


THE CABINET

AGENDA

Meeting to be held in the Civic Centre (Committee Room No. 1) on Tuesday 18 September 2012 at 1.00 p.m.

Part I

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1.	Minutes of the Meeting of the Cabinet held on 5 September 2012 Part I (Copy herewith).	1
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5.	Review of Members' Allowances Scheme by the Independent Remuneration Panel Joint report of the Chief Executive and the Executive Director of Commercial and Corporate Services (copy herewith).	29

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

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The reports contained in Part II of the Agenda are not for publication as the Cabinet is considered likely to exclude the public during consideration thereof as they contain information relating to the financial or business affairs of any particular person (including the Authority holding that information) (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 3).

Part II

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| 6. | Minutes of the Meeting of the Cabinet held on 5 September 2012 Part II | 45 |
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(Copy herewith).



Denotes Key Decision.

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Denotes Rule 15 Notice issues – item which is a key decision which is not included in the Forward Plan.

ELAINE WAUGH
Head of Law and Governance

Civic Centre
SUNDERLAND

10 September 2012

CABINET MEETING – 18 SEPTEMBER 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 5 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 5 September 2012 at 2.00 p.m.

Present:-

Councillor Trueman in the Chair

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

Also in attendance:-

Councillor Oliver

Part I

Minutes

The minutes of the meeting of the Cabinet held on 18 July 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

There were no declarations of interest received.

Apologies for Absence

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

Items Arising from Scrutiny Committees:-

Response from Scrutiny Committee – 25th July, 2012 - Food Law Enforcement Service Plan 2012/13

The Head of Law and Governance submitted a report (copy circulated) to advise of the comments of the Scrutiny Committee on a report presenting the Food Law Enforcement Service Plan 2012/13 which had been formulated to comply with the current recommendations of the Food Standards Agency Framework Agreement and outlined the national priorities and standards for service delivery.

(For copy report – see original minutes).

Cabinet Members having been advised that the Scrutiny Committee had endorsed the Food Law Enforcement Service Plan 2012/13 and recommended that it be submitted to Council for approval, it was:-

2. RESOLVED that the comments of the Scrutiny Committee be noted and it be recommended to Council to approve the Food Law Enforcement Service Plan 2012/13.

Response from Planning and Highways Committee - 4th July, 2012 and Scrutiny Committee – 25th July, 2012 – Sunderland City Council Draft Greenspace Audit and Report 2012 & Draft Ecological Evidence Base for Sunderland's Local Development Framework 2012

The Head of Law and Governance submitted a report (copy circulated) to advise of the comments of the Planning and Highways and Scrutiny Committees on a report of the Deputy Chief Executive seeking approval of the 2012 Draft Sunderland Greenspace Audit and Report and 2012 Draft Ecological Evidence Base for public consultation, and to seek its approval for its use in developing the Local Development Framework.

(For copy report – see original minutes).

Cabinet Members were advised that the Planning and Highways Committee had endorsed the report and the Scrutiny Committee commended the report for public consultation and welcomed the plans for its further consultation and development with the Council's Area Committees.

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

3. RESOLVED that the comments of the Planning and Highways and Scrutiny Committees be noted and it be recommended to Council to:-
 - (i) approve the 2012 Draft Greenspace Audit and Report and 2012 Draft Ecological Evidence Base for consultation purposes, and

- (ii) following the close of the consultation and in consultation with the appropriate Portfolio holder, authorise the Deputy Chief Executive to make any minor amendments to the report prior to its adoption. The final report will be used:
 - (a) As part of the evidence base to inform the emerging Local Development Framework, and
 - (b) As a material consideration in determining planning applications.

Non-immediate Article 4 Direction to withdraw permitted development rights for the change of use of a dwellinghouse to a House in Multiple Occupation within the wards of Barnes, Hendon, Millfield, St Michael's and St Peter's

The Deputy Chief Executive submitted a report (copy circulated) to seek approval to make a non-immediate Article 4 direction to withdraw permitted development rights to change the use of a Dwellinghouse (use class C3) to a House in Multiple Occupation (use Class C4) within the wards of Barnes, Hendon, Millfield, St. Michael's and St. Peter's with a prior notification period of a minimum of 12 months before the direction comes into force (if confirmed).

(For copy report – see original minutes).

Councillor Speding reported that in 2010 the government made changes to the planning system that meant that a change of use from a dwelling house to a house in multiple occupation and occupied by between three and six unrelated people no longer required planning permission and that it was permitted development. He highlighted that there was evidence to support a proliferation of houses in multiple occupation in the Barnes, Hendon, Millfield, St. Michael's and St. Peter's wards which could upset the social and environmental balance of these residential areas.

Cabinet Members were advised that the report recommended that an Article 4 Direction be progressed which withdrew permitted development rights to change of use without planning permission. Councillor Speding reported that it would not necessarily stop all such conversions but would enable the Council to consider each case on its planning merits. He added that on the basis of collected evidence it was considered expedient to use an Article 4 Direction in these wards to control the creation of additional houses in multiple occupation.

Councillor Speding went on to report that whilst the Council could make an Article 4 Direction with immediate effect this could leave the Council open to an unquantifiable number of compensation claims from property owners. It was therefore recommended that a non-immediate Article 4 Direction with a minimum 12 month notice period, including a period of public consultation would help inform any decision to confirm the Direction in due course. He added that during the notice period conversions could continue without planning control and the Direction would not affect those properties already converted.

Cabinet Members welcomed the proposals and observed that whilst the notice period would bring its own challenges it was prudent to progress the matter in this manner.

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

4. RESOLVED that:-

- (i) approval be given to the making of a non-immediate direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 1995 (as amended) (“the 1995 Order”) to withdraw permitted development rights to change the use of a C3 Dwellinghouse to a C4 House in Multiple Occupation within the wards of Barnes, Hendon, Millfield, St. Michael’s and St. Peter’s with a prior notification period of a minimum of 12 months before the direction comes into force and subject to the consideration of any representations received during the public consultation process for the direction;
- (ii) a six week public consultation process on the direction be undertaken pursuant to Article 5 of the 1995 Order;
- (iii) a further report be received in due course in order to consider confirmation of the direction in the event that objections are received during the public consultation process; and
- (iv) the Deputy Chief Executive be authorised to confirm the direction in the event that no objections are received during the public consultation process.

Proposed Redevelopment, Sunderland Railway Station

The Deputy Chief Executive submitted a report (copy circulated) to apprise of the progress which had been made to date with regard to a proposed project to redevelop the above ground element of Sunderland Railway Station, to seek approval to the Council’s participation in the project with Nexus and Network Rail and to enter into an agreement with Network Rail as the owners of the Station for the delivery of the project.

(For copy report – see original minutes).

Councillor Speding outlined the proposals for the redevelopment of the above ground concourse at Sunderland Railway Station with a contribution by the Council of £200,000 towards the cost of the next stage of the development of the project. He explained that Council officers working with Network Rail as station owners, and Nexus as the main service user, had formed a tripartite group with a view to bringing forward options for the redevelopment project and Network Rail were taking the lead project role.

Councillor Speding drew attention to the preferred option which comprised the demolition of the above ground structure and the construction of a new lightweight roof over a new public concourse which would also incorporate the existing, or new, retail businesses. He reported that the next stage of the project would involve detailed design prior to a commitment to proceed to the procurement and delivery of the project and Cabinet would receive a further report at this stage. He advised that the capital cost of approximately £10 million would be shared equally between the 3 partners.

