schools.

Comment – There had been many questions focussing on church school provision. This exercise should not be concentrating on whether the new school was a church school or a Local Authority school. The most important aspect of this consultation was the education of children.

This comment was answered by a member of the audience who was a volunteer at Bishop Harland. She assured everyone that religion was not forced on children.

Comment – If option 1 was chosen this would mean that there was no Church of England provision in Sunderland North. This would remove parental choice.

This point was answered by a member of Hylton Red House Primary School staff in the audience. It was explained that, whilst Hylton Red House Primary was not a faith school but still covered a Christian syllabus.

Cllr Bell drew attention to the decline in pupil roll at Downhill Primary School before it closed. It reached the point that the school became unviable and for this reason he believed that option 3 was not workable. Whether it was a community or a voluntary aided school the best option was to bring the schools together to safeguard its future. The Church of England option was a safe option.

Question – Where is the nearest church primary school if Bishop Harland did close?

Val Thompson – There were two CE schools in the south of Sunderland. There were RC schools nearby at English Martyrs RC Primary School and St John Bosco RC Primary School. It was noted that it would remove parental choice if there were no CE school in the north of Sunderland.

Jeremy Fitt said that the Diocese would oppose option 1 because it would mean the loss of a church school in the area.

Mr Williamson – Church schools were good schools which worked hard to deliver provision to the local community. Mr Williamson was passionate about school provision in the area. Despite the position that both schools had been in the past they had both made progress. This was a chance to secure even better provision. Both schools already had high quality staff and Mr Williamson did not want to see a local community devastated by loss of jobs at the schools. Mr Williamson made it

clear that he could not take the schools any further forward if they remained as they were. This was why he was supporting option 2 and this was also the view of both Governing Bodies. Option 2 would bring the very best provision to the area.

Cllr Bell recalled that Hylton Red House Primary School had been in special measures and he highlighted the efforts of everyone to keep the school open. The school had now recovered from this position and was in a better position.

Question – If option 2 were chosen what would the school be called?

Jeremy Fitt – it would be a new school with a new name.

Question – What would happen to the Nursery provision currently at Bishop Harland CE Primary School?

Val Thompson reiterated that the nursery class would not transfer to the new school if option 2 was chosen. Nursery pupils would instead attend Hylton Red House Nursery School, which would remain separate.

Comment – To avoid any misunderstanding it needed to be made clear that no new build was available.

Val Thompson explained that this had been made clear at earlier consultation meetings. She confirmed that there would be investment in the building if option 1 or option 2 were chosen.

Mr Williamson acknowledged that there was some confusion around what was meant by a new school and this would be made even clearer in all subsequent discussions.

Question – If a new school was opened as a church school as proposed by option 2, did the unions have a view on this?

The GMB representative from one of the schools was in the audience repeated that staff at both schools were willing to put their jobs at risk in order to ensure the best education was provided. Staff wanted option 2.

Peter DeVere (UNISON) pointed out that church schools followed nationally agreed terms and conditions. The Diocese supported this. The only deterioration in terms and conditions was if the school became an academy.

Question – How had it been decided who would be invited to this public consultation meeting?

Beverley Scanlon – Leaflets had been distributed in the area.

Some members of the audience indicated that they had not received the leaflet and questioned whether it had been selective who had been invited. Beverley Scanlon said that there had been around 600 leaflets printed and delivered.

It was explained that, should any proposals be taken forward to close or establish a school, statutory public notices would be issued in local public buildings, post offices and in the local press. The Local Authority would try to reach as many people as possible.

Question (Councillor Davison) – Can we inform future parents of any further stages of consultation?

Val Thompson confirmed that there had been liaison with Hylton Red House Nursery School but, nevertheless, it was acknowledged that this was an important consideration and the Local Authority would try to ensure that all parents of young children in the area were informed of the next stage of consultation.

Beverley Scanlon confirmed that all of the comments and questions had been recorded and would be considered. Beverley thanked everyone for their attendance at the meeting.

