

**CABINET MEETING – 8 FEBRUARY 2022**

**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

MINUTES, PART I

**Author(s):**

Assistant Director of Law and Governance

**Purpose of Report:**

Presents the minutes of the extraordinary meeting held on 11 January 2022, Part I.

**Action Required:**

To confirm the minutes as a correct record.



At a Meeting of the **CABINET** held in **CITY HALL (COUNCIL CHAMBER)** on **TUESDAY 11 JANUARY 2022** at **10.00 a.m.**

**Present:-**

Councillor G. Miller in the Chair

Councillors Farthing, K. Johnston, Rowntree and Williams

**Also present:-**

Councillor P. Walker, Deputy Cabinet Member  
Councillor Edgeworth

**Part I**

**Minutes**

The minutes of the meeting of the Cabinet held on 7 December 2021, Part I (copy circulated) were submitted.

(For copy report – see original minutes).

1. RESOLVED that the minutes of the Cabinet meeting held on 7 December 2021, Part I, be confirmed and signed as a correct record.

**Declarations of Interest**

The following declarations of interest were made:-

Agenda Item 16:  
International Advanced  
Manufacturing Park Interim  
Position Statement

Councillor G. Miller declared an interest as the Council appointed representative and Councillor Rowntree declared an interest as the Council appointed substitute representative on the Board of the International Advanced Manufacturing Park (IAMP) LLP. They both withdrew from the meeting during consideration of the report.

Agenda Item 21: Pension  
Guarantee Arrangement

Councillor P. Walker declared an interest as an employee of the organisation detailed in the report and withdrew from the meeting during consideration of the report.

## **Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Councillors Chequer, F. Miller and Stewart.

## **Response from Scrutiny Coordinating Committee – 9 December 2021 – Capital Programme Planning 2022/2023 to 2025/2026**

The Assistant Director of Law and Governance submitted a report (copy circulated) to advise of the comments of the Scrutiny Coordinating Committee on a report of the Executive Director of Corporate Services that detailed the outcome of the Capital Programme Planning 2022/2023 to 2025/2026.

(For copy report – see original minutes).

Councillor Rowntree highlighted that the Scrutiny Coordinating Committee received the report of the Executive Director of Corporate Services on the Capital Programme Planning for 2022/2023 to 2025/2026, at its meeting on 9 December 2021. She was pleased to report that the Scrutiny Coordinating Committee had considered the capital resources and commitments, as well as the additional project proposals and was satisfied with the report.

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

2. RESOLVED hat the comments of the Scrutiny Coordinating Committee be noted.

## **Response from Scrutiny Coordinating Committee – 9 December 2021 – Budget Planning Framework and Medium-Term Financial Plan 2022/2023 - 2025/2026**

The Assistant Director of Law and Governance submitted a report (copy circulated) to advise of the comments of the Scrutiny Coordinating Committee on a report of the Executive Director of Corporate Services that detailed the outcome of the Budget Planning Framework and Medium-Term Financial Plan 2022/2023 to 2025/2026.

(For copy report – see original minutes).

Councillor Rowntree highlighted that the Scrutiny Coordinating Committee had received the report of the Executive Director of Corporate Services on the Budget Planning Framework and Medium-Term Financial Strategy for 2022/2023 – 2025/2026, at its meeting on 9 December 2021.

Councillor Rowntree was pleased to report that the Scrutiny Coordinating Committee had accepted the report whilst acknowledging the budgetary pressures that the Council continued to face. She advised that the Scrutiny Committee also noted that a number of funding uncertainties remained as well as the continuing impact of the pandemic on a number of budget areas.

Cabinet Members having been advised that the Scrutiny Coordinating Committee was also pleased to continue to receive comprehensive budget updates including the outcome of the Council's budget consultation process. The Committee also put on record its thanks to Members and Officers for their efforts in developing a balanced budget for the Council.

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

3. RESOLVED that  
That the Cabinet be requested to consider the comments of the Scrutiny Coordinating Committee.

### **Performance Report – Quarter 2 of 2021/22.**

The Chief Executive submitted a report (copy circulated) to provide performance information in relation to Quarter 2 of 2021/22.

(For copy report – see original minutes).

Councillor Rowntree highlighted that the report set out the progress made during Quarter 2 of 2021/22 against a City Plan that spanned an eleven-year period through to 2030. She explained that the report had been aligned to the three key themes of the City Plan, namely Dynamic Smart City, Healthy Smart City and Vibrant Smart City, as well as including additional Council indicators for organisational Health.

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

4. RESOLVED that the performance information in relation to Quarter 2 performance of 2021/22 be accepted and noted.

### **Sunderland City Plan 2019-2030 – Annual Assurance Process**

The Executive Director of Corporate Services submitted a report (copy circulated) which detailed the City Plan and Indicative Timeline assurance process and the proposed updating of the Plan and Timeline.

(For copy report – see original minutes).

Councillor Rowntree highlighted the report and advised that the Cabinet was requested to consider the details of the assurance process and recommend the proposed updates to Council for approval.