Councillor Gofton observed that this would be a fantastic development and would further enhance the city with all the other developments in the pipeline.

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

5. RESOLVED that:-

- (i) approval be given in principle to the Council's participation in the re-development of the above ground element of Sunderland Railway Station on the basis that the Council is an equal funding partner with Nexus and Network Rail,
- (ii) the Council contribute a one third share, £200,000 towards the next stage of the project, the remaining cost of £400,000, to be shared equally by Nexus and Network Rail,
- (iii) the Executive Director of Commercial and Corporate Services be authorised to enter into a Development Services Agreement with Network Rail to enable the project to progress to the next stage on the terms detailed in the report and otherwise on terms to be agreed by the Executive Director of Commercial and Corporate Services, and
- (iv) the Deputy Chief Executive be authorised to be the lead officer for the project and to report back to Cabinet on future stages for the implementation of the project.

Annual Review of Corporate Governance Arrangements

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to provide details of the findings of the 2011/12 Annual Governance Review.

(For copy report – see original minutes).

Councillor Speding highlighted that once again the Annual Governance Review was very positive and confirmed that the Council continued to have robust and effective corporate governance arrangements in place. He reported that the views elicited during the review from Members, senior managers across the Council and all Chief Officers demonstrated that the principles of good corporate governance continued to be embedded Council-wide.

Attention was drawn to Appendix 2 of the report which presented the 2011/12 Draft Annual Governance statement which had previously been considered and accepted by the Audit and Governance Committee on 29 June 2012. Councillor Speding advised that this statement provided all of the underpinning detail in terms of the effective operation of Corporate Governance Arrangements across the Council for 2011/12 financial year.

Councillor Speding then referred to the short action plan included at Appendix 1 that included a number of improvement actions for 2012/13 in the context of the Council's approach to continuous improvement. Particular attention was paid to the actions relevant to the development of Alternative Service Delivery models as well as the new Integrated Assurance Framework.

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

6. RESOLVED that the draft Improvement Plan included at Appendix 1 and the draft Annual Governance Statement included at Appendix 2 be approved.

Youth Justice Plan 2012-2013

The Executive Director of Children's Services submitted a report (copy circulated) to seek approval of the Youth Justice Plan and to provide the background, purpose and intentions of the plan and to seek approval to refer it to Scrutiny Committee for comment.

(For copy report – see original minutes).

Councillor Smith highlighted that the Youth Justice Plan was an Article 4 Plan which identified the strategic priorities of the Sunderland Youth offending Service as 'prevent offending and re-offending by children and young people', as well as reducing the numbers of first time entrants to the criminal justice system; reducing the proven rate of re-offending for children and young people; and maintaining a low use of custody.

Councillor Smith reported to Cabinet Members that in order to ensure that Sunderland Youth Offending Service was able to respond to national changes, there were a number of customer focused service priorities with associated actions and outcomes, namely:-

- Preventative approach to services,
- A whole family approach to services,
- Health improvement; and
- Quality improvement.

Cabinet Members were advised that the Sunderland Youth Offending Service continues to deliver outstanding performance and they commended its many notable achievements.

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

7. RESOLVED that following consultation with various partners, including the Youth Offending Service Board, the Children's Trust, the Safer Sunderland Partnership, managers and practitioners from the Youth Offending Service and officers from the Council's Strategy, Policy and Performance Management, the Youth Justice Plan 2012-13 be noted and it be referred to Scrutiny Committee for their consideration and comment prior to recommending it to Council for approval.

Children and Young People's Plan Annual Report 2011-2012

The Executive Director of Children's Services submitted a report (copy circulated) on the Children and Young People's Plan and to provide information on the progress and performance in 2011-2012 against the outcomes set out in the Children and Young People's Delivery Plan 2010-2013.

(For copy report – see original minutes).

Councillor Smith reported that this report highlighted another of the Council's Article 4 Plans, the Children and Young People's Plan, which was the overarching plan for the Children's Trust that set out the its priorities to improve outcomes for children and young people across the city. She advised that this report brought forward the draft Annual Report for 2011-2012.

Cabinet Members were advised that a programme of Confirm and Challenge sessions had been undertaken by the Children's Trust which recognised the achievements made in delivering priorities and outcomes, and also identified some of challenges and risks to future delivery, particularly in light of the financial pressures that was now faced by local authorities.

Councillor Smith then drew attention to some of the key achievements that had been made in 2011/12, namely:-

- Safeguarding and looked after children services in Sunderland were rated 'Good' by Ofsted
- Young people achieving five good GCSEs including English and Maths rose again in the academic year 2010/11 continuing a strong upward trend. In the last two years, this figure had increased by 10 percentage points
- Young people entitled to free school meals continued to make good progress in their educational achievements, with a four percentage point increase each in the rate achieving Level 4 in English and Maths at Key Stage 2, and those achieving 5+ A*-C GCSE including English and Maths.

Councillor Smith highlighted that these achievements would be challenged by the impending changes under the Welfare Reform Act, the bringing in of a universal credit would have a major effect on the eligibility for free school meals.

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

8. RESOLVED that the content of the Annual Report be noted and it be referred to the Scrutiny Committee for their consideration and comment prior to recommending it to Council for approval.

Sure Start Review and an Integrated Early Intervention Service – Implementation Update

The Executive Director of Children's Services submitted a report (copy circulated) to provide an update on the current position in relation to the development of an early intervention service which included services delivered as part of the former Sure Start, Early Years and Childcare Grant (SSEYCG). The report summarised all of the changes which had been implemented which had been considered by Cabinet in previous reports or had been subject to consultation and delegated decisions.

(For copy report – see original minutes).

Councillor Smith reminded Cabinet Members of the work that began in September 2011 to review services previously delivered through the Sure Start, Early Years and Childcare Grant. This had included the Children's Centre provision, services commissioned through Children's Centres and Childcare places and training provided by the Council. She reported that it was the intention of the review to re-shape and improve services and provision in order to align these with the broader early intervention offer being developed in Children's Services. She added that this would lead to improved outcomes for children and their families and also achieve efficiencies of £1.77 million.

Cabinet Members were advised that one of the proposals was to increase community influence and leadership in Children's Centres, with a particular focus on the services that were delivered in localities, Councillor Smith explained that it was proposed to achieve this by seeking approval to invite the five chairs of the People Boards to sit on the Local Area Children's Centre Boards to be established from September 2012. She highlighted that representation on the Local Area Boards would also include parents, from the local area, health and social care representatives, local headteachers, childcare providers, community and voluntary sector groups and local members.

Cabinet Members having welcomed the proposals which would deliver the required financial savings and provide a service which would give children the best start in life that was better targeted to reach the most vulnerable families, it was:-

9. RESOLVED that:-

- (i) the contents of the report be noted;
- (ii) it be recommended to Council to approve the proposal at 6.1 and 6.2 of the report to invite the five members appointed to chair locality People Boards to join the membership of the Local Children's Area Board for their locality; and
- (iii) a further report be submitted to the November meeting of Cabinet in relation to the commissioning of Children's Centre services from April 2013.

Gambling Act 2005 – Approval of the Council's Statement of Principles

The Executive Director of City Services submitted a report (copy circulated) to advise of the draft statement of principles under the Gambling Act 2005.

(For copy report – see original minutes).

