

At a Meeting of the **CABINET** held in **CITY HALL (COMMITTEE ROOM 1)** on **THURSDAY 8 DECEMBER 2022** at **10.00a.m.**

**Present:-**

Councillor G. Miller in the Chair

Councillors Chequer, Farthing, K. Johnston, Rowntree, Stewart and Williams

**Also present:-**

Councillors F. Miller, J. Price and P. Walker – Deputy Cabinet Members

**Part I**

**Minutes**

The minutes of the meeting of the Cabinet held on 10 November 2022, Part I (copy circulated) were submitted.

(For copy report – see original minutes).

1. RESOLVED that the minutes of the Cabinet meeting held on 10 November 2022, Part I, be confirmed and signed as a correct record.

**Declarations of Interest**

There were no declarations of interest.

**Apologies for Absence**

An apology for absence was submitted to the meeting on behalf of Councillor I. Scott.

**Capital Programme Planning 2023/2024 to 2026/2027**

The Assistant Director of Finance submitted a report (copy circulated) to:-

- provide an update on the level of capital resources and commitments for the forthcoming financial year within the current approved capital programme; and
- set out additional capital new start project proposals for inclusion in the Capital Programme 2023/2024 to 2026/2027 to be reported to Cabinet in February 2023.

(For copy report – see original minutes).

Councillor Stewart drew attention to the additional capital proposals for 2023/2024 to 2026/2027 that were worth over £41 million. He reported that this built upon the significant capital investment already planned of £710.484 million from 2022/2023 through to 2026/2027.

Cabinet Members were advised that in identifying projects for investment, the capital priorities are aligned to the City Plan providing for a dynamic, healthy and vibrant smart city.

Councillor Stewart reported that several schemes were included which supported the delivery of front-line services to residents across the city, including a series of investments to deliver replacements of vehicles, plant and equipment, and maintenance and improvement of the Council's property assets portfolio. He explained that there would also be further improvements to highways, bridges, port and quay infrastructures, and investment into operational ICT assets.

The attention of Cabinet Members was drawn to section 6 of the report which highlighted that the Council anticipated that resources specifically allocated in respect of Transport, Disabled Facilities Grant and Education would be allocated to those service areas.

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

2. RESOLVED that the additional new start capital project proposals, set out in the report, be approved for inclusion in the full capital programme 2023/2024 to 2026/2027 to be reported to Cabinet in February 2023.

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

The Assistant Director of Finance submitted a report (copy circulated) to:-

- provide an update, since the Budget Planning Framework and Medium Term Financial Plan (MTFP) report to Cabinet in October 2022, on the key factors influencing the development of the Council's financial plans into the medium term;
- set out the updated headlines and context for the MTFP 2023/2024 to 2026/2027;
- set out provisional budget savings proposals for 2023/2024 to assist in meeting the current budget gap, as a basis for budget consultation, prior to the receipt of the Local Government Finance Settlement for 2023/2024; and
- set out the consultation / communication strategy for the budget 2023/2024.

(For copy report – see original minutes).

Councillor Stewart in highlighting the report explained that the reason for the last-minute amendments to the report had been down to Government incompetence delaying the Autumn statement which had made it very difficult to plan the budget for the following year. He drew attention of Cabinet Members to the updates outlined in section 3 of the report which incorporated announcements made in the Chancellor's Autumn Statement as well as national economic updates which demonstrated the fragile economic position the country was currently in.

Councillor Stewart reported that although additional funding announced in the Autumn Statement for Social Care was welcomed, it should be noted that there remained uncertainty in how much each council would be allocated for next year as well as confirmation of other grants and funding. He explained that details of the funding allocations would not be confirmed until towards the end of December when the Provisional Local Government Finance Settlement was released by the Government.

Cabinet Members were advised that at present spending and income assumptions remained unchanged from those reported to Cabinet in October. This took into account additional funding having been allocated for social care to meet demand and cost increases, as well as general inflationary pressures and energy cost increases across the council.