Councillor Rowntree reported that Sunderland was a great place to live, invest and work in and an innovative, connected and sustainable city for the future was being built which was being delivered, at pace, with significant investment and developments recently announced, and more to come.

Cabinet Members were advised that the City Plan is the sole strategic plan for the period 2019 to 2030. Progress in respect of it, was managed via the Corporate Performance Management arrangements including the quarterly Corporate Performance Reports to Cabinet.

Councillor Rowntree drew attention to an important element of the City Plan which was the accompanying Indicative Timeline, as it articulated a flavour to residents, businesses and all stakeholders, of what the Council was doing to deliver the plan and achieve the vision to create a connected, international city with opportunities for all, by 2030. To this end it presented key projects that were currently underway and those planned in subsequent years.

Cabinet Members were reminded that following the City Plan's publication in 2019, the first review was undertaken last year as the impacts of Covid-19 started to become apparent and resulted in revisions that were included within the current version on the Council's website.

Councillor Rowntree reported that a review or assurance process would be undertaken each year and evidence and insights collated to inform this year's process, and the updates proposed, had included:-

- quarterly performance reports to Cabinet and Scrutiny Committee's consideration of those;
- specialist and operational analysis from Council services and its partners; and
- analysis of wider socio-economic and demographic data and intelligence.

Cabinet Members were advised that input from the Council's partners was an addition to the process this year and going forward would help evidence more, for residents and stakeholders, how the Council was making collective progress towards achieving the City Plan vision. Analysis of the evidence had concluded that the majority of the City Plan remained relevant. But given the significant, current focus on tackling global climate change, it was proposed that a related Challenge to support the Council's and city's commitments in respect of achieving carbon neutrality was included as follows:

"Sunderland will play its role in tackling the global challenge of climate change, working together across the city to be carbon neutral by 2040."

Linked to this, it was also proposed that travel and transport commitment under the Healthy Smart City theme was expanded to articulate a focus on active travel.

And then finally, it is proposed that the Indicative Timeline was updated and expanded to reflect the breadth and current status of key projects in the city that would contribute to delivery of the City Plan.

Councillor Rowntree reported that in line with the Council's, and its partners' approach to carbon reduction and cost saving, the updated City Plan would continue to be published electronically only, on their websites.

Councillor Williams drew attention to paragraph 4.6 of the report which referred to the recommendation of the Scrutiny Coordinating Committee that some of the components of the Carbon Neutral City Council by 2030, and Adult Mental Health Strategy Delivered (in 2026) timeline activities be inserted into the timeline in the intervening years. She highlighted that this confirmed the strong links with scrutiny and would help demonstrate progress towards completion of these activities and also their relationship with the delivery of other objectives.

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

5. RESOLVED that the details of the City Plan and Indicative Timeline assurance process be noted and it be recommended to Council to approve the proposed updates to the City Plan and Indicative Timeline (as an Article 4 Plan under the Constitution).

### **Independent Remuneration Panel and Members' Allowances Scheme - 2022/2023**

The Executive Director of Corporate Services and the Assistant Director of Law and Governance submitted a joint report (copy circulated) presenting the report of the Independent Remuneration Panel on the level of members' allowances for the next financial year, in order to make appropriate recommendations to Council.

(For copy report – see original minutes).

The Chair highlighted that this report presented the recommendations of the Independent Remuneration Panel, in respect of the allowances scheme for 2022/2023. He reported that in carrying out its review, the Panel had met with representatives of political groups on the Council and also had regard to the schemes of other authorities in the region.

Cabinet Members were advised that on this occasion, the Panel had recommended that the basic allowance for 2022/2023 be increased by 2%, in line with the assumption in the Medium Term Financial Plan for staff pay awards.

The Chair recognised the important role of the Panel in providing an independent review of the allowances. He reported that considering the Council's financial circumstances in having to raise the Council Tax, the continued effect of austerity, the ongoing pandemic and the financial pressures being faced by residents in the City due to increased fuel and food costs, the scheme should remain unchanged.

Councillor Farthing wholly agreed with the proposal not to accept an increase as it would be totally unconscionable in the circumstances when residents were facing increasing financial pressures. She highlighted that the Council had no choice other than to increase Council Tax as the government assumed that councils would increase rates at the maximum permissible level to provide for Adult Social Care.

The Chair then invited Councillor Edgeworth, who was observing the meeting, to comment. Councillor Edgeworth responded that he welcomed the proposal not to accept the increase however, the Liberal Democrat Group felt that the number of Special Responsibility Allowances (SRAs) should be reviewed and reduced in number. The Chair thanked him for his comments and reminded that the report was solely in relation to a proposed 2% increase and any discussion on the SRAs should be for debate at the Budget Council meeting in March.

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

6. RESOLVED it be recommended to Council:-

- (i) to note the report of the Independent Remuneration Panel; and
- (ii) to approve that the scheme of allowances remain unchanged for the following financial year, as it was considered that there should not be any increase to members' allowances at this time, in view of the ongoing Covid-19 pandemic and the financial pressures being faced by residents in the City.