Councillor Kelly reported that Sunderland City Council was designated as a Licensing Authority under the Gambling Act 2005 and as such it was required to publish a statement of principles to apply when exercising functions under the Act. He highlighted that the types of premises the Council was involved in Licensing included Betting shops, Bingo Premises and Family Entertainment Centres.

Councillor Kelly reported that it was time to refresh the current statement of principles as the Act required that the document was reviewed every 3 years. He explained that the review was subject to a consultation exercise which had been carried out between June and July 2012 with a number of consultees including the Northumbria Police, the Safer Sunderland Partnership and the North East Council on Addictions. He added that guidance to Licensing Authorities from the Gambling Commission had not changed since the current statement was published therefore the draft statement had not been changed in any material way and no amendments to the document were identified during the consultation exercise.

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

10. RESOLVED that the statement of principles under the Gambling Act 2005 be noted and it be referred to Scrutiny Committee for their consideration and comment prior to recommending it to Council for approval.

Sunderland Seasonal Lifeguard Service

The Executive Director of City Services submitted a report (copy circulated) to seek approval to begin a process to procure the services of an external organisation to deliver the seasonal beach lifeguard service at Seaburn and Roker from the months of May to September for a five-year period from 2013.

(For copy report – see original minutes).

Councillor Kelly reported that it was proposed that the five year contract for seasonal beach lifeguard service at Seaburn and Roker would also include the provision of a Water Safety Education Programme to be delivered annually to Sunderland Schools as part of this service. He highlighted that the current contract with the Royal National Lifeboat Institute (RNLI) would end in September 2013 and this partnership with the Council had proved successful, in particular with regard to access to equipment and resources.

Councillor Kelly drew attention to the cost of the current service with the RNLI being in the region of £70k per year and he envisaged that a five year contract for delivery of this service would be in the region of £350k. He explained the only other alternatives to this proposal would be to:-

- return the Beach Lifeguarding Service in-house and continue to deliver in-house the Water Safety Education Programme however the Council would need to secure additional resource to the value of approximately £25,000 per year in order to provide the required staffing, resources and equipment needed to deliver this service and no budget currently exists to support this, or
- to cease the delivery of a Beach Lifeguarding Service and Water Safety Education Programme from 2013 onwards however this would impact significantly on the safety and wellbeing of young people, residents and visitors to the Seafront and in addition impact negatively to the image and reputation of the City Council.

Cabinet Members having been mindful of the tragic incidents which had happened across the country and abroad and in view of Sunderland being a coastal city with a river, considered continued delivery of such a service was imperative.

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

11. RESOLVED that:-

- (i) approval be given to begin a process to procure a Seasonal beach Lifeguard Service to be delivered at Roker and Seaburn Beaches to commence May 2013 for a five year period, and
- (ii) approval be given to incorporate the provision of a Water Safety Education Programme to be delivered annually to Sunderland Schools as part of this service.

Review of Housing Related Support Services

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) to seek retrospective approval in relation to the funding arrangements for housing related support providers for 2012 – 2014 and to approve the award of a grant to Gentoo for the delivery of a Coomunity in Reach Service for Older People.

(For copy report – see original minutes).

In highlighting the report, Councillor Miller advised that this report presented the new arrangements for providing housing related support services in the City. He explained that a review of housing related support services across all tenures had been undertaken and it concluded that services and outcomes for customers could be improved if bureaucracy was reduced, providers worked together more, services focused more on prevention and that the number of contractual arrangements could be reduced.

Cabinet Members were advised that throughout the review there had been regular communication and cooperation from providers collectively and individually to introduce the new ways of working and for them to embrace a collaborative approach to service provision. Councillor Miller reported that it was proposed to approve new grant funding arrangements for twelve housing related support service providers and also to enter into a joint funding arrangement with Gentoo to provide a community in-reach service.

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

12. RESOLVED that:-

- (i) retrospective approval be given to the funding arrangements for housing related support providers for a period of 24 months (1st April 2012 – 31st March 2014), and
- (ii) approval be given to the award of a grant to Gentoo for the delivery of a Community In reach Service for Older People.

Regional Procurement of NHS Complaints Advocacy Service

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) to seek approval to participate in the regional procurement of the NHS Complaints Advocacy service in collaboration with ten North East local authorities.

(For copy report – see original minutes).

Councillor Miller reported that the current service, the Independent Complaints Advocacy Service (ICAS) was commissioned by the Department of Health and the Health and Social Care Act 2012 would transfer the responsibility for commissioning this service to the Local Authority from 1 April 2013. He explained that local authorities from across the region, including Sunderland had discussed taking a collaborative approach to the procurement of this service, and Gateshead had offered to be lead commissioner. He added that a collaborative approach would be more efficient than if each LA were to commission on an individual basis, as the procurement exercise would only need to be carried out once and it would also provide the opportunity for joined up working, information sharing and analysis of data and trends across local authorities.

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

13. RESOLVED that:-

- (i) the Council's participation in the regional procurement by Gateshead Council (as lead authority on behalf of NEPO) of the NHS Complaints Advocacy service with ten local authorities from across the region be approved, and
- (ii) approval be given to the financial contribution to the regional procurement, which will not exceed the Department of Health allocation for Sunderland.

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

At the instance of the Chairman, it was:-

14. 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 – 18 SEPTEMBER 2012

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Draft Localisation of Council Tax Support Scheme

Author(s):

Executive Director of Commercial and Corporate Services

Purpose of Report:

To provide Cabinet with 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.

Description of Decision:

That Cabinet be recommended to:

- a) Approve the Draft Local Council Tax Support Scheme as outlined in the report for the purpose of consultation
- b) To the extent that such consultation has not been possible in advance of the date of this 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.
- c) Authorise publication of the Draft Scheme (amended as appropriate in light of the consultation with the precepting authorities) 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.
- d) Agree to consult other persons likely to have an interest in the operation of the Scheme, 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.
- e) Receive a further report regarding feedback from the consultation exercise and the proposed final scheme.

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 must have a Local Council Tax Scheme approved by 31 January 2013, otherwise, the default scheme will be imposed.	
Alternative options to be considered and recommended to be rejected: There are no alternative options recommended.	
Impacts analysed; Equality <input checked="" type="checkbox"/> Privacy <input checked="" type="checkbox"/> Sustainability <input checked="" type="checkbox"/> Crime and Disorder <input checked="" type="checkbox"/>	
Is this a “Key Decision” as defined in the Constitution?	Yes
Is it included in the Forward Plan?	No
Scrutiny Committee	

DRAFT LOCALISATION OF COUNCIL TAX SUPPORT SCHEME

REPORT OF THE EXECUTIVE DIRECTOR OF COMMERCIAL AND CORPORATE SERVICES

1. Purpose of the Report

1.1 To provide Cabinet with 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.

1.2 The report sets out the key milestones and actions required following the Government response to the outcome of the consultation into these proposals, as set out in the Welfare Reform Bill, which is progressing through Parliament.

2. Description of Decision

2.1 That Cabinet be recommended to:

- a) Approve the Draft Local Council Tax Support Scheme as outlined in the report for the purpose of consultation
- b) To the extent that such consultation has not been possible in advance of the date of this 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.
- c) Authorise publication of the Draft Scheme (amended as appropriate in light of the consultation with the precepting authorities) 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.
- d) Agree to consult other persons likely to have an interest in the operation of the Scheme, 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.
- e) Receive a further report regarding feedback from the consultation exercise and the proposed final scheme.