The meeting closed at 7.25 p.m.

Q1: Are you responding to this consultation as a:

Parent/Carer	32
Headteacher	1
Governor	7
School Staff	23
Resident	8
Staff & resident	1
Staff & Governor	2
Parent & Governor & Resident	1
Parent & Resident	2
Other	2
TOTAL	79

Q2: If you have a child at one of the school please tick which school they are attending:

Bishop Harland CE Primary	30
Hylton Red House Primary	12
N/A	37
TOTAL	79

Q3: Do you have a preferred option?

Yes	64
No	2
No answer given	13
TOTAL	79

Q3a: What is your preferred option?

Option 1	3
Option 2	73
Option 3	2
No answer given	1
TOTAL	79

Q5: Do you think there are other options that could be considered?

Yes	8
No	46
Don't know	16
No answer given	9
TOTAL	79

Annex 2 (c)

BISHOP HARLAND/HYLTON RED HOUSE – FIRST STAGE CONSULTATION

Consultation responses

Q4: What are your comments/views on the options?

- Option 2 seems the fairest for children and staff alike. Although we have concerns about the syllabus when the new school is formed, will this be curriculum as is now?
- This option (2) will allow us to give our children the best “academic” opportunity and take us from being a good school to an outstanding one.
- Concerned about bad state of repair and décor of Red House compared to Bishop Harland.
Worried about congestion due to excessive traffic next to Red House which is already bad.
- Good opportunities for staff and pupils to continue the work that has already been successful across the federation.
- I feel that option 2 is the best option for all members. It will still be difficult and all staff are concerned for their jobs. I also think it would be nice to have a foundation stage unit on site including nursery for continuity.
- The Hylton Red House school site is a lovely site with lots of scope for potential. Combining and merging the 2 schools should help with budgetary issues, e.g. maintenance etc and dwindling pupil numbers.
- I think option 2 is the best as HRP is a lot bigger a site and has the space for expansion.
- I only want what is best for my children and after listening to everything at the meeting, I feel option 2 is the way to take things forward for the future for my children.
- Option 1: May cause bullying being “our school” from the pupils from Red House to Bishop Harland. Plus there won’t be a Church of England school over the north side of the river.
Option 2: Keep the Church of England school over the north side and it will be everyone’s new school being a different name.
Option 3: Not really an option for the pupils
- This is the best option (2) for the children in my opinion.

- Option 2 I would prefer as it would benefit both children and staff from both schools.
- I feel that option 2 would be best for meeting the needs of the children, this is my main concern! To do nothing would leave the force of an Academy and as a result of this a lot of experienced and hard working staff would be lost from both schools. What a waste!
- A new school would put all staff and students on an even footing. A church school would ensure the ethos and spirituality enjoyed at Bishop Harland would be offered to all. A new school would ensure an able head for all pupils and ensure better roles and therefore funding.
- Option 2 is a better option for the community and the children.
- Option 1 would mean staff losing their jobs which would be terrible
Option 2 doesn't guarantee everyone's jobs
Option 3 means changes would be forced anyway
- The schools have already worked well together in the soft federation and continue to do so. This has generated opportunities for teaching expertise to be shared between both schools and to organise joint trips and events.
To merge the schools will give both sets of pupils, teachers and the community a new beginning (i.e. no taking over of one end by the other)
A new Church of England Voluntary Aided school would maintain choice on the north side of the river.
- I think option 2 is better for children and use staff expertise in both schools.
- Option 2 seems fairer to both the pupils and teachers. Also this ensures a Church of England school on the North of the river.
- I feel it is important that there is a Church of England school in the are and as we have worked together as two schools, I feel coming together as one is the appropriate and most effective outcome.
- Happy with option 2
- I have ticked option 2, but have concerns about my job and house but believe it is the best way forward.
- After speaking to staff re change, I would be happy for both schools to be brought together. My main concern was that reform would be pushed on the students.
- I think if option 1 went ahead it would be 'a them and us'. Option 3 would not benefit anyone.