### **Capital Programme Third Review 2021/2022 (including Treasury Management)**

The Executive Director of Corporate Services submitted a report (copy circulated) to detail:-

- (i) The outcome of the Third Capital Review for 2021/2022; and
- (ii) Progress in implementing the Treasury Management Borrowing and Investment Strategy for 2021/2022.

(For copy report – see original minutes).

In presenting the report, the Chair drew attention to the anticipated spend this financial year which had reduced by £54.3 million since the second capital review was reported, as the Covid-19 pandemic continued to have an impact on some of the capital projects. He advised that the capital programme would still result in investment of circa £203.6 million during 2021/2022. He explained that the overall reduction included:

- the reprofiling of expenditure of £55.1 million into future years primarily because of external influences outside of the Council's control, most significantly from Covid-19, or due to the realignment of projects to ensure best value was achieved;
- the addition of new schemes or variations to the value of schemes of £1.0 million within the Capital Programme; and
- technical adjustments of £0.2 million.



The Chair referred to paragraphs 4.2 and 4.3, which stated that additional funding of £20 million had been secured through the Council's successful Levelling Up Fund bid, whilst £2.119 million had been secured from the Department of Levelling Up, Homes and Communities to support the delivery of the Home of 2030 as part of the Vaux Housing project. He advised that this would assist with funding the delivery of these schemes within the capital programme.

Moving on to the Treasury Management aspects of the report, Cabinet Members were advised that moving towards 2022 would hopefully see financial markets and the wider economy recover to pre-pandemic levels, although some uncertainty remained due to the emergence of the omicron variant.

The Chair drew attention to paragraph 5.3.2, highlighting the latest reduction in PWLB interest rates which had afforded the Council the opportunity to secure a proportion of its required borrowing. He reported that there continued to be positive performance on investments with returns above the benchmark rate, whilst still adhering to the prudent policy agreed by the Council, in what remains a very challenging market.

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

7. RESOLVED that:-

- (i) in respect of the third capital review for 2021/2022 the inclusion of additional schemes or variations to existing schemes for 2021/2022 detailed at Appendix A, be approved as a variation to the Capital Programme; and
- (ii) in relation to the Treasury Management Strategy, the progress in implementing the 2021/2022 Treasury Management Strategy and Prudential Indicators be noted.

### **Third Revenue Budget Review 2021/2022**

The Executive Director of Corporate Services submitted a report (copy circulated) to advise of the overall Revenue Budget position following the third review for 2021/2022 including proposed contingency transfers.

(For copy report – see original minutes).

The Chair advised that the financial challenges previously reported arising from the Covid-19 pandemic through demand and cost pressures alongside income losses previously reported had continued into the third quarter. He reported that a significant budget strain continued to be placed on both Children's and Adult social care services across the City. He added that the pressures on wider Council service demand and delivery also continued to be impacted by the continuation of the pandemic and the on-set of new covid-19 variants.

Cabinet Members were advised that in overall terms a £3.097 million overspend was forecast and the full details by Portfolio were set out in Appendix A. The forecast overspend position relied on fully utilising the balance of the Covid Contingency and savings identified in other budget areas, without which the forecast position would be significantly worse.

The Chair assured that the Council would continue, alongside regional and national colleagues, to make the case for local authorities to receive an increased, fair level of resource from Government to allow councils to deliver their social care responsibilities and also to be fully compensated by the Government for the ongoing financial impact of the pandemic.

Cabinet Members were reminded that the budget for this year was reliant on the inclusion of £6.2 million worth of savings initiatives. As noted in paragraph 3.3.2, of these savings plans, 87% of the savings had either been delivered or good progress was being made but at this stage 13% were considered undeliverable as planned and were factored into the budget forecast position.

The Chair assured that the Council would continue to seek to mitigate the overspend where possible, whilst ensuring it continued to play its full part in supporting its residents and businesses.

Councillor Williams reported that the Council had managed the welfare support grant scheme well and it was part of the unseen work of the Council. She commented that the number of residents claiming Universal Credit had doubled and it was placing increasing pressure on the service. She emphasised that the funding scheme was a necessity for those eligible residents and required fair funding.

Councillor Farthing referred to working in collaboration with Together for Children to deliver the Free School Meals Summer Holiday Programme which had been extremely successful across the city. She expressed concern at the increasing number of Universal Credit claimants and that not all of them were eligible for free school meals for their children. She commented that what was really needed was universal free school meals for children across the North East.

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

8. RESOLVED that:-

- (i) the contents of the report be noted; and
- (ii) the contingency transfers proposed at Section 3.4 of the report be approved.

## **Council Tax Base 2022/2023**

The Executive Director of Corporate Services submitted a report (copy circulated) to detail the calculation of the Council Tax Base for 2022/2023 and to seek approval to recommend to Council the Council Tax Base for 2022/2023 in accordance with the Local Government Finance Act 1992 as amended by the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

(For copy report – see original minutes).