3. Background

- 3.1 As part of the Spending Review 2010 the Government announced that the current national Council Tax Benefit (CTB) system would be replaced by a localised Council Tax Support Scheme from 2013-14.
- 3.2 As well as the transfer of responsibility from Central to Local Government, the Government will cut the level of grant support to Local Authorities 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% which is estimated to be up to £3.4m. Exact figures will be finalised as part of the Local Government Finance settlement.
- 3.3. On 17 February 2011, the Government published its Welfare Reform Bill, setting 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 (HB), with the new 'Universal Credit' (UC). 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.
- 3.4. A key change in the Bill is the Government proposal to abolish the national Council Tax Benefit system and replace it with the implementation of a Local Council Tax Support scheme from 1 April 2013.
- 3.5. On 2 August 2011, the Communities and Local Government (CLG) consultation paper 'Localising Support for Council Tax in England' was published, setting out the Government's policy objectives with regards to these changes. It provided some guidance and detail of the framework funding and design for local schemes. The deadline for the consultation responses was 14 October 2011 and the Council submitted a response in line with this deadline.
- 3.6 On 19 December 2011, the Government published its Local Government Finance Bill. At the same time, the Government also published responses to views expressed during the consultations on proposals for Localising Support for Council Tax.

4. Current Position in Relation to Council Tax Benefit

- 4.1. CTB is a means tested benefit that is administered by Local Authorities on behalf of the Department for Work and Pensions (DWP). Claimants in receipt of means tested out-of-work benefits generally receive full assistance; eligible claimants who work or have other income are likely to get partial relief; around 60% of all pensioners are entitled to CTB, although not all who are entitled actually claim.

- 4.2 Nationally, current expenditure equates to approximately £4.8 billion and over 5.8 million people claim CTB, more than any other means tested benefit.

5. Government Policy Objectives

- 5.1. The Government has stated it has two underlying principles underpinning its approach to the localisation of Council Tax Benefits in England:
- Localised schemes should provide support for the most vulnerable, including vulnerable pensioners;
 - Localised schemes should assist with lifting the poorest people off benefits and supporting them into work in line with the principles set out under Universal Credit
- 5.2. The Government believes localising Council Tax Benefits will provide Local Authorities with a financial stake in ensuring these principles are successfully supported.
- 5.3. The Government has stated that it will continue to engage with Local Authorities to support their work in preparing for the introduction of local schemes, which need to be in place by 1 April 2013.
- 5.4 Within Sunderland, as with wider Welfare Reform, there are significant concerns as to the adverse impact of this grant reduction on both the City and its residents.

6. The New Framework for Council Tax Support Scheme

- 6.1. Financial support for low income council tax households will become fully integrated into the Council Tax system, with support being offered as reductions on Council Tax bills rather than a benefit awarded against their full Council Tax liability. This means that local decisions about which vulnerable groups should qualify for council tax support, including the reduction on income grounds, will need to be taken as part of the Council tax-setting process.
- 6.2. In developing their local scheme Councils will need to know:
- The scheme grant allocation – the expectation is that grant will be paid to billing and major precepting authorities pro-rata to their share of Council Tax, thereby reducing each authority's Council Tax requirement

- The potential caseload – prior year data will be available to initiate the process of decision making about the operation of local schemes. The authority will need to model caseload and to analyse the effects of changing variables including the factors which could lead to an increase in demand across certain groups.

6.3. Any new Local Scheme will need to:

- Detail the Council Tax Support scheme to be implemented;
- Include categories of claimant entitled to a Council Tax reduction and the Council Tax reductions which are to apply to those categories. The Secretary of State will be given powers to specify categories of persons and the reduction they will be entitled to, but the Government intend to only use this power to prescribe support to be provided to pensioners;
- Set out procedures for applicants to follow in making applications;
- Set out procedures for appealing decisions (it is intended that the Valuation Tribunal is the independent appeal body)

6.4. In advance of the final new scheme being considered by the Cabinet, the Council will need to undertake consultation in order with:

- Major precepting authorities. In our case these are the Police and Fire Authorities, who will potentially share the effects of any increases or reductions in demand for Council Tax benefits and costs based on the local scheme offered
- The public. The Council will need to carry out a public consultation on the content of its proposed scheme during the autumn. The Government will consider if it should prescribe in regulations how the public consultation will operate as the Bill progresses

6.5. It is intended that the Council's scheme will be approved by Cabinet by 31 December 2012. This timetable will be time pressured and the Government is being lobbied to release the new regulations as soon as possible.

6.6. Where billing authorities do not adopt a scheme by 31 January, then the Government's default scheme will need to be used which it will set out in Regulations. This default scheme will retain the criteria and allowances in the current Council Tax benefit scheme. It will also contain default procedures that the local scheme must cover. There are however significant financial disincentives for Local Authorities in using the default scheme as this would require the significant financial reduction in support for Council Tax benefit which is being imposed by Government needing to be found from other Council resources at a time of prolonged and deep reductions.

- 6.7. From 2014/15 onwards, if a billing authority still fails to adopt a new scheme, the scheme in operation in the previous year will continue.

7. Financial Implications – Funding the Local Scheme

- 7.1. Government funding of the new scheme in 2013/14 is expected to broadly equate to 90% of the Council's spend on CTB in 2012/13. The funding will be allocated in advance of 1 April 2013 to enable Councils to plan ahead. The Council will be expected to consider any contingency arrangements for unplanned increases in demand and take-up which it will have to fund from within existing resources.
- 7.2. The Government intends to publish a technical note on how the new grant will be distributed for the first two years of the scheme. The Government is currently minded to base the distribution on "historic Council Tax benefit expenditure patterns".
- 7.3. Annual allocations will be provided for the first two years of the scheme and Government will consider if a new basis of funding is required from 2015/16 onwards; and whether multi-year allocations would provide greater certainty and allow Local Authorities to benefit financially where demand for support reduces over several years.
- 7.4. The Government will base funding levels, in the first two years of the scheme, on Office of Budget Responsibility (OBR) forecast for spending on Council Tax Benefit. The Government states that these forecasts already include assumptions about underlying demographic changes and Council Tax increases.
- 7.5. Clearly the Government proposals will place another significant reduction in resources (estimated at £3.4m) on the City Council.
- 7.6. The proposed Draft Local Council Tax Support Scheme and further measures as part of the budget planning process for 2013/2014 will mitigate the impact of the proposed Government funding reductions amounting to £3.4m.

8. Implications of the Proposed Changes

- 8.1. Council Tax benefit currently received by pensioners must not be reduced as a result of the introduction of the new council tax support scheme. The Government wants to ensure that low income pensioners, who would struggle to pay Council Tax without additional support, and whom the Government does not expect to work to increase their income, will continue to receive the same level of support against their Council Tax bills.

