



CIVIC CENTRE,  
SUNDERLAND  
23rd September, 2011

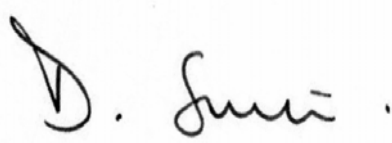
**TO THE MEMBERS OF SUNDERLAND CITY COUNCIL**

**YOU ARE SUMMONED TO ATTEND A MEETING** of Sunderland City Council to be held in the Council Chamber, Civic Centre, Sunderland, on **WEDNESDAY, 5TH OCTOBER, 2011** at **6.00 p.m.**, at which it is proposed to consider and transact the following business, viz:-

1. To read the Notice convening the meeting.
2. To approve the minutes of the Ordinary Meeting of the Council held on 20th July 2011 together with the minutes of the Extraordinary Meetings of the Council held on 7th and 14th September 2011 (copies herewith),
3. Receipt of Declarations of Interest (if any).
4. Announcements (if any) under Rule 2(iv).
5. Reception of Petitions.
6. Apologies.
7. Report of the Cabinet.
8. Written Questions (if any) under Rule 8.2.
9. To receive a report on action taken on petitions.
10. To consider the attached motion.

**11. To consider the undermentioned reports: -**

- (i) Quarterly Report on Special Urgency Decisions – Report of the Leader (copy herewith).**
- (ii) Appointments to Committees and Outside Bodies – Early Implementer Health and Wellbeing Board, Wear Estuary Forum, the Health and Wellbeing Scrutiny Committee, South Tyneside NHS Foundation Trust and Local Government Association Urban Commission - Report of the Executive Director of Commercial and Corporate Services (copy herewith).**

A handwritten signature in black ink, appearing to read 'D. Smith', is written on a light-colored rectangular background.

**CHIEF EXECUTIVE**

## Sunderland City Council

At a meeting of SUNDERLAND CITY COUNCIL held in the CIVIC CENTRE on WEDNESDAY, 20<sup>TH</sup> JULY, 2011 at 6.00 p.m.

**Present:** The Mayor (Councillor N. Wright) in the Chair  
The Deputy Mayor (Councillor I. Kay)

Councillors	Allan	E. Gibson	Oliver	D. Trueman
	Anderson	P. Gibson	Padgett	H. Trueman
	Ball	Gofton	Porthouse	Tye
	Bell	A. Hall	D. Richardson	Wakefield
	Blackburn	Heron	Scanlan	Walker
	Bonallie	Howe	Scaplehorn	Waller
	Charlton	Kelly	Shattock	L. Walton
	Copeland	MackKnight	Smiles	P. Watson
	Curran	Maddison	D. Smith	S. Watson
	P. Dixon	T. Martin	P. Smith	Williams
	Ellis	McClennan	Snowdon	A. Wilson
	M. Forbes	F. Miller	Speding	Wiper
	T. Foster	G. Miller	Stewart	Wood
	Francis	Mordey	Tate	A. Wright
	Gallagher	Morrissey	Thompson	T.H. Wright

The Notice convening the meeting was read.

### Minutes

RESOLVED that the minutes of the Annual Meeting of the Council held on 18<sup>th</sup> May, 2011 (copy circulated) be confirmed and signed as a correct record.

### Declarations of Interest

The following Councillor declared a personal interest in the under-mentioned item of business for the reason indicated:-

Item 8 – Report of the Standards Committee	Councillor Kay	Referred to in connection with paragraph 5.2 of the report.
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## **Mayor's Announcements**

### **(i) Former Councillors John Donnelly and Mary Elizabeth Porter**

The Mayor paid tribute to two former Members of the Council, John Donnelly and Mary Elizabeth Porter, who had recently passed away. Members and Officers stood for a minute's silence as a mark of respect for their former colleagues.

### **(ii) Municipal Journal Achievement Awards 2011**

Councillor T. Wright informed Members of Sunderland Council's success in winning the Public Private Partnership Achievement of the Year Award at the Municipal Journal Awards Ceremony held on 23<sup>rd</sup> June, 2011.

## **Reception of Petitions**

RESOLVED that the under-mentioned petitions, submitted by the Councillors named, be received and referred for consideration in accordance with the Council's Petitions Scheme, to the Chief Officer indicated below:-

- (i) Councillor Morrissey – Petition to have the X2 to Newcastle Reinstated – Executive Director of City Services;
- (ii) Councillor T. Martin – Petition from Residents of Hudson Road requesting Parking Permits Outside Our Home – Executive Director of City Services;
- (iii) Councillor Heron – Petition from Residents of All Saints Drive regarding 'Speeding' Concerns – Executive Director of City Services; and
- (iv) Councillor A. Wright – Petition requesting the Council to provide an increased level of Dog Control Enforcement around Lakeside Village and Silksworth Lake to prevent Fouling and Dogs Running Loose – Executive Director of City Services.

## **Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Councillors Fletcher, S. Foster, Lauchlan, L. Martin, I. Richardson, Rolph and Wake.

## **The Cabinet reported and recommended as follows:-**

### **1. Audit Commission Annual Audit and Inspection Letter**

That they had given consideration to a joint report of the Chief Executive and the Executive Director of Commercial and Corporate Services (copy circulated) on the Audit Commission Annual Audit Letter covering the year 2009/10 together with a copy of the Audit Letter which included issues arising

from the audit of the Council's financial statements and the results of the Audit Commission's work undertaken as part of the assessment of the Council's arrangements to securing value for money in its use of resources.