The Chair highlighted that the report advised of the Council Tax Base to be used in calculating the 2022/23 Council Tax for the Council which was to be set at 72,161. He explained that this was an increase of 2,116 Band D equivalents from the 2021/22 base. He drew attention to paragraph 3.4 of the report, which clarified that the increase was primarily due to an anticipated reduced uptake of the Local Council Tax Support Scheme during 2022/23 compared with that assumed within the Council Tax Base for the current year, and also increases in house building across the City.

Cabinet Members were advised that the Council must also calculate the Tax Base for Hetton Town Council which was to be set at 4,052 for 2022/23.

The Chair reported that the calculations detailed in the report followed strict government regulation which specified the factors and formula to be applied and that the calculations must be based on all information available to the Council at 30 November of each year.

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

9. RESOLVED that it be recommended to Council that:-

- (a) the report for the calculation of the Tax Bases for the City Council and Hetton Town Council for 2022/2023 be approved; and
- (b) that pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Sunderland City Council as its Council Tax Base for the year 2021/2022, shall be 72,161 and for the area of Hetton Town Council shall be 4,052.

## **Local Council Tax Support Scheme**

The Executive Director of Corporate Services submitted a report (copy circulated) to request Cabinet to consider, for the purposes of paragraph 5 of Schedule 1A to the Local Government Finance Act (LGFA) 1992, whether the Local Council Tax Support Scheme (LCTSS), which was the Council's Council Tax Reduction Scheme under section 13A(2) LGFA 1992, should be revised or replaced with another scheme for the financial year 1 April 2022 to 31 March 2023.

(For copy report – see original minutes).

The Chair highlighted that the report advised of the proposed Local Council Tax Support Scheme for 2022/23 which remained unaltered from the scheme currently in place. He reported that under the scheme, working age claimants would continue to have their council tax support entitlement calculated and reduced by 8.5%, while pensioners, as legislation required, would remain protected and could still qualify for 100% support in relation to their annual charge.

Cabinet Members were advised that the scheme had been implemented without any major issues and was widely understood by residents who needed to make a claim. The scheme looked to balance the financial position of the Council, with the ability of the individual to pay, while everyone of working age would pay something.

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

10. RESOLVED that it be recommended to Council that:-

- (i) the current LCTSS for the City of Sunderland, the main features of which are set out at Appendix A, be amended from 1 April 2022 to incorporate any legislative changes to the prescribed requirements for the Scheme (the Scheme) but that it be not otherwise revised or replaced; and
- (ii) the approved LCTSS for the financial year 2022/2023 be published on the Council's website and in any additional manner determined by the Executive Director of Corporate Services in consultation with the Cabinet Secretary.

### **Revenue Budget 2022/2023 to 2025/2026 – Update and Provisional Local Government Finance Settlement 2022/2023**

The Executive Director of Corporate Services submitted a report (copy circulated) to provide an update on the budget position for 2022/2023 to 2025/2026 including the impact of the Provisional Local Government Finance Settlement, prior to the receipt of the Final Local Government Finance Settlement 2022/2023.

(For copy report – see original minutes).

The Chair reported that the content of the provisional settlement was largely in keeping with the headlines that emerged from the Government's October Spending Review. He advised that using the Government's Core Spending Power calculation, the Council would see a 7.50% increase in available funding for 2022/23 compared to a 6.88% increase nationally. He commented that whilst this increase in spending power was welcome, to be clear this was not all government funding; the Government's Core Spending Power calculation assumed that local authorities would increase Council Tax by the maximum allowable within the referendum limit, which for 2022/23 was set at a 3% increase. This included 1% in relation to the Adult Social Care precept.

Cabinet Members were advised that the Government's October Spending review provided central government departments with 3-year budgets running from 2022/23 through to 2024/25. The allocations for the Department for Levelling Up, Homes and Communities, which funded Local Government, in the main had their funding frontloaded into 2022/23. Therefore, although the grant increases confirmed in the settlement for 2022/23 were positive, the expectation of any significant funding from the Government in the subsequent two years, to support Social Care demand and other cost pressures was low. Further, a significant proportion of the additional funding allocated to Sunderland, of nearly £6 million, was a one-off grant, which meant that the Council would have no certainty about whether it would continue to receive this funding in future years. As this funding was supporting recurrent costs, the Council would continue to lobby the Government to stress the need for this funding to be provided in the longer term.

Turning to section 4 of the report, the Chair highlighted that the Government had provided some new grant funding towards social care costs as well as the costs of wider council services. He reported that, however, the Council still awaited some funding announcements in particular the Public Health grant allocations for next year. He assured that any updates to the funding position would of course be included within the Budget report brought to Cabinet in February.

Cabinet Members were advised that the Government also confirmed the allocations of funding for schools which was based on October 2021 data. The Sunderland Schools' Forum had met and developed a set of principles to be implemented for the 2022/2023 Sunderland local funding formula which were set out in paragraph 5.7, alongside also agreeing to transfer funding from the Schools Block to the High Needs Block in line with the permitted flexibility.