- 8.2. The consultation paper highlights that Councils need to protect vulnerable groups, although the Government has not fully specified its intentions in this regard other than to say '*Local Authorities already have clearly defined responsibilities in relation to, and awareness of, the most vulnerable groups and individuals other than pensioners in their areas*'. This includes, for example, through their responsibilities under:
- The Child Poverty Act 2010
 - The Disabled Persons (Services, Consultation and Representation) Act 1986, and Chronically Sick and Disabled Persons Act 1970
 - The Housing Act 1996, which gives Local Authorities a duty to prevent homelessness with special regard to vulnerable groups
- 8.3. The Government expectation is that the Council should not seek to undermine the principle of the new Universal Credit scheme which aims to incentivise people to move from benefit into work. People should therefore have more overall income in work than out of work.
- 8.4. The following table provides a summary breakdown of the current Council Tax benefit payments by client type in Sunderland in 2012/13. There has been an overall reduction of 101 in benefit claimants between January 2012 and July 2012:

Customer	No of Claimants	Amount of Benefit awarded
Pensioners	18,874	£13.4m
Working age	19,441	£13.1m

Working aged claimants Breakdown

Customer	No of Claimants
Couples with no dependant children	1,733
Couples with dependant children	3,056
Single with no dependant children	8,539
Single with dependant children	6,113
Second adult rebate (inc in above)	320

Working age Band Breakdown

Band	No
A	17,699
B	1,161
C	400
D	126
E	43
F	7
G	5
H	0
Total	19,441

- 8.5. It is recognised that the proposed Council Tax benefit changes are far-reaching and should not be under-estimated.

Government have set all Councils a very demanding challenge of:

- Introducing changes to an already complex Council Tax benefit system within a very short time scale
- Understanding the potentially far-reaching implications of changes on a large number of vulnerable people, financially dependent upon the benefits system
- Assuming financial risks that would necessarily accompany increases of benefit take-up. This is the first time that Local Government rather than Central Government would assume these risks. Clearly Authorities with a high proportion of people on benefits face higher risks than those serving less deprived areas. This increased risk comes at a time of unprecedented reductions in resources available to Local Authorities
- Ensuring that all changes made are compliant with relevant legislation such as the Equalities Act

9. Consultation

- 9.1. The Government requires the Council to consult with major preceptors and then the public on its proposed scheme. In view of the short timescale available it is hoped that the comments of the major precepting authorities will be available to report to members at the meeting. However, if this proves to be impracticable, it is suggested that any amendments to the Draft Scheme required in the light of that initial consultation be incorporated into the Scheme by the Executive Director of Commercial and Corporate Services in consultation with the Leader of the Council and the Cabinet Secretary. In the event that the comments required a significant amendment to the Scheme, however, the matter would be reported back to Cabinet for further consideration. Subject to this process, it is intended to publish the Draft Scheme and start the second-stage public consultation by the end of September for a period of eight weeks. Those to be consulted will include, current Council Tax Benefit claimants, council tax payers, voluntary organisations, community groups etc.
- 9.2 It is intended to use the Citizen Panel and the Council website for the main focus of the consultation. The eight week period is the maximum we can allow to achieve the Government's extremely challenging timetable of agreeing a scheme by 31st January 2013. The consultation feedback will help identify where there may be any adverse impact on any particular group or individuals. It is envisaged that exact details of the consultation process will be finalised over the next couple of weeks.

10. Proposed Draft Local Council Tax Support Scheme

- 10.1 Legislation prevents any cuts in Benefit to pensioners therefore cuts can only be made to claimants who are of working age.
- 10.2 It is proposed that the scheme would calculate 'Benefit' in the same way as it does now but will reduce entitlement by £2 per week for families with dependant children and £3 per week where there are no dependant children after taking into account all of the following criteria:
- (a) Maximum benefit will be calculated at Band B. There are currently 581 properties at Bands C to H where Council Tax benefit is awarded.
 - (b) Second Adult Rebate normally paid to council tax payers for the loss of single person discount caused by the presence of another adult(s) who are generally not working or have low income. Claimants of Second Adult Rebate do not receive normal council tax benefit. It is therefore proposed to abolish Second Adult Rebate. This will affect 270 households.
 - (c) The current system allows claimants to qualify for benefit with savings of up to £16k. The new draft scheme proposes to reduce the capital limit from £16k to £8k.
 - (d) Non dependants' deductions are made for members of the household who are not claimants who earn their own income or are on benefits. Deductions vary upon circumstances from £NIL to £9.90 per week. The proposed new scheme increases deductions for all non dependants by £1 per week. There are currently 3,500 non dependants.
- 10.3 Under the new proposed draft scheme approximately 800 Council Tax benefit claimants will no longer be eligible for the reduction.
- 10.4 A flat rate reduction (as opposed to a percentage rate reduction) is a much fairer and less regressive scheme to the many benefit claimants in Sunderland who will be affected by these and other government welfare reform changes. Analysis shows that a flat rate approach will make the scheme easy to administer and make it more likely that the additional Council Tax payable will be collected.
- 10.5 However it should be noted that the high levels of Council Tax collection the Council has previously delivered will be increasingly difficult to maintain and there will be extra administration resulting from collecting small amounts of council tax from claimants who previously paid nothing.

11. Impact Analysis

- 11.1 Work is ongoing to assess the impact of this scheme alongside the related impacts of the significant number of welfare and benefit reforms either already introduced or still being planned by Government.

- 11.2. A comprehensive Equality Impact Assessment will be undertaken taking into account analysis of public consultation. It should be noted that the Government has legislated that pensioners must not be adversely affected by this change so any assessment will be regarding working age recipients only.

12. Reasons for the Decision

- 12.1 The council must have a Local Council Tax Support Scheme approved by 31 January 2013, otherwise, the default scheme will be imposed
- 12.2. The changes referred to in this report result from Government's reduction in funding and will affect the council, its citizens and its employees. The impact will be determined further following consultation and it will be closely monitored prior to and following the scheme's introduction. If the council was to subsidise the scheme further the extra cost would fall on the Council which would mean budget reductions in other services.
- 12.3. With increased amounts of Council Tax to pay, in a context of reducing Welfare benefits and increasing costs, individuals will face increasing financial hardship. Together these changes will restrict choices and reduce opportunities to spend on anything other than essentials such as rent and council tax. Increased demands on other Council services will result and this will have to be assessed once details on other changes are known.

13. Alternative Options

- 13.1 There are no alternative options recommended

14. Other Relevant Considerations

14.1 Legal Implications

- 14.1.1 This report has been written using information provided by Government to date including 'statements of intent' issued by the DCLG, however relevant legislation is not yet available and will be contained in the Local Government Finance Act and subsequent regulations when the Parliamentary process has been complete. Because of this the legal implications will need to be reassessed once legislation is available.
- 14.1.2 If the council does not consult on the draft scheme, it will be forced to adopt the default scheme. Going to the default scheme will mean the council has failed to comply with its statutory obligations to make a scheme by 31st January 2013.
- 14.1.3 If the council actively intends to adopt a reduction scheme then it is obliged to consult with major precepting authorities and with such other persons it considers are likely to have an interest.

14.2 Employee Implications

- 14.2.1 To accommodate a local scheme, some changes to the Council tax and Benefits service may be required. Any changes will also need to take into account the significant future Housing and Welfare benefit changes resulting from the introduction of Universal Credit.