- It is very important to combine the two schools to ensure the best possible education is provided for all pupils before resources become more depleted due to further reductions in finances.
- Both schools have worked extremely well together and combining the two together would be the best option for the children, along with major financial benefits that would be available.
- Joining of the schools will create greater opportunities financially for students and enhance a greater community ethos.
- I just think if every child had a brand new school, new start, it would benefit them.
- I feel option 2 is the fairest for all involved all children will deal with the disruption. All staff will have to reapply. I am happy that the site can accommodate all of the children.
- I am all for change. Want the best possible for my kids.
- Change is inevitable. I will stand by option 2. I am ready to help.
- Option 2 is the only viable option. Both schools coming together as one can only improve education for our children on the estate and bring the community together.
- I don't mind option 2, as long as religion is not rammed down the children's throats.
- Option 2 is the best option all round and the fairest on both schools and pupils. Also it keeps out school a Church of England VA school.
- I am a member of staff at Bishop Harland and have been for 23 years. Option 2 would be the best for the children's education as bringing both schools together the children would receive the best education due to the budget being better as if they stay the way we are money would be less in both schools resulting in staff being reduced so then the children's education would be affected. Working with Hylton Red House, we have built up good relationships with staff and worked together on numerous projects which have helped out development, this is also due to outstanding leadership from Mr Williams.
- It gives the opportunity of two brilliant schools to come together and make one outstanding school.
- I prefer option 2, because it gives two schools the chance to come together.
- I'm interested in my child getting the best education possible.

- I would like my child to have the best education possible and believe this is the best option (2).
- Having looked carefully at all options, I've come to the conclusion that option 2 is the only choice that will be beneficial for all the children and I am happy to have this happen.
- I would rather the school stay open but if there is no other option then the schools will have to merge.
- Don't want this school to close, my kids have just settled lovely in the school.
- I wish it to be known that I support the option of merger of Red House Academy and Bishop Harland school, which would ensure continuity for both students and staff.
- Having worked at Bishop Harland for 12 years, it will be sad to see the school close. However there is overwhelming evidence, in my opinion, that option 2 is the best and only option for the children on the Hylton Red House Estate. Our children deserve an outstanding education. Option 2 would enable our staff to build an outstanding church school. There are a number of reasons to support option 2:
 - Falling role numbers of both schools
 - Important to maintain church school presence in this area of Sunderland and therefore ensure parents have a range of choice.
 - Future security of the school in the changing financial and political climate.
 - Excellent chance to secure an outstanding school for the Hylton Red House Estate.
 - Build on good practice established in both schools.
 - We would be able to offer the children a wider range of experiences and learning opportunities if we had a larger, secure Church of England School.
 - This would be a local solution instead of having to look outside to support the schools
 - Option 2 provides us with a wide range of fantastic opportunities. I could not support option 1 or 3.
- I am supportive of the closure of both school and the opening of a new Church of England school on the current Red House site. I have every faith in the management team of Hylton Red House and feel confident that they will lead the transition to a very positive outcome. I would comment though that (like everyone) I am disappointed that the council is unable to provide adequate financial support to the schools due to the cut-backs. I understand that the council wishes to continue to offer diversity across education providers on the North site of the city and so it is

important that a Church of England school remains an option for parents.

My main concerns are:

- Children who are currently underperforming at Bishop Harland impact on the recent good results achieved by Hylton Red House.
 - The cost to parents (of both schools) of purchasing new uniforms.
 - The volume of traffic around the school should the majority of Bishop Harland pupils transfer to the Hylton Red House site.
 - The closure of Bishop Harland will impact negatively on the area surrounding the site, unless a suitable new purpose is found very quickly. I feel house prices and local shop revenues will be negatively affected.
- Almost all children thought that it was a good idea to create a 'new school' from the two existing schools. Some children said that they would be anxious but agreed with others that if we worked together more for activities, then making new friends and classmates would be a good idea.
- All children agreed that it was unfair to close Bishop Harland and allow teachers to lose their jobs.
- No child was concerned that a 'new school' would mean new uniform and new name. Whilst discussing this, several children referred to Townhill-Bexhill Academy and said how it had made that school better so they could see no problem with making a new school.
- All children at Hylton Red House Primary said that they would like to see their school developed and said that the dinner hall was their biggest worry because it was already too busy at lunchtime (and some of us don't have enough time to eat our lunch (service currently lasts 1½ hours)).
- About 10% pupils at Bishop Harland said that they would want to have lots more opportunities to meet new classmates, but that they were anxious to see what the school would be like, however they wanted to make new friends.
- About 90% pupils at Bishop Harland pupils had no issue with moving to the Red House site but almost all of the pupils said they would initially feel sad to say goodbye to their school. They recognised that it would be a good challenge though and wanted new opportunities.
- I think there is no other option.
 - I just feel bigger class sizes need to be looked into.
 - Obviously option 1 enables staff at Hylton Red House to keep their posts – Option 2 would result in some staff possibly losing jobs – however I do think having Church of England school is feasible option.
 - Option 1 can be the only option as Bishop Harland couldn't accommodate the children from Hylton Red House and why the need to build a new school when Hylton Red House could accommodate

both schools. As for Option 3 – if student numbers are down then surely this needs to be addressed now.

- Option 3 – it would be better for children to stay where they are used to. I don't think parents were given enough information on what would happen if the school was made into an academy just that we wouldn't have any say in how the school was run. I don't think most parents have a say anyway especially if not at the school regularly.
- I believe that it is imperative that a Church of England school presence be maintained north of the river. Both schools are equally uneconomically viable, but one would work well and effectively in the current federation agreement, but we know this cannot last due to economic considerations. The schools share a progressive, dynamic and inspirational Christian Headteacher and the option above enables us to build on the strengths of both schools will support from Church of England.

Q5: Alternative Options:

- The possibility of adding a nursery to the new Church of England school proposed.
- A completely new school could be an option but not on the Hylton Red House Primary site as the Juniors side of the school is prone to flooding in bad weather. I'm not sure where the new school could be built.
- I suggest a brand new school built on a different site. I know this is going to cost a lot more money but it has been done in the surrounding areas of Sunderland and in Newcastle too. There is a site in the middle which does not hardly get used, behind Pickersgill House.
- Bringing the Nursery in as part of the plan making it all Church of England from the start.
- Possible inclusion of a Nursery.
- New build in the middle of two schools.
- I feel that a separate nursery school is important to the area as I understand that it offers a more flexible provision than a nursery that is attached to a maintained school, and that the current nursery school is having an extremely positive impact on the progress of pre-school children.
- Not at this time.

General Comments:

- Our main concern is what would become of the Bishop Harland site. Our daughter attends Hylton Red House school, although we live in close proximity to Bishop Harland school. Obviously if this site closes what would this bring to the community/area? In today's disruptive society, would the desolate site invite vandalism etc you see around other estates. It would be put to better use as park land/play areas for the children.
- If either option 1 or 2 are chosen, I would like reassurance that staffing issues are decided ASAP to us a fair chance of getting satisfactory employment for next September.
- My concern is that there will be no Church of England Nursery attached to the new Church of England school – is this something that could be possible in the not too distant future?
- We have every faith in the staff's ambitions and drive for the future of our children. Therefore we agree with option 2 as it does seem to be best for all children concerned, as well as maintaining relevant staff all of our children are used to, saving money also. I asked my daughter her opinion on the consultation and she thought it was a great idea. She said "a nice way to make more friends!" It is also bringing the best of both schools into one.
- I think the staff of both schools should keep all children informed of changes in case of some children getting upset about any changes in school, routines etc. Hopefully everything done in the future will not disrupt the pupils.
- Further parking facilities would be required if joining the two schools together as it is a nightmare at the moment travelling past Red House school being just one.
A school bus for traffic purposes since people would be travelling from Downhill could be an option, which would also help the above point.
- I don't drive and am concerned about getting my children to school safely because of traffic/roads etc. Also I am concerned about the walk to school in the rain/snow. The kids will be soaked by the time they get to school. Will this be considered with regards to uniform (waterproofs possibly)
- Even though I believe option 2 is the best choice, I also empathise with the views of the local residents of Bishop Harland estate. Leaving a school empty would be damaging to a community and encourage vandalism and anti-social behaviour. Decisions need to be made about the building quickly to put the residents minds at rest.
- The schools are both on a much firmer footing this year with Steve Williamson's lead and the good co-operation of the staff. To have a new Church of England aided school would consolidate his leadership,