The Chair reported that in the absence of any further funding being made available by Government, and in order to avoid further budget cuts in 2022/23 beyond those already proposed, the budget planning and consultation assumed a planned total increase in council tax and social care precept of 2.99%. He advised that this was within the limit allowed by Government and aligned to the Government's planning assumptions. The final proposal on council tax however will be made to the February meeting.

The Chair commented that in respect of the overall budget position, even after taking into account of the provisional settlement, an improvement in the Council Tax base assumptions and an assumed 2.99% total council tax increase, the budget for 2022/23 still relied on using £5.476 million of smoothing reserves to achieve a balanced position. This use of the previously accrued reserves was in line with the approach agreed in prior budget planning reports and would help provide the necessary services to our residents and businesses through the ongoing pandemic.

The Chair reported that looking forward, there remained significant uncertainty with regards to local authority funding with details slowly emerging in respect of the funding of the Government's plans for Social Care Reform and the development, consultation and implementation of the fair funding review yet to take place. At present the financial planning assumption was that the impact of these would be neutral on the Council.

Cabinet Members were requested to note that their remained a significant forecast budget shortfall in the medium term and reserves could only temporarily support the position. Without additional funding being made available by the Government, reductions and changes to services would be required in the coming years.

Councillor Farthing drew attention to the government assumption that councils would be increasing Council Tax and the necessity to use reserves. She reported that such measures and the cutting of local services were not why she and her colleagues came into politics.

The Chair concurred with the comments and added that Council Tax increases and having to use reserves of £5.476 million of smoothing reserves to achieve a balanced position demonstrated how inadequate the government's local government funding was. He added that it was down to the excellent work for the Council's Finance Team in identifying savings that made the funding go further. He cautioned that however, once the reserves were gone, they were gone and it would impact by reducing services being delivered. He added that this slight uplift went nowhere to cover the £315 million taken out of the Council's budget since the beginning of the government's austerity measures. He assured that he would continue to lobby government to listen to the Local Government Association's pleas to reinvest in local councils.

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

11. RESOLVED that:-

- (i) the update to the Government funding position, including the outcome of the Provisional Local Government Finance Settlement set out at section 4 of the report, be noted;
- (ii) the update on the 2022/2023 to 2025/2026 budget planning as set out at sections 5 to 11 of the report be noted; and
- (iii) in relation to the Sunderland Schools' local funding formula, approval be given to the following in principle, subject to final modelling and verifying affordability, to be implemented for the 2022/2023 Sunderland local funding formula:
  - The National Funding Formula (NFF), made up of fifteen different funding elements, to be implemented with the following local adjustments, which were modelled in detail so as to give the most equitable settlement possible to all Sunderland schools whilst moving towards the NFF:
    - The Minimum Funding Guarantee applied at 2.0% in line with the NFF value;
    - A transfer of 0.5% (£950,582) to the High Needs Block in recognition of ongoing pressures; and

- The Low Prior Attainment Indicator set at reduced rates of £920 per Primary pupil (NFF £1,130) and £1,500 per secondary pupil (NFF £1,710). It should be noted that alongside the Minimum Funding Guarantee, this proxy indicator does not reduce the funds available to schools for low prior attainment.

### **Sunderland Heat Network - engagement and appointment of specialist drilling contractors**

The Executive Director of City Development submitted a report (copy circulated) to seek approval to procure and appoint a specialist drilling contractor to deliver the boreholes required to progress towards delivery of a strategic heat network.

(For copy report – see original minutes).

Councillor Rowntree highlighted that the Council had been exploring the potential for a Heat Network as part of City Plan and Low Carbon Action Plan objective to reduce the City's carbon footprint. She reported that in line with the June Cabinet decision, the Council sought grant funding to support the cost of the next steps towards delivery of the Sunderland Mine Source Heat Network.

Councillor Rowntree updated Cabinet Members that in the time since the report was drafted, the Department for Business Energy and Industrial Strategy's (BEIS) Green Heat Networks Fund (GHNF) Transition Scheme had approved the funding application. This grant funding would cover costs associated with Commercialisation and the pilot boreholes.

Cabinet Members were advised that a funding condition relating to the pilot boreholes required a formal quotation be obtained and submitted to BEIS prior to the end of this financial year. Due to the complex and specialist nature of this procurement exercise, the Council intended to further engage the services of the Coal Authority to assist in the work required to discharge the condition. Subject to pilot borehole quotations being within the expected budget, and the contractor meeting the required quality standards, the Council would seek to discharge the condition and appoint the most suitable contractor.

Councillor Rowntree reported that this would continue progress towards delivery of a City Centre Heat Network, in support of the ambitions set down in the City Plan and Low Carbon Action Plan. She concluded that the findings of the boreholes and any subsequent Business Case would be brought back to Cabinet for decision on whether to proceed with delivery of the proposed Heat Network, or otherwise.

Cabinet Members having commended the proposal, it was:-

12. RESOLVED that the Executive Director of City Development, in consultation with the Deputy Leader of the Council, be authorised to procure and appoint a specialist drilling contractor on appropriate contractual terms to:-

- (i) design and drill the required pilot borehole(s) subject to the confirmation of funding from the Department for Business, Energy and Industrial Strategy (BEIS); and
- (ii) drill any subsequent required production borehole(s) as part of the construction phase subject to the outcome of the viability of the pilot borehole(s) and confirmation of further funding from BEIS.