Councillor Stewart expressed deep concern that the Government was passporting these additional costs on to local taxpayers who were already struggling with the cost of living crisis.

Councillor Stewart outlined that at paragraph 3.5.1 of the report the budget planning assumptions estimated a budget shortfall of around £61 million over the medium term to 2026/2027 with £21 million in the next financial year. He reported that this £21 million shortfall for 2023/2024 was after taking account of the previously agreed £9 million use of the Medium Term Financial Plan Smoothing Reserve in that year. He reminded Cabinet Members that the Council still had work to do to identify £10 million in savings and he was confident that could be achieved.

Cabinet Members were advised that to begin to address this significant budget gap, proposals had been developed as set out in section 3.8 of the report, with more detailed information provided in Appendix 1. At this stage cost savings or increased income generation of £8.013 million had been identified for next financial year.

Councillor Stewart explained that support service functions continued to deliver a share of the savings proposals, alongside increasing income. He assured that work on identifying additional savings and efficiencies was continuing to help balance the budget and meet next year's funding gap of £21.4 million. The local government finance settlement later this month would inform this position in respect of any additional grant funding to be provided.

Turning to council tax, Councillor Stewart reported that the Government's Autumn Statement confirmed an increase in the council tax referendum limit. He advised that the referendum limit from April 2023 would increase from 3% up to 5%, which was comprised of 3% for core council tax and 2% for the social care precept. He explained that the Government's assumption was that councils would increase council tax by the full 5% in order to provide the necessary funding, which they had not provided, that was required to deliver services.

Cabinet Members were advised that council tax and social care precept increases to support the budget position would be considered as part of the final budget setting proposals in February 2023 once confirmation of government funding had been received and any further spending pressures identified. At this stage, the budget planning continued to assume a total council tax rise of 2.99%, comprising of a 1.99% increase in core council tax and 1% increase in the Adult Social Care Precept.

Councillor Stewart thanked Cabinet Members for their ongoing work with senior officers in developing the MTFP and the 2023/2024 savings proposals. He advised that this work was very much ongoing and, in light of the medium term position, additional savings proposals to be implemented for 2024/2025 and beyond would start to be developed during 2023/2024 and considered as part of a future budget planning process.

Cabinet Members were advised of the proposed approach to consultation and communications as set out at section 5 of the report. Feedback arising through that process, together with the outcome of the Local Government Finance Settlement planned for later this month would feed into the revenue budget decisions in the New Year.

Councillor Chequer commented that the notable chaos in Government, with constantly changing plans with each different Prime Minister and Chancellor recently, their actions affecting the economy and now the delay in announcing the Autumn Statement, was having a major impact on local authorities being able to plan their budgets. She added that uncertainty still remained until the receipt of the Local Government Finance Settlement but she congratulated the Cabinet Secretary and the Finance Team for compiling the budget proposals so far with the limited information provided by Government.

Councillor Farthing, in commenting on the budget difficulties, reported that it was ironic that the Chief Auditor to the Government had commented on the discrepancies on the Government's Covid-19 PPE contracts especially when the then Chancellor was now the Prime Minister. She added that the last 12 years of diminishing public sector investment and no pay increases demonstrated that the Government did not value public services or their staff. She expressed concern that the Government was expecting Councils to pass the additional costs on to local taxpayers and it would only result in more residents defaulting on their council tax particularly when residents were already suffering with the cost of living crisis. She explained that the only way the Council could achieve savings was by making cuts to services.

Councillor Williams agreed with the concern of imposing additional costs and reduced services on families and drew attention to increased use of food banks by residents. She was concerned that the increased prices would also impact on the food banks' ability to restock. She referred to the low wages for carers of vulnerable adults and young people and the need to have a decent minimum wage level. She concluded that residents needed to be aware that this was not at the hands of the Council but the Government and was happening across the country.

