

**At a meeting of the CABINET held in the CIVIC CENTRE (COMMITTEE ROOM NO. 1) on WEDNESDAY, 10<sup>TH</sup> FEBRUARY, 2010 at 2.00 p.m.**

**Present:-**

Councillor Anderson in the Chair

Councillors Allan, Blackburn, Charlton, Gofton, P. Smith, Trueman, D. Wilson and N. Wright.

**Part I**

**Minutes**

The minutes of the meeting of the Cabinet held on 3<sup>rd</sup> February, 2010, Part I (copy circulated) were submitted.

(For copy report – see original minutes).

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

**Receipt of Declarations of Interest**

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

Item 4(i) – Capital Programme 2010/2011 including Prudential Indicators and Treasury Management Strategy	Councillors Allan, Charlton and Gofton	Governors of Secondary Schools in the BSF Programme
	Councillors Anderson and Blackburn	Grandchildren attend Hetton Comprehensive School – in BSF Programme
	Councillors Gofton and D. Wilson	Directors on Sunderland Empire Theatre Trust
	Councillor Blackburn	Tyne and Wear Integrated Transport Authority/Nexus

	Councillor Gofton	Tyne and Wear Archives and Museums Joint Committee
	Councillors Anderson, Allan, Blackburn, Gofton, P. Smith, Trueman and N. Wright	Governors of Primary Schools – Primary Strategy for Change Programme
	Councillors Gofton and P. Smith	Early Years and Childcare Strategic Partnership
	Councillor Charlton	Sunniside Partnership
	Councillor Anderson	South Tyne and Wear Waste Management Joint Executive Committee (substitute)
	Councillors Blackburn and Trueman	South Tyne and Wear Waste Management Joint Executive Committee
Item 4(ii) – Revenue Budget and Proposed Council Tax 2010/2011	Councillor Anderson	Sunderland Partnership, Sunderland Arc (substitute)
	Councillors Anderson and Blackburn	Members of Hetton Town Council
	Councillor Anderson	South Tyne and Wear Waste Management Joint Executive Committee (substitute)
	Councillors Blackburn and Trueman	South Tyne and Wear Waste Management Joint Executive Committee
	Councillors Anderson, Blackburn, Charlton, P. Smith and N. Wright	Members of GMB (in relation to Single Status and Equal Pay)
	Councillor Allan	Member of GMB and Unison (in relation to Single Status and Equal Pay)

	Councillors Allan, Anderson, Charlton, Gofton, P. Smith and Trueman	Local Government Pension Scheme
	Councillor Blackburn	Tyne and Wear Integrated Transport Authority
	Councillor Gofton	Tyne and Wear Archives and Museums Joint Committee
	Councillors Gofton and D. Wilson	Directors on Sunderland Empire Theatre Trust
Item 4(iii) – Revenue Budget and Proposed Council Tax 2009/2010 – Addendum Report	Councillors Anderson and Blackburn	Members of Hetton Town Trust
	Councillor Blackburn	Tyne and Wear Integrated Transport Authority

### **Apologies for Absence**

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

Councillor Allan in presenting the Budget reports for 2010/2011 highlighted that the budget preparations had been extremely onerous this year. He thanked all colleagues, Portfolio Holders, the Chief Executive and his Office and all the Directors for their positive proposals. He particularly thanked the Director of Financial Resources and his team for all their support.

### **Capital Programme 2010/2011 including Prudential Indicators and Treasury Management Strategy and Policy**

The Chief Executive and the Director of Financial Resources submitted a joint report (copy circulated) to provide an update on the level of capital resources and commitments for the forthcoming financial year and to seek a recommendation to Council to the overall Capital Programme 2010/2011, the Prudential Indicators, and the Treasury Management Strategy and Policy for 2010/2011.

(For copy report – see original minutes).

Councillor Allan highlighted that in addition to setting out the proposed Capital Programme for 2010/2011 for recommendation to Council, the report set out the proposed Treasury Management Strategy and detailed the Prudential Indicators and Annual Minimum Revenue Provision Statement which fulfilled the technical requirements associated with the preparation of the Capital Programme for next year. He added that these technical statements and indicators needed to be recommended to Council also.

Councillor Allan explained that through Portfolio Holders involvement in the preparation of the Capital Programme for next year, there were some excellent schemes and proposals identified within the Capital Programme for next year. He drew attention to the following in particular:-

- In line with Government Policy, the proposed Capital Programme was aimed at maintaining spending so far as possible in order that the Council could continue to make its contribution to supporting the local economy. He added that it was interesting to note the Conservative u-turn in relation to the need for swingeing spending cuts during 2010/2011 and that it was helpful to receive the ringing endorsement of the Conservatives of the current Government policy.
- With regard to the Capital Programme itself, he drew attention to the significant resources which were to be used to address key community priorities and enable a range of high profile and valuable schemes to proceed next year. Full details of these schemes were set out at Appendix B to the report.

In conclusion, Councillor Allan drew attention to the projected average borrowing rate for 2009/2010 of 3.37%. He explained that this was testament to the excellent work undertaken by our Treasury Management Team. He also highlighted the projected return on investments of 1.93% which when compared against a Bank Base Rate of 0.5% represented excellent performance against the established benchmark whilst preserving the security of investments.