### **Procurement of a Contractor for Reconstruction Works to the Sea Defence Structure at Hendon Foreshore Barrier**

The Executive Director of City Development submitted a report (copy circulated) to seek approval to procure a contractor through the NEPO 211 Framework for the reconstruction works to the sea defence structure at Hendon Foreshore Barrier (Strategy Frontage 3) within the Port of Sunderland.

(For copy report – see original minutes).

Councillor Johnston highlighted that the report recommended the approval of the appointment of a contractor through Lot 5 of the Council's contractor framework and approval of funding for the reconstruction works to the sea defence structure at Hendon Foreshore Barrier. He reported that this structure was critical in protecting Northumbrian Water Group's wastewater treatment facility and undertaking these works would help prolong the lifespan of each structure and continue to help protect the integrity and functionality of Hudson Dock within the Port of Sunderland.

Cabinet Members were advised that the estimated cost of the reconstruction works at Hendon Foreshore Barrier including a project contingency was £1.76 million. These cost estimates were based on information available at the time of writing. There was a risk, however, of price fluctuations due to inflation impacting on the cost of raw materials and the potential for adverse weather and therefore a 20% risk contingency was included in the cost estimate. The risk contingency was included to allow for potential adverse weather and additional costs due to increased preliminaries in the event of access restrictions. Depending on the prevailing weather conditions the outturn costs, due to any delays, could be significantly more.

Councillor Johnston assured that the appointment of the main contractor would be in accordance with procurement rules and through the Council's contractor framework and provision for the cost of these works was included within the allocation for Coastal Defences - Strategic Frontage 3 project within the current capital programme. He added that due to current planned workloads and the statutory consultee process including the Marine Management Organisation and subject to Cabinet approval, the works were expected to commence April 2023.



Cabinet Members were advised that not undertaking the emergency works would leave the Council at risk of the likelihood of further damage due to natural storm events and the increase of climate change and it might lead to progressive failure of each structure with likely severe impacts, including loss of functionality of the Port of Sunderland in terms of the navigation channel and Hudson Dock. Undertaking the works would allow the Council to comply with its statutory duties under the Coastal Protection Act 1949 and Sunderland Corporation Act 1972.

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

13. RESOLVED that:-

- (i) the procurement of the required reconstruction works to the sea defence structure at Hendon Foreshore Barrier be approved; and
- (ii) the Executive Director of City Development, in consultation with the Dynamic City Portfolio Holder and the Executive Director of Corporate Services, be authorised to approve the appointment of a contractor, and finalise the contract with the successful bidder.

### **UK100 Pledge and Low Carbon Update**

The Executive Director of City Development submitted a report (copy circulated) to seek approval for the Council to recommit to the UK100 pledge (following its revision) and to note the outcome of the Council's Carbon Disclosure Project (CDP) submission on behalf of the city as well as progress made in relation to emissions data.

(For copy report – see original minutes).

Councillor Rowntree highlighted that UK100 was a network for UK locally elected leaders who had already pledged their part in the global effort to avoid the worst climate change impacts by switching to 100% clean energy by 2050. She reported that Sunderland City Council was already a signatory of the UK100 pledge, having signed up to this in 2015. At the end of 2020, UK100 had published a revised membership pledge, reflecting the amount of progress that had been made by local authorities since the original pledges were made.

Councillor Rowntree explained that the pledge had three central elements: setting ambitious net zero targets; annual reporting by 2022; and reducing and limiting carbon offsetting. She advised that specifically, by signing up to the revised pledge, it would commit the Council to becoming net zero in Greenhouse Gas (GHG) emissions by 2030 and the city as a whole to become net zero in GHG emissions by 2045 or sooner.

Cabinet Members were advised that based on the Council's ambitions, and those of the 2030 Shadow Board Partners as set out within the Sunderland Low Carbon Framework, it was considered that the Council was already well aligned to the three central elements of the UK100 pledge. The most significant change would be extending the existing 2030 commitment beyond carbon neutrality to encompass all GHG emissions and to reach net zero in GHG emissions by 2030 in addition to the existing goal of becoming carbon neutral as a local authority by 2030. The additional commitment from the city-wide perspective would be to reach net zero in GHG emissions by 2045 or sooner, which similarly extended the existing city-wide commitment beyond achieving carbon neutrality by 2040 to reaching net zero in GHG emissions by 2045.

Councillor Rowntree reported that given that the Council was ambitious in terms of its climate change mitigation and adaptation commitments, it was considered that signing up to this revised UK100 pledge would be appropriate to reaffirm and strengthen its climate change credentials.

Turning to the Carbon Disclosure Project (CDP), Councillor Rowntree explained that this was an internationally recognised environmental disclosure system for investors, cities, states and regions to assess and manage their environmental impacts. She reported that in July 2021, the Council on behalf of the city, formally disclosed its GHG reduction activity to CDP for the first time. She advised that following a comprehensive assessment process, CDP had now released their scoring for this year's submissions and had confirmed that Sunderland had achieved a Grade A rating.