Councillor Rowntree commented that it was contemptible that the Government expected councils to place additional burdens on council taxpayers when they were already under pressure by having to choose to heat or eat. She added that local authority funding was already being disproportionately impacted by council tax and precept levels.

The Chair reported that the issues being faced in the country today were the result of previous and current Conservative government's neo liberalistic approaches selling off the public assets to the private sector and lack of investment in the NHS and other public services. He added that in the last 12 years the Government had proved to be incompetent and added into that mix Brexit, a pandemic, the war in Ukraine and the cost of living crisis was having devastating impact. He advised that it was down to the Council to protect the most vulnerable and on behalf of Cabinet Members, commended the team of officers for being able to compile a budget to protect services as far as possible for the City's residents.

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

3. RESOLVED that:-

- (i) it be noted that the summary MTFP set out at section 3 of the report and the full MTFP 2023/2024 to 2026/2027 will be presented to Cabinet in February 2023; and
- (ii) the provisional additional budget savings proposals be approved, as a basis for budget consultation, prior to the receipt of the Local Government Finance Settlement for 2023/2024.

**2022/23 Better Care Fund Section 75 Agreement and Future Collaborative Working Arrangements with the NHS**

The Executive Director of Health, Housing and Communities submitted a report (copy circulated) to seek:-

- (i) approval for the Council to enter into a Section 75 agreement with the Integrated Care Board (ICB), to enable improved health and care integration and to meet national conditions of the 2022/23 'Better Care Fund' (BCF) programme; and
- (ii) authority to explore appropriate place-based joint governance arrangements with the ICB, with a view to bringing a report back to Cabinet ahead of the anticipated timescales for implementation by April 2023.

(For copy report – see original minutes).

Councillor Chequer highlighted that the report sought approval for the Council to enter into a Section 75 partnership agreement with the Integrated Care Board (ICB) in order to support the joint planning and delivery of integrated health and care. She explained that establishment of a Section 75 formed part of the national conditions of the Better Care Fund Programme, enabling both the Local Authority and ICB to delegate and jointly exercise their respective functions in relation to health and care provision.

Councillor Chequer commented that failure to agree a Section 75 arrangement would have implications on the funding available to support joint schemes of health and care provision in Sunderland and would impact on Sunderland's ability to meet shared service objectives in relation to preventing avoidable admissions and managing discharges of care effectively.

Cabinet Members were advised that the 2022/23 BCF Section 75 differed from previous years, in the following ways:

- Sunderland City Council would be seeking a partnership arrangement with the ICB, rather than Sunderland Clinical Commissioning Group (CCGs). This reflected the dissolution of the CCG and the formal establishment of the ICB in July 2022.
- Both the ICB and Sunderland City Council were also seeking approval to explore the potential of the Section 75 arrangement to support wider schemes of health and care integration, alongside the establishment of a formal committee (Single or Joint) of the ICB. A recommendation on the preferred committee arrangement, together with the proposed application of the Section 75 to support wider partnership working, was recommended to be brought back to a future Cabinet meeting.

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

4. RESOLVED that approval be given to:-

- (i) the entering of an agreement by the Council in accordance with Section 75 of the National Health Act 2006 (a Section 75 agreement), as outlined in the report, on terms agreed by the Executive Director of Health, Housing and Communities, in consultation with the Healthy City Portfolio Holder, the Assistant Director of Finance, the Assistant Director of Law and Governance and the Assistant Director of Integrated Commissioning which:
  - (a) makes provision for the exercise of functions, duties, budgets and governance arrangements that effectively meets the conditions of the 2022/23 BCF; and
  - (b) ensures that the BCF Section 75 agreement is fit-for-purpose in encompassing wider integrated health and care provisions, in order to support the effective implementation of place-based collaborative working arrangements by 2023, in-line with the government's integration White Paper 'Joining Up Care for People, Places and Populations';
- (ii) the Executive Director of Health, Housing and Communities, in consultation with the Healthy City Portfolio Holder, to take such steps as are considered necessary to secure the completion of the Section 75 agreement; and

- (iii) the Executive Director of Health, Housing and Communities, in consultation with the Healthy City Portfolio Holder, the Assistant Director of Finance, the Assistant Director of Law and Governance and the Assistant Director of Integrated Commissioning to explore appropriate place-based collaborative working arrangements with the ICB, with a view to bringing a report back to Cabinet ahead of the anticipated timescales for implementation by April 2023.