Accordingly the Cabinet had recommended the Council to note the contents of the report.

## **2. Update to the Constitution**

That they had given consideration to a report of the Executive Director of Commercial and Corporate Services (copy circulated) which had proposed amendments to the Constitution:-

- (a) the amendment of paragraph 4.1(a) to (c) of the delegations to the Head of Law and Governance as set out in Part 3 of the Constitution to read as follows:-

"4.1 (a) To institute, defend or participate in all proceedings, including appeals, in any Court or Tribunal. Where proceedings are instituted on behalf of the Council in the Court of Appeal or the Supreme Court, a report on the institution of such proceedings pursuant to this paragraph shall be submitted to Cabinet for information." and

- (b) the re-lettering of the remaining sub-paragraphs of 4.1 accordingly.

Accordingly the Cabinet had recommended the Council to note and endorse the proposed amendments as appropriate.

## **3. The Queen's 2012 Diamond Jubilee - Competition for Grant of Lord Mayoralty**

That they had given consideration to a report of the Chief Executive (copy circulated) seeking endorsement to Sunderland's application for the grant of Lord Mayoralty through the competition authorised by HM The Queen, where towns were being invited to apply for City Status, and cities were being invited to apply for granting of Lord Mayoralty to celebrate the Queen's 2012 Diamond Jubilee.

Accordingly the Cabinet had recommended the Council to note the detail of the competition entry and to endorse the actions of the Chief Executive in submitting the application by the deadline of 27 May 2011.

**4. Capital Programme Outturn 2010/2011 and First Capital Review 2011/2012 (including Treasury Management)**

That they had given consideration to a report of the Executive Director of Commercial and Corporate Services which detailed:-

- the Capital Programme Outturn for 2010/2011;
- the outcome of the First Capital Review for 2011/2012 taking account of the Capital Programme Outturn 2010/2011;
- changes made to the Capital Programme 2011/2012 since its approval; and
- an update on progress in implementing the Treasury Management Borrowing and Investing Strategy for 2011/2012.

Accordingly the Cabinet had recommended the Council to approve the additional scheme costing over £250,000 in 2011/2012 as set out in the extract attached to the report.

They had also referred the matter to the Management Scrutiny Committee for advice and consideration. The Scrutiny Committee had supported the Cabinet recommendations to Council to approve the inclusion of an additional scheme for 2011/2012 as set out in the extract.

**5. Revenue Budget Outturn for 2010/2011 and First Revenue Review 2011/2012**

That they had given consideration to a report of the Executive Director of Commercial and Corporate Services which had detailed the Revenue Budget Outturn for 2010/2011 and the First Revenue Review 2011/2012 and specifically the approval of the virement of funds.

Accordingly the Cabinet recommended the Council to approve the virement as detailed in the extract attached to the report.

They had also referred the matter to the Management Scrutiny Committee for advice and consideration in relation to the issues of virement. The Scrutiny Committee had supported the Cabinet recommendation to Council to approve the issues of virement as set out in the extract to the report.

**6. Food Law Enforcement Service Plan 2011/12**

That they had given consideration to a report of the Executive Director of City Services (copy circulated) on the Food Law Enforcement Service Plan for 2011/2012, the comments of the Community and City Scrutiny Committee and to seek approval of the Plan.

They had also referred the report to the Health and Well-Being Scrutiny Committee for advice and consideration. The Committee had supported the Cabinet's recommendation that the Plan be approved and had also referred to the very high standard of work undertaken by staff within the Team and the high regard in which they were held.

Accordingly the Cabinet had recommended the Council approve the Food Law Enforcement Service Plan.

## **7. Establishment of an Early Implementer Health and Wellbeing Board**

That they had given consideration to a report of the Executive Director of Health, Housing and Adult Services (copy circulated) to set out proposals for the early establishment of an Early Implementer Health and Wellbeing Board proposed under the Health and Social Care Bill.

Accordingly the Cabinet had recommended the Council to agree the proposals for establishing the Early Implementer Health and Wellbeing Board in July 2011 with initial membership as proposed in the attached report and to authorise the Chief Executive to draw up the appropriate governance arrangements for the Board.

Councillor Oliver having been nominated as the Opposition Member on the Early Implementer Health and Wellbeing Board, it was:-

RESOLVED that the views of the Scrutiny Committees be noted, Councillor Oliver be appointed as the Opposition Member on the Early Implementer Health and Wellbeing Board and that, otherwise, the report of the Cabinet be approved and adopted.

### **The Standards Committee reported and recommended as follows:-**

#### **1. Annual Report on the Work of the Standards Committee 2010-2011**

That they had given consideration to a report by the Executive Director of Commercial and Corporate Services (copy circulated), being the third Annual Report to Council, having been prepared on the work of the Standards Committee during 2010/2011.

Accordingly, the Committee had recommended the Council to note the Annual Report on the Work of the Standards Committee 2010/2011.

RESOLVED that the report of the Standards Committee be received and noted

**The Audit and Governance Committee reported and recommended as follows:-**

**1. Annual Report on the work of the Audit and Governance Committee 2010/2011**

That they had given consideration to a report by the Executive Director of Commercial and Corporate Services (copy circulated) on the work of the Audit and Governance Committee during 2010/2011, it being their second Annual Report to Council.