the staff co-operation and the Church input has proved so valuable to people.

- The children must come first we (staff) wouldn't have a job if there were no children. Also needs to be fair to all employees to have a job in the new school if that option is chosen.
- I feel this option will benefit children's education. If both schools continue to work together the result will be an outstanding school and all staff will benefit.
- Hopefully if the new school goes ahead, I would like to see an attached Church of England Nursery in the very near future.
- It would be a shame to lose both schools – it would be wise to have them both at the same site.
- I am personally pleased that the proposals do not include a nursery class. I feel that if we had a nursery class, it would be detrimental to both the nursery class and the nursery school to be competing for roles and funding, therefore placing them in the same position as the two current primary schools. I feel it would be best for the children (if a new school went ahead without a nursery class) for all authorities involved, including the new school, to support the nursery school in any way possible to help the children through transition.
- Worried about travel options (weather conditions)
- Would there be any scholars buses provided to get the children to school safe and dry?
- I would like to see the Harland site converted into a youth project, however I think this needs to be set up quickly for the community as the building will certainly be vandalised. I'm sure the community would not want this to happen.
- As a member of staff and shop steward of GMB, I feel and am willing to put my job at risk for the children to have the best education and I can speak for my members they all feel the same. This is a great chance to build up on what both school have to offer and to work alongside the church and community.
- The winter months are bothering me, it takes me a good half hour to get my children to school now when icy conditions and I only live a 5 minute walk away, so will there be any transport/help to get the children to school.
- Myself and my children all attended Bishop Harland Primary school – it would be very sad to see the school close but after discussing all the

options, option 2 is the better – this means there will still be a Church of England school (which is important)

- I think putting both schools together with the help of the dioceses will put our new school on the map!
- Just hope the upheaval doesn't distract the kids and hope they're still with their friends.
- Option 3 cannot be considered due to falling numbers in both schools.
- I think Hylton Red House School is the best option as it is the core of the community – with parents taking their children to school and meeting older people as our estate has lost its post office which was always a hub of activity. The school if needed has lots of land which could be used to build on if necessary – it is now one of the only green belts for the area and is in an ideal location – pleasant to look at and I feel unnecessary to pull down and rebuild.
- I don't think the children from both schools will mix easily together there's already been suggestions that parents from Red House don't want to mix with parents from Bishop Harland, and also that they don't want children from Bishop Harland that live on Downhill to go to Red House as that was one of the reasons they didn't put their children in Bishop Harland as they didn't want them to mix with children from Downhill. Although the teacher, council and diocese want option 2 they don't live in the area so don't realise fully what concerns children and parents have about moving schools and the disruption it will cause.

CABINET MEETING – 10 October 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:
WASHINGTON LEISURE CENTRE REPLACEMENT

Author(s):
Report of the Executive Director of Health Housing and Adult Services

Purpose of Report:
The purpose of this report is to:

- i) Provide Cabinet an update on progress to replace Washington Leisure Centre
- ii) Seek Cabinet approval to commence the appropriate procurement processes to replace the Leisure Centre and relocate the wheeled sports park
- iii) Provide Cabinet with an overview of the timescales associated with procurement and construction.