### **The Prevention Concordat for Better Mental Health**

The Executive Director of Health, Housing and Communities submitted a report (copy circulated) to seek approval to the Council becoming a signatory to the Office of Health Improvement and Disparities (OHID) Prevention Concordat for Better Mental Health.

(For copy report – see original minutes).

Councillor Chequer reported that the impact of coronavirus (COVID-19) and the social and economic consequences of the pandemic had meant that tackling mental health at a population level had never been more important. She advised that there was increasing evidence to show that one of the impacts of responding to Covid-19 had been an impact on mental health at a population level and existing mental health inequalities had been exacerbated.

Cabinet Members were advised that recent research conducted by Swansea University had found that the cost-of-living crisis was having significant impacts on people's mental health and emotional wellbeing and that the crisis was leading to heightened anxiety and stress, with many, particularly those on low incomes, worried about the uncertainty of the future.

Councillor Chequer stressed that as a result there was more emphasis than ever on mental health provision, with prevention taking centre stage in many strategies. She explained that the Prevention Concordat for Better Mental Health was a mechanism to facilitate local (and national) action around preventing mental health problems and promoting good mental health.

Cabinet Members were advised that by signing up to the Concordat Consensus Statement and committing to a plan, the Council and its Partners would address the prevention and promotion of better mental health by implementing cost-effective, evidence-based public health approaches in reducing health inequalities and preventing future harm. To be recognised as a Prevention Concordat signatory, the Council must agree to the consensus statement at Appendix 1 to the report and produce an action plan of how it was addressing the topic of preventative mental health over the next 12 months.

Cabinet Members welcomed the report and the proposal to sign up to the Concordat Consensus Statement and committing to a plan. They advised that this demonstrated the Council's commitment to provide mental health support to residents.

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

5. RESOLVED that approval be given to:-

- (i) agree to the Council becoming a signatory to the Prevention Concordat for Better Mental Health;
- (ii) delegate authority to the Executive Director Health, Housing and Communities in consultation with the Healthy City Portfolio Holder to:
  - (a) complete the submission of the application to OHID; and
  - (b) produce the associated action plan setting out how the Council will address the topic of preventative mental health over the next 12 months.

### **Financial Assistance Policy**

The Executive Director of Health, Housing and Communities submitted a report (copy circulated) to seek approval of the updated Financial Assistance Policy (FAP).

(For copy report – see original minutes).

Councillor Johnston highlighted that the Financial Assistance Policy provided a system of grants and loans which supported bringing empty homes back into use within the Private Sector and the delivery of the Council's Disabled Facilities Grant programme which helped to meet the needs of older and disabled people by adapting their homes to maintain independence.

Cabinet Members were advised that limited take up of the financial assistance scheme which brings empty properties back into use and also the financial spend thresholds in the current economic environment making the Disabled Facilities Grant not meeting the needs of residents, had created the need to review and update the Financial Assistance Policy. The proposed changes to the Financial Assistance Policy were outlined in the report and Cabinet Members were requested to agree to the recommendations proposed.

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

6. RESOLVED that the changes to the Financial Assistance Policy, which includes changes for Empty Homes loans and grants and Disabled Facilities Grant top up, be approved and adopted.



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

At the instance of the Chairman, it was: -

7. 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 exempt 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). The public interest in maintaining this exemption outweighs the public interest in disclosing the information.

(Signed) G. MILLER,  
Chair.

### **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.