Accordingly, the Committee had recommended Council to note the Annual Report on the Work of the Audit and Governance Committee 2010/2011.

**2. Treasury Management - Review of Performance 2010/2011**

That they had given consideration to a report by the Executive Director of Commercial and Corporate Services (copy circulated) on 30 June 2011 on the annual borrowing and investment performance for the financial year 2010/2011, produced in accordance with the requirements of the Treasury Management Policy and Strategy, agreed by Council, and reported to Council to comply with the requirements of the CIPFA Treasury Management Code of Practice.

The Treasury Management Review had also been noted at the Cabinet meeting held on 22 June 2011.

Accordingly, the Committee had recommended Council to note the Treasury Management Review of Performance 2010/2011.

RESOLVED that the report of the Audit and Governance Committee be noted.

**Scrutiny Matters – Annual Report 2010/2011**

The Chief Executive submitted the Annual Scrutiny Report (copy circulated) which summarised the work of each of the under-mentioned seven Scrutiny Committees during the year 2010/2011:-

- (i) Management Scrutiny Committee
- (ii) Children, Young People and Learning Scrutiny Committee
- (iii) Community and Safer City Scrutiny Committee
- (iv) Environment and Attractive City Scrutiny Committee
- (v) Health and Wellbeing Scrutiny Committee
- (vi) Prosperity and Economic Development Scrutiny Committee
- (vii) Sustainable Communities Scrutiny Committee

(For copy report – see original minutes).

Councillor Tate, duly seconded by Councillor G. Miller, moved the Annual Report of the Scrutiny Committees and it was:-



RESOLVED that the Annual Report be received and noted.

### **Written Questions under Rule 8.2**

Pursuant to Rule 8.2 of the Council Rules of Procedure, Members of the Council asked questions of the Leader and Members of the Executive.

Councillor Oliver, seconded by Councillor Wood, moved an extension to the time for responding to Written Questions which was agreed.

### **Action Taken on Petitions**

The Council received the under-mentioned reports on action taken in relation to petitions which had been presented to Council.

**(i) Petition from Residents of Benedict Court and City Green to request Sunderland City Council to provide a Zebra Crossing on Cowan Terrace. Presented by Councillor P. Wood on 24<sup>th</sup> November, 2010**

The petition had been considered by the Executive Director of City Services, following traffic surveys and consultation, who had declined the proposal as the location for a zebra crossing on Cowan Terrace did not meet the national criteria for the provision of formal pedestrian crossing facilities.

However, the provision of a lowered dropped crossing facility, at the suggested location, including tactile paving would be included as a high priority in the 2011/12 Capital Programme as part of the Supporting Safe and Sustainable Communities theme of the Local Transport Plan 3.

Councillor Wood and the petitioners had been notified.

**(ii) Petition to improve Parking Facilities for the Residents of Kestrel Close, Ayton, Washington. Presented by Councillor E. Wake on 25<sup>th</sup> June, 2008**

The Executive Director of City Services in consultation with Washington Area Committee had approved a scheme to provide off-street parking places with equal matched funding from Gentoo and savings identified in the Washington Road Safety Measures SIP Project.

Councillor E. Wake and the lead petitioner had been informed accordingly.

## Notices of Motion

### (i) Notice of Motion – Tourist Information Centre

Councillor Wood, seconded by Councillor A. Wright, moved the following motion in relation to the Tourist Information Centre:-

“This Council, recognising the importance of tourism to the city’s economy, regrets the removal of the tourist information centre from its prime Fawcett Street location to the deepest recesses of the second floor of the central library.”

Upon being put to the vote the motion was defeated, with 12 Members voting in favour thereof, viz:-

Councillors	Dixon	Francis	Morrissey	Wiper
	Ellis	Howe	Oliver	Wood
	Forbes	Maddison	Walton	A. Wright

50 Members voting against, viz:-

The Mayor (Councillor N. Wright) in the Chair  
The Deputy Mayor (Councillor Kay)

Councillors	Allan	T. Foster	G. Miller	Tate
	Anderson	Gallagher	Mordey	Thompson
	Ball	E. Gibson	Porthouse	D. Trueman
	Bell	P. Gibson	D. Richardson	H. Trueman
	Blackburn	Gofton	Scanlan	Tye
	Bonallie	Hall	Scaplehorn	Walker
	Charlton	Heron	Shattock	Waller
	Copeland	Kelly	Smiles	P. Watson
	Curran	McClennan	P. Smith	S. Watson
	Emerson	MacKnight	Snowdon	Williams
	Errington	T. Martin	Speding	Wilson
	Essl	F. Miller	Stewart	T.H. Wright

and 2 abstentions, viz:-

Councillors	D. Smith	Wakefield
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It was therefore:-

RESOLVED that the motion be defeated.

**(ii) Notice of Motion – Free Schools and Academies**

Councillor Oliver, seconded by Councillor Morrissey, moved the following motion in relation to Free Schools and Academies:-

“This Council, recognising the importance of Education to the City, will support applications from schools to become Free Schools or Academies where they would benefit pupils.”

Councillor P. Watson, seconded by Councillor Speding, moved the following amendment:-

Delete after “will support” on the first line; “applications from schools to become Free Schools or Academies where they would benefit pupils”.

Add after “will support” on the first line; “schools to teach their children in which ever type of school setting is most appropriate and beneficial to them, whilst considering the needs of all children across the whole city”.