Cabinet Members commended the work of the Resources Portfolio Holder, the Director of Financial Resources and his team in bringing forward excellent proposals, protecting Council's services whilst making some difficult choices, particularly during the current economic climate.

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

2. RESOLVED that it be recommended to Council to approve:-

- (i) the proposed Capital Programme for 2010/2011;
- (ii) the prudential indicators and revisions to the operational limit for 2009/2010;
- (iii) the Annual Minimum Revenue Provision Statement for 2010/2011 and adjustments to 2009/2010;

- (iv) the Annual Treasury Management Strategy including specifically the Annual Borrowing and Investment Strategies;
- (v) the adoption of the revised CIPFA Treasury Management Code of Practice 2009; and
- (vi) the Treasury Management Policy Statement.

### **Revenue Budget and Proposed Council Tax for 2010/2011**

The Chief Executive and the Director of Financial Resources submitted a joint report together with an addendum thereto (circulated) to report:-

- (a) the overall revenue budget position for 2010/2011;
- (b) the projected balances position as at 31<sup>st</sup> March, 2010 and 31<sup>st</sup> March, 2011 and advice on their level;
- (c) a risk analysis of the Revenue Budget 2010/2011;
- (d) a summary of the emerging medium term financial position facing the Council from 2011/2012 to 2013/2014;
- (e) the views received from the North East Chamber of Commerce and Trade Unions;
- (f) the final General Summary for the Revenue Estimates and the proposed Contingencies and Provisions for Strategic Priorities for 2010/2011 set out at Annex 1; and
- (g) to enable recommendations to be made to Council with respect to Council Tax levels for 2010/2011, subject to the approval of the Revenue Budget 2010/2011. The Council Tax was calculated using the tax bases for the areas of the City Council and Hetton Town Council as confirmed by Council on 27<sup>th</sup> January, 2010. There were a number of resolutions required to be made to determine the Council Tax including precepts from the major Precepting Authorities and the Parish of Hetton Town Council.

(For copy report – see original minutes).

Councillor Allan highlighted a further excellent package of proposals which sought to balance a number of important issues:-

- the need to invest in high priority front-line services which communities continued to tell us were important to them.

- the need to recognise the difficult economic period from which the country was just now emerging and the need to avoid, so far as possible, placing additional burdens on the Council Tax payers of Sunderland.
- the move towards the Sunderland Way of Working and the need to maximise efficiency savings to improve the value for money offered by the Council.

Councillor Allan reported that he believed that these proposals represented the appropriate balance of these principal issues, and as such, he invited Cabinet to recommend them to the Council at its meeting on the 3<sup>rd</sup> March, 2010.

Councillor Allan invited Portfolio Holders to comment in relation to their own particular areas of responsibility and drew attention to some significant investments proposed to address key areas; for example investing in Adult Social Care to improve the lives of vulnerable and elderly people, investment in Children's Services to ensure all children were supported through Safeguarding and Fostering and Adoption Services, investment in Highway Maintenance, Waste Disposal and Leisure.

The attention of Cabinet Members was drawn to Appendix C tabled separately at the meeting which proposed a Council Tax increase of 1.2% which would ensure that the Council continued to set the lowest Council Tax in the whole of the North East. Councillor Allan advised that the Council was still awaiting confirmation of the precept increases from Northumbria Police and Tyne and Wear Fire and Rescue Authority and these might require an amendment to the final proposal to Council in due course. Taking account of their provisional proposal it was not anticipated that the overall Council Tax increase would exceed 1.3%.

Councillor Allan cautioned that the future outlook for public spending was one of a severe financial restraint and accordingly, but in accordance with the Council's usual best practice, a medium-term approach to financial planning had been adopted in order to ensure that next year's budget was as sustainable as possible. Councillor Allan then moved the recommendations as set out at paragraph 2 of the report, subject to any comments from Portfolio Holders.

Cabinet Members congratulated the Resources Portfolio Holder and the Director of Financial Resources in bringing forward proposals for such a low Council Tax increase whilst still investing in services especially in the current economic climate.

Councillor Allan highlighted that a 1.3% increase in Council Tax equated to a 22 pence increase per week for Band A properties and 66 pence for Band H properties making it an affordable Council Tax for everyone. He invited anyone with any further proposals for consideration, to see either himself, the Leader of the Council, the Chief Executive or the Director of Financial Resources, to see if they could be incorporated within this budget. He emphasised that this budget was the result of much hard work to enable Council services to be maintained and improved.