Description of Decision: Cabinet is requested to approve:

- i) The development of a sport & leisure facility to be constructed on Council land adjacent to the existing Washington Leisure Centre
- ii) The commencement of a procurement process, as set out in Sections 5.1 to 5.3 of this report, to appoint a contractor to design and build the centre
- iii) Undertaking a separate procurement process to relocate the wheeled sports park to an alternative area on the same site

Is the decision consistent with the Budget/Policy Framework? **Yes**

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

1. Leisure Facilities, Sport, Physical Activity and Wellness play a key part in helping us live longer, healthier and more active lives. At a local level these services have a unique role in being able to make a positive impact on all of the City Council's Strategic Objectives of People, Place and Economy

More specifically the city's leisure facilities contribute to the following Key Outcomes:
 - Improving families, children and adults' health and wellbeing
 - Building and sustaining cohesive, stronger and sustainable communities
 - Reducing inequalities
2. Underpinning the Council's priorities and outcomes is a vision for Sport and Physical Activity where everyone in Sunderland will have affordable access to quality sport and physical activity opportunities to improve their health and well-being at first class, community facilities throughout the city.

3. Washington Leisure Centre is an ageing facility which is coming to the end of its economic life and will continue to be a capital drain on the asset management capital budget. The investment proposed by way of a replacement facility will secure the long term sporting & leisure provision for Washington and contribute towards the overall strategic provision for Sunderland.

Alternative options to be considered and recommended to be rejected:

Refurbishment of the existing facility has been considered, however given the current building has a maximum life expectancy of 10 years and full refurbishment costs are estimated at £7.3m this option is considered uneconomical.

Impacts analysed:

Equality ☐ Privacy ☐ Sustainability ☐ Crime and Disorder ☐

Is this a “Key Decision” as defined in the Constitution? Yes

Is it included in the 28 day Notice of Decisions? Yes

Scrutiny Committee:

**REPORT OF THE EXECUTIVE DIRECTOR OF HEALTH HOUSING & ADULT SERVICES
WASHINGTON LEISURE CENTRE REPLACEMENT**

1. Purpose of the Report

- 1.1 The purpose of this report is to:
- i) Provide Cabinet an update on progress to replace Washington Leisure Centre
 - ii) Seek Cabinet approval to commence the appropriate procurement processes to replace the Leisure Centre and relocate the Wheeled Sports Park
 - iii) Provide Cabinet with an overview of the timescales associated with procurement and construction

2. Description of Decision

- 2.1 Cabinet is requested to approve:
- i) The development of a sport & leisure facility to be constructed on Council land adjacent to the existing Washington Leisure Centre
 - ii) The commencement of a procurement process, as set out in Sections 5.1 to 5.3 of this report, to appoint a contractor to design and build the centre
 - iii) Undertaking a separate procurement process to relocate the wheeled sports park to an alternative area on the same site

3. Background

- 3.1 In October 2004 Cabinet adopted a range of policy principles to inform arrangements for future leisure facility investment and development. These principles were founded on the basis of the Council achieving optimum return on any investment in facilities and to promote equitable community access and use.
- 3.2 Since 2004 the Council and partners have invested more than £60m in developing new, modern sport and leisure facilities to benefit local residents and their overall health and wellbeing. These include:
- Sunderland Aquatic Centre – the regions only Olympic sized swimming pool
 - New pool at Silksworth
 - Replacement pool for the Coalfields area located in Hetton-le-Hole
- 3.3 This report proposes arrangements to replace sport and leisure facilities currently provided at Washington Leisure Centre.
- 3.4 Washington Leisure Centre provides the following services and activities to the local community:
- Swimming pool with slide
 - Wellness centre
 - Sports hall – delivering badminton, football, bowls & club related activities
 - Squash
 - Soft play
 - Outdoor wheeled sports park

The centre was built in 2 phases – the pool in 1973 with dry sports being added in 1986. An outdoor wheeled sports park was developed on the site, adjacent to the leisure centre in March 2010.