Upon being put to the vote the amendment was carried, with 54 Members voting in favour, viz:-

The Mayor (Councillor N. Wright) in the Chair  
The Deputy Mayor (Councillor Kay)

Councillors	Allan	T. Foster	Morley	Tate
	Ball	Gallagher	Padgett	Thompson
	Bell	E. Gibson	Porthouse	D. Trueman
	Blackburn	P. Gibson	D. Richardson	H. Trueman
	Bonallie	Gofton	Scanlan	Tye
	Charlton	Hall	Scaplehorn	Wakefield
	Copeland	Heron	Shattock	Walker
	Curran	Kelly	Smiles	Waller
	Dixon	McClennan	D. Smith	P. Watson
	Ellis	Macknight	P. Smith	S. Watson
	Emerson	T. Martin	Snowdon	Williams
	Errington	F. Miller	Speding	Wilson
	Essl	G. Miller	Stewart	T.H. Wright

and 10 Members voting against, viz:-

Councillors	Francis	Maddison	Walton	Wood
	Forbes	Morrissey	Wiper	A. Wright
	Howe	Oliver		

Upon being put to the vote the new substantive motion was carried unanimously with 63 Members voting in favour, viz:-

The Mayor (Councillor N. Wright) in the Chair  
The Deputy Mayor (Councillor Kay)

Councillors	Allan	Francis	Morrissey	D. Trueman
	Anderson	Gallagher	Oliver	H. Trueman
	Ball	E. Gibson	Padgett	Tye
	Bell	P. Gibson	Porthouse	Wakefield
	Blackburn	Gofton	D. Richardson	Walker
	Bonallie	Hall	Scanlan	Waller
	Charlton	Heron	Scaplehorn	Walton
	Copeland	Howe	Shattock	P. Watson
	Curran	Kelly	Smiles	S. Watson
	Dixon	McClennan	D. Smith	Williams
	Ellis	MacKnight	Snowdon	Wilson
	Emerson	T. Martin	Speding	Wiper
	Errington	F. Miller	Stewart	Wood
	Essl	G. Miller	Tate	A. Wright
	Forbes	Mordey	Thompson	T.H. Wright
	T. Foster			

Accordingly it was:-

RESOLVED that this Council, recognising the importance of Education to the City, will support schools to teach their children in whichever type of school setting is most appropriate and beneficial to them, whilst considering the needs of all children across the whole City.

### **(iii) Notice of Motion – Sunderland Way of Working**

Councillor Speding, seconded by Councillor H. Trueman, moved the following motion in relation to the Sunderland Way of Working:-

“In light of recent news regarding the steps taken by Conservative led Shropshire Council in respect of its staff, this Council, reaffirms its commitment to do its utmost to protect our staff and their livelihoods through the Sunderland Way of Working.”

Upon being put to the vote the motion was carried unanimously with 64 Members voting in favour, viz:-

The Mayor (Councillor N. Wright) in the Chair  
The Deputy Mayor (Councillor Kay)

Councillors	Allan	Francis	Oliver	D. Trueman
	Anderson	Gallagher	Padgett	H. Trueman
	Ball	E. Gibson	Porthouse	Tye
	Bell	P. Gibson	D. Richardson	Wakefield

Blackburn	Gofton	Scanlan	Walker
Bonallie	Hall	Scaplehorn	Waller
Charlton	Heron	Shattock	Walton
Copeland	Howe	Smiles	P. Watson
Curran	Kelly	D. Smith	S. Watson
Dixon	McClennan	P. Smith	Williams
Ellis	MacKnight	Snowdon	Wilson
Emerson	T. Martin	Speding	Wiper
Errington	F. Miller	Stewart	Wood
Essl	G. Miller	Tate	A. Wright
Forbes	Mordey	Thompson	T.H. Wright
T. Foster	Morrissey		

Accordingly it was:-

RESOLVED that in light of recent news regarding the steps taken by Conservative led Shropshire Council in respect of its staff, this Council, reaffirms its commitment to do its utmost to protect our staff and their livelihoods through the Sunderland Way of Working.

### **Quarterly Report on Special Urgency Decisions**

The Leader of the Council submitted a quarterly report (copy circulated) on executive decisions which had been taken under Rule 16 of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000.

(For copy report – see original minutes).

RESOLVED that the report be noted.

### **Appointments to Committees and Outside Bodies – Sustainable Communities Scrutiny Committee, Audit and Governance Committee, Kepier Almshouses Charity/Houghton-le-Spring Relief in Need Charity, Sandhill View Youth Project (A690) and the St. Peter’s Church Bakehouse Café Board**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) requesting Council to consider appointments in respect of the above Bodies.

(For copy report – see original minutes).

The Leader of the Council having moved that the recommendations contained in the report be approved, it was:-

RESOLVED that approval be given to:-

- (i) the appointment of Councillor Porthouse to the Sustainable Communities Scrutiny Committee in place of Councillor Essl;

- (ii) the appointment of the Cabinet Secretary to the Audit and Governance Committee in place of the Deputy Leader;
- (iii) the nomination of Mrs. Susan Wardle of Houghton-le-Spring as the Council's representative on the Kepier Almshouses Charity/Houghton-le-Spring Relief in Need Charity to fill the vacancy resultant on the resignation of Mr. R. Toy;
- (iv) the appointment of Councillor Gallagher to the Sandhill View Youth Project (A690) in place of Councillor Tye; and
- (v) the nomination of Councillor Curran to represent the Council on the Board of the St. Peter's Church Bakehouse Café'

The Mayor then closed the meeting having thanked everyone for their attendance and contribution to the meeting. In addition she welcomed those new Members who were attending their first meeting of the Council and hoped they'd had an interesting evening.