15. Background Papers

Welfare Reform Bill 17 February 2011

Local government /finance Bill 19 December 2011

CABINET MEETING – 18 September 2012 EXECUTIVE SUMMARY SHEET – PART I									
Title of Report: REVIEW OF MEMBERS' ALLOWANCES SCHEME BY THE INDEPENDENT REMUNERATION PANEL									
Author(s): Report of the Chief Executive and Executive Director of Commercial and Corporate Services									
Purpose of Report: To consider the outcome of the Independent Remuneration Panel's Review of Members' Allowances and to make appropriate recommendations to Council.									
Description of Decision: Cabinet is requested to consider the recommendations of the Independent Remuneration Panel and make appropriate recommendations to Council.									
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: Significant changes have taken place in the governance arrangements within the Council and it is appropriate that the Allowances Scheme is reviewed in the light of these. The Panel's recommendations are based upon consideration of evidence, statutory guidance and analysis, as referred to in its report.									
Alternative options to be considered and recommended to be rejected: The recommendations have been arrived at following careful consideration by the Panel and are considered by them to represent the optimum approach. It is not therefore recommended that the Council adopt any alternative arrangements.									
Impacts analysed; <table style="width: 100%; border: none;"> <tr> <td style="border: none;">Equality</td> <td style="border: 1px solid black; padding: 2px 10px; text-align: center;">N/A</td> <td style="border: none;">Privacy</td> <td style="border: 1px solid black; padding: 2px 10px; text-align: center;">N/A</td> <td style="border: none;">Sustainability</td> <td style="border: 1px solid black; padding: 2px 10px; text-align: center;">N/A</td> <td style="border: none;">Crime and Disorder</td> <td style="border: 1px solid black; padding: 2px 10px; text-align: center;">N/A</td> </tr> </table>		Equality	N/A	Privacy	N/A	Sustainability	N/A	Crime and Disorder	N/A
Equality	N/A	Privacy	N/A	Sustainability	N/A	Crime and Disorder	N/A		
Is this a "Key Decision" as defined in the Constitution? <div style="text-align: right; padding-right: 10px;">No</div>	Scrutiny Committee								
Is it included in the Forward Plan? <div style="text-align: right; padding-right: 10px;">No</div>									

REVIEW OF MEMBERS' ALLOWANCES SCHEME BY THE INDEPENDENT REMUNERATION PANEL

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

1.0 Purpose of the Report

- 1.1 To consider the outcome of the Independent Remuneration Panel's Review of Members' Allowances and to make appropriate recommendations to Council.

2.0 Description of Decision (Recommendations)

- 2.1 Cabinet is requested to consider the recommendations of the Independent Remuneration Panel and make appropriate recommendations to Council.

3.0 Introduction / Background

- 3.1 The report of the Independent Remuneration Panel has been received and is attached as Appendix 1.
- 3.2 The Panel has responsibility for making recommendations on Basic and Special Responsibility Allowances, pensions eligibility, travel and subsistence and co-optees allowances. The functions of the Panel are described in Annex1 of the Panel's report. Local Authorities must have regard to the advice of the Panel when deciding on their Members' Allowances Scheme and the amounts to be paid thereunder.
- 3.3 The Panel has recommended that the Basic Allowance remains unchanged and that Special Responsibility Allowances (SRAs) should be payable for the positions indicated below, at the levels of remuneration shown with any changes to the Members' Allowances Scheme backdated to the start of the current financial year:

OFFICE HOLDERS	£
Leader	37,667
Deputy Leader	25,111
Cabinet Secretary	25,111
Leader Majority Party in Opposition	12,556
Leader Minority Party in Opposition	6,277
Deputy Leader Majority Party in Opposition	8,369
Deputy Leader Minority Party in Opposition	4,184
Cabinet Member	20,716
Policy Member	12,556
Chairman of Scrutiny Committee	12,556
Chairmen of Area Committees	10,350
Chair of Regulatory Committee	8,369

Chair of Licensing Committee	8,369
Vice Chairmen of Area Committees	6,277
Chair of Planning and Highways Committee	6,277
Chairmen of Development Control Sub Committees	6,277
Vice Chairman of Scrutiny	6,277
Scrutiny Lead Member	5,179
Membership of Adoption Panel (to be paid to up to 2 members)	4,184
Mayoral Allowance	17,205
Deputy Mayoral Allowance	3,827

- 3.4 As is currently the case where the positions of the Chair of the Licensing Committee and of the Regulatory Committee are held by the same member only one allowance should be payable, but increased by a factor of 50%.
- 3.5 The Panel recommend that the amendments to the Members' Allowances Scheme be backdated to the 1 April 2012. For the avoidance of doubt, it has confirmed that the recommended backdating of the proposed amendments is without prejudice to the award of allowances to those Members who were entitled to an SRA under the existing scheme, for so long as they held the position for which the allowance was awarded. It is considered appropriate that such Members should receive the allowance to which they were entitled under the existing scheme, at the rate set out in the existing scheme, up to the date at which they ceased to hold the position concerned.
- 3.6 A summary of the proposed Members' Allowances Scheme is set out at Annex 2 to the Panel's report.

4.0 Suggested Reasons for Decision

- 4.1 Significant changes have taken place in the governance arrangements within the Council and it is appropriate that the Allowances Scheme is reviewed in the light of these. The Panel's recommendations are based upon consideration of evidence, statutory guidance and analysis, as referred to in its report.

5.0 Alternative Options

- 5.1 The recommendations have been arrived at following careful consideration by the Panel and are considered by them to represent the optimum approach. It is not therefore recommended that the Council adopt any alternative arrangements.

6.0 Financial Implications

- 6.1 The full cost of proposals (£521,308) can be accommodated within the existing Members' Allowances and Members' Scrutiny budgets and will return a net saving of £7,729.

7.0 Other Implications

- 7.1 There are no equality, privacy, sustainability or crime and disorder issues associated with these proposals.

8.0 Publicity

- 8.1 The Regulations place duties on Councils in connection with publicising the recommendations made by their Independent Remuneration Panel. Accordingly, arrangements have been made for the Panel's report to be available for inspection and to be published on the Council's website.

Background Papers

Report of the Independent Remuneration Panel

CITY OF SUNDERLAND MEMBERS' ALLOWANCES SCHEME

REPORT OF THE INDEPENDENT REMUNERATION PANEL: REVIEW OF MEMBERS' ALLOWANCES IN SUPPORT OF THE COUNCIL'S NEW EXECUTIVE AND COMMITTEE ARRANGEMENTS

1.0 Introduction

1.1 The Members' Remuneration Panel has been operating since 1999. It was originally set up on a voluntary basis but since 2001 has been operating formally as the Independent Remuneration Panel under Government Regulations. In 2003, new Regulations, the Local Authorities (Members Allowances) (England) Regulations became operative and added significantly to the functions of the Panel. A full statement of the formal terms of reference is attached at Annex 1.

1.2 Regulations are supported by detailed guidance which provides a description of both statutory guidance and non-statutory guidance. The Panel has had due regard to this guidance in formulating its proposals.

2.0 Background

2.1 The Panel was pleased to note that all previous recommendations had been adopted in full by the Council.

2.2 As part of this review, the Council provided the Panel with details of the broad and fundamental changes in the Council's Governance arrangements that had been introduced from May 2012. The Panel accepted that the new arrangements were still in their early stages of implementation and it was likely that there would be a degree of learning and development for all concerned. The Panel noted the commitment of the Council to accompany implementation of proposals with

- a broad programme of individual and collective capacity development for Officers as well as Members concerned
- regular review of the effectiveness of the implementation of the proposals

2.2 Although consideration of the merits of the Governance structures was not within its remit, the Panel noted the rationale behind the major changes to Executive and Committee arrangements which were introduced by the Council following Annual Council in May 2012. The Panel noted the Council's focus upon:

- § Strengthening strategic leadership capacity
- § Strengthening Area governance

§ Streamlining the Scrutiny function and

§ Refreshing other relevant main Committee arrangements

in order to support the next phase of the Sunderland Way of Working.