- 3.5 In recognition of the age and condition of the existing facility Cabinet have approved an allocation of £11.3m to provide a replacement sport and leisure facility in Washington.
- 3.6 The investment was predicated on the findings of a feasibility study which considered options associated with refurbishment and replacement, location, facility mix and the associated ongoing investment requirements.
- 3.7 The study found that a new build, on the existing site, developed adjacent to Washington Leisure Centre would be the most cost effective option of maintaining provision given the accessibility of the town centre site, good transport links and that the site is an established leisure destination.
- 3.8 Refurbishment of the existing centre has been considered. The age, construction form and condition of the major elements of the property allied with a maximum life expectancy of 10 years (irrespective of investment) means this option is not economically viable.

4. Current Position

- 4.1 It is proposed that a new facility is developed to replace the existing offer with the addition of outdoor 3rd Generation (artificial turf) pitches.
- 4.2 The £11.3m budget has been based on the current available industry acceptable data but will be dependant on the final facility mix and tender submission. The budget also includes £300,000 which has been ring-fenced to relocate the wheeled sports park to an alternative area, on the same site, in order to provide a suitable footprint for the proposed new leisure centre.
- 4.3 A broad consultation exercise relating to sport and leisure facilities has been undertaken via the Community Spirit panel and with existing users of the Centre, equality groups and local Schools. Feedback from the consultation exercise will be used to inform the design requirements within the overall budget position. Local residents will be consulted to influence the programming of the new facility once the final design is agreed.
- 4.4 Following the procurement process (detailed in section 5), construction will start on site in November 2013 with an estimated completion date of December 2014 for the new leisure centre. Demolition of the existing facility and establishment of the external pitches is programmed for completion by June 2015. It is intended that the wheeled sports park will be relocated by summer 2013.

5. Procurement Process

Sport & Leisure Centre

5.1 Due to the technical nature of this development and after careful consideration of the current available procurement routes, it is proposed to follow a Design and Build option. Under this procurement option bidders are requested to submit their tenders based on an agreed specification and set of contract documents which not only encourages design competition and cost certainty but also benefits the Council by transferring the majority of the risk to the successful bidder.

5.2 If cabinet approve this report an OJEU notice will be issued at the earliest opportunity. The procurement timescales are as follows:

OJEU Notice	17th October 2012
Pre-qualification questionnaire (PQQ)	17th October – 27th November 2012
Evaluation of PQQ	28th November -11th December 2012
Select List	11th December 2012
Invitation to tender (ITT)	12th December 2012 – 26th March 2013
ITT Evaluation	27th March 2013 – 30th April 2013
Announce preferred Bidder	30th April 2013
Standstill period	1st May- 10th May 2013
Appoint Bidder	10th May 2013

5.3 The initial procurement process will establish a short list of bidders to proceed to Tender stage.

Upon the receipt of tenders an evaluation period (27th March 2013 – 30th April 2013) will determine a successful bidder using predetermined evaluation criteria.

The successful bidder will then be given sufficient time to complete their design for the planning approval process and finally construction.

Wheeled Sports Park

5.4 In relation to the relocation of the wheeled sports park, a separate procurement will be undertaken to allow these works to be completed before the main contract commences. This will ensure that the facility is available throughout the main building programme and reduces the potential for any interruption to existing users.

5.5 The procurement for the relocation will be a restricted process commencing with a PQQ and select list and then an invitation to tender, however, the process, unlike the leisure facility contract, is under OJEU value. The timeline for this procurement will be October 2012 to January 2013.

6. Reasons for the Decision

6.1 Leisure Facilities, Sport, Physical Activity and Wellness play a key part in helping us live longer, healthier and more active lives. At a local level these services have a unique role in being able to make a positive impact on all of the City Council's Strategic Objectives of People, Place and Economy.