(Signed) N. WRIGHT,  
Mayor.

## **Sunderland City Council**

At an EXTRAORDINARY MEETING of SUNDERLAND CITY COUNCIL held in the CIVIC CENTRE, SUNDERLAND on WEDNESDAY 7 SEPTEMBER 2011 at 6.00 p.m.

**Present:** The Mayor (Councillor N Wright) in the Chair

Councillors	Allan	T Foster	D Richardson	H Trueman
	Anderson	Francis	Rolph	Tye
	Ball	Gallagher	Scanlan	Wakefield
	Bell	E Gibson	J Scott	Waller
	Blackburn	P Gibson	Shattock	L Walton
	Bonallie	Gofton	Smiles	P Watson
	Charlton	A Hall	D Smith	S Watson
	Curran	Heron	P Smith	Williams
	Emerson	Kelly	Snowdon	A Wilson
	Errington	Macknight	Speding	Wiper
	Essl	L Martin	Tate	Wood
	Fletcher	T Martin	Thompson	A Wright
	M Forbes	Mordey	D Trueman	T H Wright
	S Foster	Oliver		

The Notice convening the meeting was read.

### **Declarations of Interest**

There were no declarations of interest.

### **Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Councillors Copeland, Ellis, Kay, Lauchlan, McClennan, Fairs, P. Maddison, F Miller, G Miller, Morrissey, Porthouse, I Richardson, Scaplehorn, Stewart, Vardy, Wake and P Walker.

### **The Cabinet reported and recommended as follows:-**

#### **1 Honorary Freedom of the City**

That they had given consideration to a joint report of the Chief Executive and the Executive Director of Commercial and Corporate Services (copy circulated) recommending that the Council formally confer the Honorary Freedom of the City upon Mr John Mawston, Sir

Bob Murray CBE and Sir Peter Vardy to formally recognise their outstanding contributions to the well-being and community spirit of the City as outlined in the report.

Accordingly, the Cabinet had recommended Council to:-

- (i) agree to the conferring, in accordance with the provisions of Section 249 of the Local Government Act 1972, of the Honorary Freedom of the City upon Mr John Mawston, Sir Bob Murray CBE and Sir Peter Vardy, and
- (ii) authorise the Chief Executive, in consultation with the Leader of the Council, to agree all appropriate arrangements for the formal ceremony at an extraordinary meeting of the Council to be held on 14<sup>th</sup> October 2011.

The Leader, seconded by the Deputy Leader, moved the report of the Cabinet. The recommendations in the report having then been supported by Councillor Oliver on behalf of the Conservative Group and by Councillor Wakefield on behalf of the Independent Group, it was:-

RESOLVED that the report of the Cabinet be approved and adopted.

(Signed) N. WRIGHT,  
Mayor.



## Sunderland City Council

At and EXTRAORDINARY MEETING of SUNDERLAND CITY COUNCIL held in CITY SPACE, SUNDERLAND UNIVERSITY on WEDNESDAY 14 SEPTEMBER 2011 at 6.00pm

**Present:** The Mayor (Councillor N Wright) in the Chair  
The Deputy Mayor (Councillor I Kay)

Councillors	Allan	Fletcher	McClennan	Tate
	Anderson	Forbes	G Miller	Thompson
	Ball	S Foster	D Richardson	D Trueman
	Bell	T Foster	Rolph	H Trueman
	Blackburn	E Gibson	Scanlan	Wakefield
	Bonallie	P Gibson	Shattock	P Watson
	Charlton	Gofton	Smiles	S Watson
	Copeland	Heron	D Smith	Williams
	Curran	Kelly	P Smith	Wilson
	Dixon	Lauchlan	Snowdon	Wiper
	Ellis	MacKnight	Speding	Wood
	Essl	T Martin		

In Attendance: Members of the Panel: -

Councillor Paul Watson, Dave Smith, Dr Ian Pattison, Shirley Atkinson and Kay Blyth.

**Also Present:**

## Sunderland City Council

Chris Alexander	Mike Foster
Abdul Amin	Philip Foster
Pauline Blyth	Julie Gray
Phil Browning	Stephen Hazlett
Charlotte Burnham	Jane Hibberd
Graham Burt	Matthew Hunt
Alan Caddick	Janet Johnson
Jean Carter	Graham King
Andrew Carton	Helen Lancaster
Norma Clark	Ray Leonard
Michelle Coates	Deborah Lewin
Pippa Corner	James Magog
Nonnie Crawford	Keith Moore
Nigel Cummings	Dave Murray
Colin Curtis	Dennis Napier
Paul Davies	David Ord
Yvonne Ewington	Malcolm Page
Graeme Farnworth	Iris Palfreyman
Helen Ford	Allison Patterson

John Rawling  
Neil Revely  
Andrew Seekings  
Raj Singh  
Julie Smith  
Phil Spooner  
Sue Stanhope

Lee Stoddart  
Elizabeth Swann  
Vince Taylor  
Nicol Trueman  
Gillian Warnes  
Elaine Waugh  
Jane Wheeler

**Representatives of the Following External Organisations: -**

Groundwork North East x 2  
Northumbria Police  
Sunderland Teaching Primary Care Trust x 4  
Gentoo Group x 4  
Tyne and Wear Fire and Rescue  
NHS  
City Equals Group x 2  
Nexus x 3  
University of Sunderland x 2  
Sunderland Street Pastors x 3  
City of Sunderland College x 2  
City Hospitals  
Northumbria Probation Trust  
Sunderland Partnership  
Voluntary and Community Action Sunderland  
Etec Trust  
Youth Parliament x 10  
Sunderland Echo  
Go North East  
Sunderland Counselling Services  
Representatives of Community Spirit

And also Members of the Public

**Notice**

The Notice convening the meeting was taken as read.