Cabinet Members were also advised that significant progress had been made in further understanding emissions data and developing data inventory across the Council in the year since the Council endorsed the city-wide Low Carbon Framework and adopted the Low Carbon Action Plan as an organisation. This had informed the Council's submission to CDP, as well as helping to ensure the Council had as clear a picture as possible of its emissions and were able to draw on this knowledge not only in its monitoring and reporting, but also to inform future activity.

Councillor Rowntree concluded that quarterly emissions data would now be routinely published on the MySunderland website and an annual report would be produced.

The Chair commended the report and highlighted that this demonstrated the Council's commitment to becoming carbon neutral. He requested support for carbon reduction projects coming forward from the Opposition Groups as these would be key to the city in achieving its aims.

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

14. RESOLVED that:-

- (i) approval be given for the Council to recommit to the UK100 pledge (following its revision); and

- (ii) the outcome of the CDP submission on behalf of the city and progress in relation to emissions data be noted.

At this juncture, Councillors Miller and Rowntree, having declared an interest in the following item, withdrew from the meeting during consideration of the report.

Councillor Farthing took the Chair in their absence.

### **International Advanced Manufacturing Park Interim Position Statement**

The Executive Director of City Development submitted a report (copy circulated) to seek approval to the International Advanced Manufacturing Park (IAMP) Interim Position Statement (IPS)

(For copy report – see original minutes).

Councillor Farthing reported that the IAMP represented a unique opportunity for the automotive and advanced manufacturing sectors in the UK. She highlighted that located next to the UK's largest and most productive car manufacturing plant at Nissan, the IAMP provided a bespoke and world class environment for the automotive supply chain and related advanced manufacturers.

Cabinet Members were reminded that the IAMP Area Action Plan (AAP) was formally adopted by both South Tyneside and Sunderland Councils in 2017 and established the development plan against which planning applications within the IAMP area were assessed. The plan was due to be reviewed in late 2022. Since the adoption of the AAP there had been a change in prevailing circumstances in terms of policy, the economic context and low carbon commitments. Therefore, in advance of a review of the scheduled Plan review of the AAP in late 2022 and in light of continuing demand for floorspace within the IAMP, it was considered necessary for these changing circumstances to be taken into consideration by the Council.

Councillor Farthing reported that in order to fully assess these changes, Sunderland City Council and South Tyneside Council had jointly prepared an Interim Position Statement which, subject to Cabinet approval by both local authorities, would be used as a material planning consideration alongside the relevant IAMP AAP policies.

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

15. RESOLVED that the International Advanced Manufacturing Park (IAMP) Interim Position Statement (IPS) be approved.

Councillors Miller and Rowntree were readmitted to the meeting and Councillor Miller resumed the Chair.

## **Procurement – Maximising social value-added and supporting the Sunderland Voluntary and Community Sector**

The Executive Director of Neighbourhoods submitted a report (copy circulated) to seek approval to maximise social value from Council procurements to support capacity building and sustainability of the Sunderland Voluntary and Community Sector, coordinated in partnership with the Sunderland VCS Alliance.

(For copy report – see original minutes).

The Chair highlighted that following Cabinet's approval of Sunderland's Community Wealth Strategy in March 2020, the Council, alongside Anchor Institutions in the City, were working collaboratively and creatively to maximise wealth within the City and within communities, whilst also sustainably growing the capacity of the voluntary sector. He reported that it was proposed that Sunderland Council adopted a new transparent approach as set out within Annex 1 of the report, which would encourage organisations interested in procurement contract opportunities, to increase their Social Value financial donation offer, to support Sunderland's Voluntary and community sector.

Cabinet Members were advised that bidders were currently asked to tell the Council who they wished to donate to, which did not tend to yield much by way of financial offers. It was anticipated, by making the proposed changes, financial contributions could be increased, making it easier for bidders to meet the Council's requirements, whilst achieving one of the Council's community wealth building priorities at the same time.

The Chair reported that should Sunderland Council choose to adopt this approach it might also wish to consider discussing with the City Board that partners consider implementing a similar process. He advised that as part of this proposed change regular communications with the VCS and wider City Board members would be arranged, including an Annual Conversation to share the innovative solutions and activities being delivered.

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

16. RESOLVED that:-

- (i) it be approved that the Council, in partnership with the Sunderland VCS Alliance, maximises social value from Council procurement activity to support capacity building and sustainability of the Sunderland Voluntary and Community Sector;
- (ii) the Executive Director of Neighbourhoods, in consultation with the Executive Director of Corporate Services and the Cabinet Secretary, be authorised to agree and implement amendments to the procurement social value toolkit; and

- (iii) regular communication with the voluntary and community sector and wider City Board members takes place, including an Annual Conversation chaired by the Cabinet Secretary, to share the innovative solutions and activities being delivered to grow Community Wealth across Sunderland.