3.0 The Review Process

3.1 The Panel considered information provided by Members and Officers which included;

i. written representations received from Members

ii. documentation provided by the Council which set out the

§ background to the recent fundamental review of the Council's Executive and Committee arrangements

§ rationale for restructuring and details of the specific proposals themselves

§ principal positions of responsibility within the new structures, role definitions for these and average weekly hours required

ii. direct discussion with Group Leaders or their representatives, the Chief Executive and Head of Community Leadership Programmes.

iii. further interviews with Members from both main party groups including the Deputy Leader, Policy Members, the Chairman of Scrutiny, various Scrutiny Lead Members, Area Committee Chairmen and Vice Chairmen.

iv. supplementary information provided by the Council in response to comments and queries made by the Panel during the course of its deliberations.

3.2 The Panel records its gratitude for the assistance provided by members and officers.

4.0 Summary of Proposals

4.1 The Panel noted the Council's progress in achieving challenging expenditure reduction targets at the same time as achieving significant improvements in service quality and customer satisfaction through the Sunderland Way of Working. It also noted the importance which the Council attaches to the community leadership role of Elected Members. The Panel was made aware of the Council's plans to develop its community leadership role and position and that these depended upon closer ongoing involvement of Elected Members, especially those in positions of special responsibility.

4.2 The Panel was also informed of the Council's determination to strengthen its profile and presence in the City, region, nationally and beyond and the need for the Council to revise and strengthen its strategic leadership capacity accordingly.

4.3 The Panel was apprised of the Council's plans for extensive decentralisation of key services to the Area level and the steps which had already been taken to ensure that this change was managed effectively with Members leading and Officers supporting and advising.

4.4 In order to shape its proposals the Council commissioned an independent Peer Review of its Executive and Committee arrangements. The Peer Review focused primarily upon the how current Executive and Committee arrangements could be re-fashioned in order to support the Council's objectives under the Sunderland Way of Working. It also included consideration of opportunities for rationalisation of positions of special responsibility within its wider considerations.

4.5 The Council subsequently implemented the majority of Peer Review recommendations including significant reductions in the number of Cabinet members, Chairmen of Scrutiny Committees and Vice Chairmen of Scrutiny Committees and the disestablishment of the Council's Personnel Committee and therefore the SRA attached to the post of Chairman of this Committee. The Panel was made aware that a further phase of proposals – principally concerning further devolution of decision-making to the Area level – was likely to follow in due course.

4.6 Whilst not constrained by the potential cost of its recommendations, the Panel noted the Council's desire to contain the potential cost of a revised scheme within an envelope of resources consisting of the current Member Allowance Budget and a proportion of the current Scrutiny development budget.

5.0 Recommendations

5.1 The Panel considered the new roles and responsibilities of Members in light of changes to the governance structure. It also gave consideration to the current level of allowances in respect of other positions within the Council and the level of Basic Allowance.

5.2 With regard to the new roles and responsibilities, the Panel considered that these ought to be recognised in the Allowance Scheme. However, it noted that, if its recommendations in this regard were all accepted by the Council this would raise the proportion of Members receiving SRAs to 66% of its 75 Councillors. The Panel was mindful of guidance on local authority allowances issued by the former Office of the Deputy Prime Minister in 2003 which states that, if the majority of members of a council receive a Special Responsibility Allowance, the local electorate may rightly question whether this was justified. The Panel also had regard to written representations that had been received to the effect that the number of SRAs should be reduced and the basic allowance increased. However it also noted, as is recognised in the guidance, that the regulations do not limit the number of SRAs.

5.3 The Panel noted that Councils across the country currently average 58% of Councillors holding SRAs and that north eastern metropolitan authorities average 67%.

5.4 The Panel requested the Leader of the Council's view regarding this and received confirmation that, as far as the majority party was concerned, a justifiable increase above the 50% figure was acceptable.

5.5 Having given careful consideration to the matter, the Panel remained of the view that its recommendations set out below were appropriate.

5.6 With regard to the Council's proposals, therefore, the Panel recommends that the following changes to the Council's Member Allowance Scheme be accepted and backdated to the start of the 2012/13 Financial Year:

1. Strengthening Strategic Leadership Capacity

i. The Panel noted that the Council's commitment to strengthening its strategic leadership capacity was based upon its intention to increase capacity available to the Council's Leadership (Leader, Deputy Leader, Cabinet Secretary) to allocate leadership on important emerging issues and opportunities to senior Councillors. The Panel also noted the importance that the Council attaches to strengthening its member representation on key international, national, regional and city-level outside bodies whose decisions impact upon the City. The Panel noted that changes also involved a rationalisation and re-alignment of Cabinet Portfolios to correspond with the remits of main Directorates and to respond to major agendas facing the Council (such as the transfer of Public Health responsibilities to the Council in April 2013) or driven by the Council (such as the Responsive Services programme) and that this was all intended to reinforce the Member role at the centre of decision-making on key matters facing the City.

ii. The Panel noted the reduction of Cabinet by two members and, secondly, the creation of five new Policy Member posts which would both support main Portfolios day to day and provide leadership on major projects or longer term initiatives identified by the Leadership.

iii. The Panel therefore recommends that

a. an SRA equivalent to c.60% of that of a Cabinet Portfolio Holder (£12,556) be attached to the role of Policy Member.

2. Streamlining Scrutiny

i. The Panel noted the new arrangements for the streamlining of Scrutiny to reflect the need to concentrate Member attentions upon those parts of the governance system which were most critical to delivery of the next phase of the Sunderland Way of Working. It was informed that, following the Independent Peer Review, the Council had reduced seven current Scrutiny Committees with remunerated Chairs and Vice Chairs to one Scrutiny Committee with one Vice Chair and six Scrutiny Leads. The Panel noted that

the Council believes that these changes would avoid any reduction in the quality and performance of its Scrutiny function.

ii. The Panel considered the additional responsibility and time commitment required of the single remaining Vice-Chairman of Scrutiny and, particularly, from the six new positions of Scrutiny Lead Member.

iii. The Panel therefore recommends that

a. an SRA equivalent to c.30% of that of a Cabinet Portfolio Holder (£6,277) be attached to the single remaining Vice Chairman of Scrutiny Committee.

b. an SRA equivalent to c.25% of that of a Cabinet Portfolio Holder (£5,179) be attached to the position of Scrutiny Lead Member.

3. Strengthening Area Governance

i. The Panel noted the Council's commitment to decentralisation of decision-making on the widest appropriate range of front line services to the Area level or below based upon a desire to

- § achieve better outcomes for local people by bringing decision-making on key front-line services much nearer to the public they serve
- § maximise the efficiencies achievable through adopting the Council's pioneering Responsive Services methodology and approach

ii. The Panel noted the Council's intention to underpin this challenging agenda with stronger Member representation at the Area level, especially so in view of the Council's commitment to strengthening the influence of local Councillors over shaping and delivery of important front line services.

iii. The Panel also noted the Council's progress on this agenda. Councillors in Area Committees and Area Boards formerly had direct influence over Area budgets rarely exceeding £300,000. In the first wave of decentralisation the Council had given Area Committees and their Place Boards direct influence over an average of ten times this amount per Area, with much more to follow as Area Committees and Area Boards oversee a rapid roll out of further Place and a broad range of People services.

iv. The Panel therefore recommends that

a. an SRA equivalent to c.50% of that of a Cabinet Portfolio Holder (£10,350) be attached to the position of Area Committee Chairman.

b. an SRA equivalent to c.30% of that of a Cabinet Portfolio Holder (£6,277) be attached to the position of Vice-Chairman of Area Committee.