**Welcome by the Mayor**

The Mayor, Councillor N Wright, welcomed those present to the City Council's tenth Annual State of the City Event. She welcomed all guests, Council Members, partners and members of the public and then briefly outlined the programme for debate.

**Declarations of Interest**

There were no declarations of interest.

## **Apologies for Absence**

Apologies for absence were received from Councillors Francis, Gallagher, Hall, Maddison, F Miller, Mordey, Morrissey, Porthouse, Scaplehorn, Tye, Walker, Waller, A Wright and T Wright.

## **Leader's Introductory Speech**

Councillor Paul Watson, the Leader of the Council, began by referring to recent press articles about Sunderland and its achievements which illustrated how the city was viewed both nationally and internationally. Featured topics included the level of manufacturing exports from Nissan, the development of software city and digital connectivity, Sunderland International Airshow and XL Youth Villages.

The Leader welcomed those present to the event and said how much he had enjoyed the events in the past and that he, and his fellow councillors, wanted to hear the public's views, concerns and aspirations for Sunderland. What was heard at this event would be key to the decisions the council would be making over the coming year.

He explained that members of the Council's Cabinet would be listening very carefully to what people had to say and would also be available towards the end of the evening to discuss local issues with those present on a more individual basis.

For the main debate, the Panel would be hearing views and questions about the city's 'People, Place and Economy' and the Leader went on to outline some key points relating to 'the state of the city' in this context. Despite the challenges faced over the last year, Sunderland still had much to celebrate and to be proud of.

The Economic Masterplan had been launched at the end of 2010 and it was vital that this plan was in existence to provide a clear focus on what would help the city's economy to recover and grow as quickly as possible. The Council and its partners were committed to a number of key aims through the Masterplan: -

- Developing a vibrant city centre;
- Establishing Sunderland as a University City;
- Developing the city as a low carbon economic hub within the North East region and nationally; and
- Making sure communities are supported, resilient and have all the opportunities they need for a good quality of life.

Although economic conditions had been difficult, the city had continued to see investment and the Nissan car battery plant, which will create up to 350 jobs and play a major role in the city's low carbon industry plans, was due to start operating by the end of the year.

Sunderland Software Centre would open in 2012 as a centrepiece for Sunderland Software City, which was a private and public partnership initiative to inspire and support the growth of the local software industry. Linked to the University of Sunderland and city's schools, a key aim of Software City was to develop and provide an environment for, local talent and the city's IT entrepreneurs to flourish.

The Leader expressed his pride in the events which had taken place in Sunderland this year and which had welcomed people from all over the world. Major music events had provided a boost to the local economy and the International Airshow had again been a great success. The UNESCO World Heritage Site assessor had visited the Wearmouth-Jarrow site in the last few days and the final decision on this was eagerly anticipated in 2012.

The Leader also paid tribute to the community spirit of the people of Sunderland and their generosity and support for charities including the Sunderland 10km run, the Sunderland Memorial Wall and Japanese tsunami disaster effort. This generosity of spirit and determination and resilience in challenging times would stand the city in good stead for the future.

The Council and its partners did not underestimate the size of the challenge ahead in the current and predicted economic conditions and the Leader referred to his colleagues on the Panel as people who were at the forefront of facing these challenges in the city.

The Leader thanked his fellow panel members for joining him this evening and the University for providing the venue for what he hoped would be an interesting and informative debate.

### **State of the City Event**

The debate was facilitated by Richard Moss, Political Editor, BBC North East and Cumbria. Richard welcomed those present and advised that the Panel for the evening comprised: -

Councillor Paul Watson (Leader of Sunderland City Council), Dave Smith (Chief Executive, Sunderland City Council), Shirley Atkinson (Deputy Vice-Chancellor and Deputy Chief Executive, Sunderland University), Dr Ian Pattison (Chairman, Sunderland Clinical Commissioning Group) and Chief Superintendent Kay Blyth (Northumbria Police).

Richard Moss advised that questions had been submitted to the "Your City, Your Say" State of City Event website and the three most popular had been selected and would be answered prior to the open debate: -

**What improvements are planned to the city's transport infrastructure in the near future? Might this include extending the Metro to the north side of the river and re-opening the Leamside line, and what are the plans for the 'Iconic Bridge' and the Port to attract and support business?**

The Leader of the Council responded by stating that work on the new Wear Bridge was well advanced and a best and final bid for funding from the Department for Transport had been submitted on 9 September. The result of the bid would be known in December and if successful, it was anticipated that work would start in 2012 and that the bridge would open in 2015.

With regard to road improvements, the Leader advised that a scheme was being prepared for improvements to St Mary's Way and the Council continued to work with developers to bring forward other improvements to the highway network.