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

3. RESOLVED that it be recommended to Council:-

- (i) to approve the proposed Revenue Budget for 2010/2011 set out at Appendix G;
- (ii) that it be noted that at its meeting on 27<sup>th</sup> January, 2010 the Council approved the following amounts for the year 2010/2011 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:
  - (a) £80,260 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as it's Council Tax Base for the year
  - (b) £ 4,043 being the amount calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amount of it's Council Tax Base for the year for dwellings in the area of the Parish of Hetton Town Council.
- (iii) that the following amounts be now calculated by the Council for the year 2010/2011 in accordance with Sections 32 to 36 of the Local Government and Finance Act 1992:
  - (a) £784,067,244 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act
  - (b) £531,317,271 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act
  - (c) £252,749,973 being the amount by which the aggregate at (iii) (a) above, exceeds the aggregate at (iii) (b) above calculated by the Council, in accordance with Section 32 (4) of the Act, as its budget requirement for the year
  - (d) £157,511,823 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed Non-Domestic Rates, Revenue Support Grant, and the amount of the sum which the Council has estimated will be transferred from its Collection Fund to its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax Surplus)

- (e) £1,186.6204 being the amount at (iii) (c) above less the amount at (iii) (d) above, all divided by the amount at (ii) (a) above, calculated by the Council, in accordance with Section 33 (1) of the Act, as the basic amount of its Council Tax for the year
- (f) £53,000 being the precept notified by Hetton Town Council as a special item under Section 34 (1) of the Act
- (g) £1,185.9600 being the amount at (iii) (e) above less the result given by dividing the amount at (iii)(f) above by the amount at (ii)(a) above, calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates
- (h) £1,199.0691 being the amount given by adding to the amount at (iii)(g) above the amount (iii)(f) divided by the amount at (ii)(b) above, calculated by the Council in accordance with Section 34 (3) of the Act as the basic amounts of its Council Tax for the year for dwellings in the area of the Parish of Hetton Town Council

### Parts of the Council's Area

(i)	Valuation Bands	Hetton Town Council	All other parts of the Council's Area
	A	£ 799.38	£ 790.64
	B	£ 932.61	£ 922.41
	C	£1,065.84	£1,054.19
	D	£1,199.07	£1,185.96
	E	£1,465.53	£1,449.51
	F	£1,731.99	£1,713.05
	G	£1,998.45	£1,976.60
	H	£2,398.14	£2,371.92

being the amounts given by multiplying the amounts at (iii) (g) and (iii) (h) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in



respect of categories of dwellings listed in different valuation bands.

- (iv) that it be noted that for the year 2010/2011, Tyne and Wear Fire and Rescue Authority and Northumbria Police Authority have supplied their best estimate of their proposed precepts, which have still to be approved by their respective Authorities. Consequently, the following amounts for both the Tyne and Wear Fire and Rescue Authority and the Northumbria Police Authority represent the provisional precepts for 2010/2011, which may be issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings as follows:

#### **Precepting Authority**

<b>Valuation Bands</b>	<b>Northumbria Police Authority</b>	<b>Tyne &amp; Wear Fire and Rescue Authority</b>
A	£ 55.79	£ 48.77
B	£ 65.09	£ 56.90
C	£ 74.38	£ 65.03
D	£ 83.68	£ 73.16
E	£102.28	£ 89.42
F	£120.87	£105.68
G	£139.47	£121.93
H	£167.36	£146.32

- (v) that having calculated the aggregate in each case of the amounts at (iii) (i) and (iv) above but not having received confirmation of the precept in paragraph (iv), the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, estimate the following amounts as the amounts of Council Tax for the year 2010/2011 for each of the categories of dwellings shown below at this point in time. The exact levels will only become known once formal notification of the precepts from the Tyne and Wear Fire and Rescue Authority and Northumbria Police Authority are received.

#### **Parts of the Council's Area**

<b>Valuation Bands</b>	<b>Hetton Town Council</b>	<b>All other parts of the Council's Area</b>
A	£ 903.94	£ 895.20
B	£1,054.60	£1,044.40
C	£1,205.25	£1,193.60
D	£1,355.91	£1,342.80
E	£1,657.23	£1,641.21
F	£1,958.54	£1,939.60
G	£2,259.85	£2,238.00
H	£2,711.82	£2,685.60

- (vi) the views expressed by the North East Chamber of Commerce and Trade Unions be noted.

### **Draft Council Tax Leaflet 2010/2011**

The Chief Executive and the Director of Financial Resources submitted a joint report (copy circulated) on the draft Council Tax Leaflet for 2010/2011.

(For copy report – see original minutes).

The Chairman reported that the Local Government and Finance Act 1992 required Local Authorities to produce a Summary of Financial Information to accompany the annual Council Tax Bill. She explained that the Council Tax Leaflet fulfilled this requirement and provided information on the progress the Council was making in relation to its priorities and the Council's finances, reflecting the priorities of the Sunderland Strategy 2008-2025 and focusing on service improvements and developments that were planned for 2010/2011.

Cabinet Members were advised that the financial information and related performance information could not be included at this time. It would be included following Council approval at its Budget meeting in March. A full copy of the leaflet could not therefore be made available prior to Cabinet. The Chairman advised that the format was based on the 2009/2010 leaflet, a copy of the latest working draft accompanied the report and final sign off of the leaflet would be by the Leader in consultation with the Chief Executive and the Director of Financial Resources.

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

4. RESOLVED that the draft Council Tax Leaflet be noted, and, subject to the inclusion of financial and other information, once the Revenue Budget has been set, it be recommended to Council to approve it.

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

At the instance of the Chairman, it was:-

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

(Signed) F. ANDERSON,  
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.