4. Refreshing Other Relevant Main Committee Arrangements

a. Licensing and Regulatory Committee Chairmen

i. The Panel was informed that Licensing Committee and Regulatory Committee were unlikely to be prioritised for review in the next phase of changes to be developed by the Council. The Panel considered the roles and responsibilities of the chairmen of these quasi-judicial committees and comparative information from around the region. On the basis of this, the Panel considered that it was appropriate to review allowances associated with these posts in relation to other elements of the new governance arrangements which the Council had introduced.

ii. The Panel therefore recommends that the SRA's currently attached to the posts of Chairman of Licensing Committee and Chairman of Regulatory Committee should be revised to an equivalent of c. 40% of the SRA attached to a Cabinet Portfolio Holder (£8,369)

b. Adoptions and Permanency Panel Members (2)

i. One of the recommendations from the Panel's last review which was accepted by the Council was that up to two members be awarded an SRA for membership of the Adoptions and Permanency Panel. The Panel received evidence of a further increase in the demands upon Members' time associated with this role and considered it appropriate to recommend an increase in allowance to reflect this.

ii. The Panel therefore recommends that the SRA's currently attached to the two posts involved in the Adoptions and Permanency Panel should be revised to an equivalent of c. 20% of the SRA attached to a Cabinet Portfolio Holder (£4,184)

c. Standards Committee

i. The Panel noted that under the new arrangements introduced as a result of changes in the standards regime, the Standards Committee no longer had any independent members. The Council had made two appointments to a new role of Independent Person, which sat outside the committee structure.

ii. The Panel therefore recommends that the payments identified in the Scheme for independent members of the Standards Committee should be removed.

5. Additional Recommendations

i. Save as referred to above, it recommends that all other provisions in the existing scheme remain unchanged.

It was noted that the cessation of some positions of special responsibility under the existing scheme had occurred after 1 April 2012. For the avoidance of doubt, it is confirmed that the recommended backdating of the proposed amendments is without prejudice to the award of allowances to those members who were entitled to an SRA under the existing scheme, for so long as they held the position for which the allowance was awarded. It is considered appropriate that such members should receive the allowance to which they were entitled under the existing scheme, at the rate set out in the existing scheme, up to the date at which they ceased to hold the position concerned.

With regard to the Basic Allowance, the Panel had regard to representations to the effect that it should be increased and also a representation that it should be protected. In the Panel's view, the current Basic Allowance is at an appropriate level.

ii. It also recommends that there is no provision for indexation of allowances.

6. Future Reviews

i. A number of written representations were made to the Panel by Members regarding matters including the cost of transport, the financial situation of Members in receipt of unemployment and sickness benefit and the level of mayoral allowances. It has not been possible to consider these representations properly within the current review without delaying the process and therefore it is recommended that these representations be considered as part of the next review.

ii. A representation was also received to the effect that the Basic Allowance should be increased to enable Members to provide ICT equipment themselves. As stated above, the Panel considers the current level of Basic Allowance to be appropriate. Should the Council choose to introduce different arrangements for the provision of ICT to Members, the Panel will take this into account in any future review.

iii. The Panel has previously recommended more frequent reviews of the Scheme and it reiterates that this would be appropriate in order to reflect any further changes to Members' roles as these and future new arrangements are embedded. In particular it is recommended that a further review is undertaken in approximately 12 months to assess further the roles and responsibilities associated with the new posts. The Panel was pleased to note cross party support for this proposal.

7. Summary of Proposed Allowances Scheme

A summary of the proposed levels of allowances, which it is recommended should be applied until further review, is set out in Annex 2

John Anderson CBE – Chair

Karen Straughair

John Cuthbert

September 2012

The Work of the Panel

The regulations provide for independent remuneration panels to have the following functions:

- To make recommendations to the authority as to the amount of basic allowance that should be payable to its elected members.
- To make recommendations to the authority about the responsibilities or duties which should lead to the payment of a special responsibility allowance and as to the amount of such an allowance.
- To make recommendations to the authority about the duties for which a travelling and subsistence allowance can be paid and as to the amount of this allowance.
- To make recommendations as to the amount of co-optees' allowances.
- To make recommendations as to whether the authority's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants and if it does make such a recommendation, the amount of this allowance and the means by which it is determined.
- To make recommendations on whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended.
- To make recommendations as to whether annual adjustments of allowance levels may be referred to an index, and, if so, for how long such a measure should run.
- To make recommendations as to which members of an authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972.
- As to treating basic allowance and special responsibility allowance as amounts in respect of which such pensions are payable.

Members' Allowances Scheme

£
Amount per
annum
£

Basic Allowance 8,369

Special Responsibility Allowances:-

Leader of the Council	37,667
Deputy Leader of the Council	25,111
Cabinet Secretary	25,111
Leader of Majority Party in Opposition	12,556
Leader of the Minority Party in Opposition	6,277
Deputy Leader of Majority Party in Opposition	8,369
Deputy Leader of the Minority Party in Opposition	4,184
Cabinet Member with Service Portfolio	20,716
Policy Member	12,556

Chairmen of the following:-

Scrutiny Committee	12,556
Area Committees	10,350
Regulatory Committee	8,369
Licensing Committee	8,369
Planning and Highways Committees	6,277
Development Control Sub-Committees	6,277

Where the same person chairs the Licensing and Regulatory Committees, only one allowance will be payable but increased by a factor of 50%

Vice Chairmen of the following:-

Scrutiny Committee	6,277
Area Committee	6,277

Other Special Responsibility Allowances:

Scrutiny Lead Member	5,179
Membership of Adoption and Permanency Placement Panel (To be paid to up to 2 members)	4,184

Co-optees Allowances**Port Board**

15,000

Audit and Governance Committee:

Chairman	
Independent member	6,277
	3,139
Mayoral Allowance	
Deputy Mayoral Allowance	17,205

Motor Cycle Allowance	24p per mile
Bicycle Allowance	20p per mile
Car Allowance	45p per mile for first 10,000 mile and 25p thereafter

Passenger Supplement 5p per mile for the passenger (not exceeding 4).

In the case of absence from the usual place of residence for a continuous period which exceeds 4 hours but does not involve an overnight absence, subsistence is payable as per the table set out below:

Breakfast Allowance	£6.22
Lunch Allowance	£8.55
Tea Allowance	£3.37
Evening Meal Allowance	£10.59

The subsistence rates shall be reduced as shown below in respect of meals provided free of charge by any authority or body during the period to which the allowance relates as follows:

Reduction of Subsistence Allowance for Meals Provided Free of Charge:

Reduction for Breakfast provided	£6.22
Lunch provided	£8.55
Tea provided	£3.37
Dinner provided	£10.59

Expenses Allowances Claimable Against Income Tax –

Use of Home as Office	£135 per annum
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This is the national Her Majesty's Revenues and Customs publicised rate. Allowance to be updated as and when Her Majesty's Revenues and Customs publishes a revised allowance.

Grant payable for Use of Rooms or Halls for Ward Surgeries	£15 maximum per occasion
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Telephone Calls Allowance	£15 per quarter
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Broadband – actual costs to be reimbursed up to a maximum of £15 per month with a contribution from each Member of £3 per month where private use is made for the facility.