The Leader reported that Nexus (the Passenger Transport Executive) were carrying out a study on options for extensions to the Metro system. The Council continued to work with Nexus to improve public transport and had recently launched a low emissions bus service to serve the city centre.

Those present were informed that the Port Board had now been established, a Port Director had been appointed and trade was starting to build up. The Port was accessible, ready to do business 24-7 and this had to be capitalised upon. There were a lot of initiatives being developed around wind energy and the Port was well placed to take advantage of this. Overall, the Council was working on many different fronts to move forward on transport issues.

**Are we likely to see improvements and developments in the city in the next 20 years of the kind seen elsewhere? The city centre in particular needs to be cleaner, more vibrant and have a better cultural offer – what are the Council's plans for the city centre including the Vaux site and former Kwik Save building? Also the location of the regional Enterprise Zone along the 'A19 corridor' seems to be a positive thing for the city. When can we expect a decision on this and when will construction work commence?**

Dave Smith responded that he was extremely confident that there would be significant development in the city, although the challenges ahead also had to be acknowledged. He stated that the work and investment of the Council and its partners meant that he was able to be optimistic about the economic future of Sunderland. Small business growth and inward investment for new jobs and businesses in the city was good and there were opportunities available to leverage private sector investment.

The Chief Executive was pleased to report that the Council had succeeded in taking ownership of the Vaux site and had been able to bring Tesco into the city on the Sunderland Retail Park. The Vaux site would take years to develop and would be led by private sector investment, however the site would be landscaped and made usable in the short term. It was intended to create a city centre business quarter similar to Doxford Park on the site along with new housing to take advantage of the central location and views along the river corridor.

There was active developer interest in Holmeside Triangle and the Crowtree site and some 50% of the properties in the Holmeside area were now in the ownership of public bodies, namely One North East and the Homes and Communities Agency. The Council was planning to demolish those properties, including Kwik Save, before the end of the year and to make the site secure.

Private and public investment in the city centre continued and plans for an extension to the Bridges, through a development with Primark, were now underway.

Dave Smith advised that the North Eastern Local Enterprise Partnership had been successful in securing an Enterprise Zone which would include the A19 Corridor, Turbine Business Park and Nissan. This was a massive achievement and would have potential in the short and medium term. Advanced manufacturing could generate a huge amount of wealth and attract investment for the people of Sunderland. From the agreement to the delivery of the Enterprise Zone would take time and focus and could only happen if the Partnership continued to work together.

In the past, partnerships between the Council and private businesses had made successful bids to the Regional Growth Fund and there was no reason why these relationships could not continue to thrive in the future.

**Does the Council believe that £1.5m is adequate for the regeneration of Roker/Seaburn? If not, what level of investment would bring the area up to a good standard and what will be done to improve entertainment at the seafront?**

The Leader of the Council acknowledged that while £1.5m was a large sum, it could not fund all the works required. He understood the affinity which the people of the city had with Roker and Seaburn and plans were now in place to regenerate the area in the context of the Council's Seafront Strategy and its masterplan for Marine Walk and Seaburn. The plans had been widely consulted upon and largely welcomed.

The budget of £1.5m would fund public realm improvements but private funds would also have to be engaged for the full regeneration of the area. The Council could use its land ownership and regulatory powers to attract investors and secure continual improvement for the seafront.

## **Open Debate**

### **Economy**

Richard Moss invited Shirley Atkinson to lead the discussion on the 'Economy' theme.

Shirley Atkinson thanked the Council for the opportunity to take part in the debate and referred to the aims of the Sunderland Economic Masterplan and some key facts about the economy and skills in the city. In the last 20 years, since the decline of major industries, 20,000 new jobs had been created, but levels of worklessness were still high with 20.3% of the population receiving benefits.

A high proportion of residents were qualified to NVQ Levels 1 and 2 but a smaller percentage were qualified to Levels 3 and 4 when compared to the national average and therefore earnings and spending power were lower than average. The majority of high value jobs in the city were filled by non Sunderland residents.

What role could the University play in the City's economic development: It had 17,000 students studying in Sunderland from over 30 countries across the world and approximately 10,000 students studying in overseas colleges and universities. As a business, the University employs 1700 people and sub contracts services which provide further indirect employment within the city.

The University has significant activity underway to support the business community through knowledge transfer schemes, internship programmes, consultancy, collaborative research and business clinics. To support enterprise, the University operates hatcheries and business support units where graduates can develop and grow successful businesses.

Shirley Atkinson highlighted that the University was an active participant in local communities and posed the question how could the University 'add value' by working with and alongside the Council and its partners. Some examples included the new academic programme in low carbon technologies which feeds directly into the aspirations to be a 'low carbon city' and to develop the skills to support this sector. £8m had been invested in the sciences complex and laboratories so that the University was able to offer the best facilities for teaching, learning and research in pharmaceuticals and related science subjects. The advanced manufacturing research facility had also recently been nominated for a national award.

The University was also working closely with the Council to develop a strategy for the development of creative and cultural industries and 30 businesses had been supported in the last year through the University's Creativitiworks hatchery.

Enterprise was a significant theme for the University and it was currently working with the Council to produce an enterprise and innovation strategy and was reviewing its offer to identify how sessions on enterprise, mentoring and support could be provided to all students to encourage the creation of more new businesses.

With regard to the City being at the heart of a 'low carbon economic area', the University had ambitious plans to reduce its carbon footprint by 48% by 2021 and was involved in the low carbon bus partnership with the Council and Nexus. It would also be hosting an event in November with the Energy and Environmental Industries Forum which would focus on low carbon. These initiatives were aimed at building capacity, reputation and skills in this key area.