### **Award of grant funding to the Connected Places Catapult.**

The Executive Director of Neighbourhoods submitted a report (copy circulated) requesting the approval of the award of a grant to the Connected Places Catapult to upgrade and extend the initial Homes for Healthy Ageing Challenge in Sunderland.

(For copy report – see original minutes).

Councillor Johnston highlighted that in September 2021, the City initially secured a nationally funded opportunity provided by the Connected Places Catapult to find and trial innovative technology solutions aimed at tackling cold, damp homes and fuel poverty. He reported that in December 2021, the project had also benefitted from some additional funding from Sunderland Clinical Commissioning Group (CCG) of £80,000. He advised that to best manage the project and its finances it was proposed to combine the initial fund held by the Connected Places Catapult with the new funding from the CCG and the proposed mechanism to passport the CCG funding to the Connected Places Catapult was by way of a grant.

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

17. RESOLVED that the Executive Director of Neighbourhoods be authorised to award a grant of £80,000 to the Connected Places Catapult on terms to be agreed by the Executive Director of Neighbourhoods in consultation with the Portfolio Holder for Dynamic City.

### **Integrated Care System: Approach to Place-Based Partnership Arrangements**

The Executive Director of Public Health and Integrated Commissioning and the Executive Director of Corporate Services submitted a joint report (copy circulated) to provide a formal update on the proposed approach to partnership working arrangements to integrate Health and Care in Sunderland in readiness for the establishment of the Integrated Care System as a statutory body from 01 April 2022.

(For copy report – see original minutes).

Councillor Farthing highlighted that the report sought approval of the approach to collaborative partnership arrangements to integrate health and care commissioning and delivery in Sunderland. She explained that the report set the context to the proposed approach to partnership working, as a consequence of the draft Health and Care Bill, which was laid before Parliament on 6 July 2021.

Cabinet Members were advised that subject to the passage of the Bill, NHS clinical commissioning groups (CCGs) would be replaced by integrated care boards (ICBs) with CCGs' functions, relevant duties and staff, transferring to ICBs.

Councillor Farthing advised that since the report was written, a three-month delay to the establishment of ICBs as statutory bodies was announced on 24 December 2021 to allow enough time for the remaining parliamentary stages. She reported that the ICBs were now expected to be legally and operationally established from 1 July 2022 and not 1 April 2022, as indicated in the report.

Councillor Farthing explained that a formal place-based partnership would need to be in place to work with the North East and North Cumbria ICB, once legally established. She advised that the report proposed strengthening and formalising Sunderland's current place-based partnership arrangements underpinned by a Memorandum of Understanding (referred to as a Place Agreement) which was in development.

Cabinet Members were advised that the aim of the Place Agreement was to guide the work of the partners in Sunderland; to ensure decisions were based on what was best for individuals receiving services and for the health and care system in Sunderland and; and to secure greater levels of health and care integration in commissioning and provision. The Place Agreement was not a legally binding document. It would not override the existing governance arrangements of partner organisations, nor replace those organisations' decision-making processes.

Councillor Farthing clarified that once the ICB was in its statutory form, place-based partnerships would have the opportunity to propose longer term governance arrangements. She added that the report outlined the intention in the longer term to establish a joint committee between the Council, ICB and partners with these future developments being the subject of a further report to Cabinet.

Councillor Farthing highlighted that the report had also been discussed by the Health and Wellbeing Scrutiny Committee. The Committee commented that the Integrated Care System (ICS) and Integrated Care Partnerships (ICP) had the potential to be mechanisms for effective and efficient partnerships with the NHS but it would be important that the roles of the ICP, ICB and Health and Wellbeing Boards were clear and defined especially in terms of their responsibilities to avoid becoming another layer of bureaucracy within the health system. The Committee also raised the importance of ensuring that local overview and scrutiny committees still had the same cooperation and contribution from the ICS and ICP that currently existed with CCG's so that the important accountability and transparency in decision making remained at the local level.

With the North East and North Cumbria ICS being the biggest in the country the Committee also highlighted the potential for the consolidation of treatment services and the importance of reassurances that services currently provided in Sunderland would not be moved further away, and disadvantaging Sunderland residents. Finally Committee Members were interested in the make-up of the Integrated Care Board and what considerations would be given to local representations in terms of elected members.

Councillor Farthing concurred with the comments of the Health and Wellbeing Scrutiny Committee for Sunderland to keep its share of funding and services. Councillor Williams commented that whilst some services might need to be regionalised, Sunderland's voice would need to be heard to ensure decisions would be taken with the best interests of residents and emphasised the need for local representatives on the ICB.

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

18. RESOLVED that:-

- (i) the approach to formalise Sunderland's place-based partnership arrangements be approved as set out in the report; and
- (ii) the Chief Executive, in consultation with the Leader of the Council, the Executive Director of Public Health and Integrated Commissioning and the Executive Director of Corporate Services, be authorised to approve the Place Based Agreement that would underpin the collaborative working arrangements described in this report, once finalised.

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

At the instance of the Chairman, it was: -

19. 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.	L. FARTHING, Chair.
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#### **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.