More specifically the city's leisure facilities contribute to the following Key Outcomes:

- Improving families, children and adults' health and wellbeing
- Building and sustaining cohesive, stronger and sustainable communities
- Reducing inequalities

6.2 Underpinning the Council's priorities and outcomes is a vision for Sport and Physical Activity where 'everyone in Sunderland will have affordable access to quality sport and physical activity opportunities to improve their health and well-being at first class, community facilities throughout the city.

6.3 Washington Leisure Centre is an ageing facility which is coming to the end of its economic life and will continue be a capital drain on the asset management capital budget. The investment proposed by way of a replacement facility will secure the long term sporting & leisure provision for Washington and contribute towards the overall strategic provision for Sunderland.

7. Alternative Options

7.1 Refurbishment of the existing facility has been considered, however given the current building has a maximum life expectancy of 10 years and full refurbishment costs are estimated at £7.3m this option is considered uneconomical.

8. Impact Analysis

8.1 Equalities

- i) The project team have commenced communication and consultation with the Inclusive Communities Forum. The role of the group is to inform the Sunderland Partnership of issues regarding equality, inclusion and cohesion across the city so that the needs of individuals and communities are incorporated into strategy, policy and service delivery for Sunderland.
- ii) The equality assessment template has been drafted and will be developed as the project progresses. The Strategy, Policy and Performance Management team are engaged in this process to offer assurance throughout the project.
- iii) Consultation feedback will be included within the final design arrangements to ensure the facility meets modern standards to ensure access and participation is encouraged from all sectors of the community.

8.2 Sustainability

- i) To minimise the operational costs and Carbon footprint of the development it is proposed to apply the BREEAM (Building Research Establishment Environmental Assessment Method) methodology as part of the evaluation criteria. The tender documents and detailed specification will set a target of "Very Good" status as a minimum standard with the contractors given incentive, in the form of a higher scoring to achieve a higher rating of "Excellent".
- ii) The appointment of a BREEAM assessor will register the project with BRE to ensure that early consultation work which attracts BREEAM points can be included in the final project assessment.

9. Other Relevant Considerations / Consultations

9.1 Financial Implications

- i) The overall capital cost of the facility has been estimated at £11.3m, based on current available local and national cost data but will be dependant on the final tender submission and site abnormal costs.
- ii) The current net delegated revenue budget attached to Washington Leisure Centre is £493,569 (£890,170 including non delegated). The budget allocation takes account of income generated from the existing facilities, current pricing policy and participation levels. It is intended that the subsidy requirement will be reduced as a result of the addition of the external football facilities to the overall offer. It is not possible to accurately predict the level of the reduction, until the final design of the building and facility mix have been agreed.

9.2 Risk Analysis

- i) A risk register has been produced for the project in conjunction with Council's Programme & Project Office and the Risk and Assurance Team. The Project Board, review and add to the content of the risk register on a monthly basis.
- ii) Given the complex nature of the site it will be important to keep the contingency within the budget under close review. This is recognised in the risk register.
- iii) The risk analysis has formed the basis for developing an Assurance Plan for the project. The Assurance Plan is proportionate with the complexity of risks associated with the project and details the assurance to be provided to manage the risks to an acceptable level

9.3 Legal Implications

- i) The site of the development is subject to a covenant relating to the Washington Housing Corporation and the disposal of land for an alternative use. Early investigations with Legal Services have established that the proposed development is within the terms of this legal agreement given it provides for a continuation of leisure use.

9.4 Health and Safety Considerations

- i) A Construction Design Management (CDM) Coordinator will be appointed at the earliest opportunities to ensure the project is compliant with CDM legislation and to ensure the successful bidder takes responsibility for all health and safety considerations during design, construction and demolition.

9.5 The Public

- i) Consultation arrangements are as set out in 4.3 of this report
- ii) Regular communication with local members and residents will be undertaken to ensure they are updated on progress.

9.6 Project Management Methodology

- i) The Council standard project management methodology will be followed.

10. Background Papers

10.1 The following background papers have informed the production of this report:

- i) Cabinet Report 13 October 2004 – Leisure Facilities Development