The Economic Masterplan stated that the City's future was tied to the wider economy and the City must be collaborative and outward looking. The University had 25% of its business tied up in international markets and the student population understood the need to be flexible and mobile.

Shirley Atkinson concluded by saying that worklessness, skill levels and economic activity were significant challenges and the University continued to work with the Council to improve the skills levels of communities and to create an environment which embraced learners. In this way, the University could help foster a climate which would help to deliver a strong, diverse economy for the future.

## Questions

**There is a lot of work to do on people's perceptions of the city. Aerospace manufacturing industries and Rolls Royce had been in the city for many years but do not appear in any promotional material – why is this? Can we not get the small things, such as road markings, right?**

The Leader responded that the Council did work closely with big companies in the city and had been heavily involved in Roll Royce's recent move to Washington, which had embedded them in the city for the foreseeable future. He acknowledged that Sunderland did not always make enough of its positive aspects and that had to be worked upon.

Road markings were an issue in many areas of the country and councils could not be expected to keep everything perfect at all times. Difficult decisions had to be

made about which works would take priority as the Council tried to make best use of finite resources.

**In the evening, the city is very quiet. Is there anything being done to attract more people though tourism and culture? The Great North Run brings a lot of people to the area – could Sunderland do something similar, maybe a cycle race? Can something be provided for young people in the city?**

The Chief Executive replied that the Council was aware of the need to drive the development of the evening economy and tourism but was realistic about the steps which had to be taken. He advised that the Council saw the development and expansion of the events offer as key to moving forward in attracting local people and people from outside the area.

He highlighted that a quarter of a million people had come into the city as a result of the concerts at the Stadium of Light during the summer. This had generated an increased spend in the city of £18 million and visitors had gone away with a positive view of what Sunderland had to offer. The International Airshow had also attracted one million people over the weekend.

What mattered to business was the number of people in the city and spending money in the city. The Council had also invested in the calendar of Christmas activities and listened to the views of the public about events such as this. The Council believed it was rising to the challenge of increasing tourism to the city.

**If the 'Iconic Bridge' gets the go ahead, where will the funding come from?**

The Leader advised that things had changed since the plan for the bridge had first been developed and the Government had put a freeze on funding from the transport pool. Some money was still available and the Council had submitted a best and final offer to the Department for Transport in September and the result of this would be known in December. The cost to the Government would be £78 million and a contribution would be made from the Council. A final agreement was yet to be made with the potential constructors of the bridge but it was expected that the final cost would be over £100 million.

**With regard to the economy, companies were leaving the city centre. Why was the Joplings building still empty? And now TJ Hughes was to close. Newcastle seemed not to be suffering in the same way.**

The Chief Executive advised that Newcastle was not weathering the situation better than Sunderland, shops were closing in the same way. Stores relied on consumers spending money and all were suffering. Local economies were also affected by national companies closing down.

It had to be recognised that in order to have a sustainable future, the thing to do would be to make the city centre as attractive as possible for investors when the economy picked up. When premises become available, alternative uses would be sought. Discussions were ongoing with a number of developers regarding buildings in the city centre including Joplings.



The Bridges currently had no empty units and the owners of the mall wanted to extend. The Leader highlighted that the Council was not a business but it needed to create an environment in which businesses could thrive.

**Sunderland should be proud that it is at one end of the coast to coast cycle route, but there is no sign to mark this at the seafront.**

The Chief Executive noted this point and stated that action would be taken to address this.

## **People**

Richard Moss then asked Dr Ian Pattison to make an opening statement on 'People'.

Dr Pattison introduced himself as a local GP from Ryhope and stated that in the past, GPs had often asked for more responsibility for the healthcare of their patients and this was now happening with the shift to GP commissioning.

Sunderland Clinical Commissioning Group had been formed in March 2011 and it was made up of all the practices in Sunderland. Six GPs had been elected by their peers to form the Board of this group to see the health reforms through locally.

The Clinical Commissioning Group would work alongside the PCT until they became statutory bodies and took over responsibility for commissioning most local health services from the PCT in April 2013. The group was currently a pathfinder and would be testing out the new arrangements for the next 18 months. The Commissioning Group was also working with the Council through the Early Implementer Health and Wellbeing Board and considering the best ways to make best use of public money.

Rather than taking over, the Clinical Commissioning Group would add value because it was made up of front line clinicians who could work directly with other clinicians to reform the way services were delivered and see where things could be improved.

Going forward, the aim was to deliver the best outcomes possible and to be both responsible and accountable for health needs in the city. Sunderland Clinical Commissioning Group was committed to working in partnership with the PCT and the local authority to take Sunderland on this journey.

## **Questions**

**I understand that all patients are entitled to their own autonomy. Why does Sunderland TPCT refuse to acknowledge this?**

Dr Pattison advised that he could not speak on behalf of the PCT, but assured the questioner that all GPs put their patients at the centre of their considerations.

**Gateshead local authority area has one Clinical Commissioning Group. Why does Sunderland, which twice the size and has 57 GP practices, not have more than one commissioning group?**

Dr Pattison responded that historically Sunderland had worked in three groups but GPs had decided that they were best working together. Sunderland Clinical Commissioning Group was one umbrella body but would be split into five groups below that which were co-terminus with the local authority regeneration areas.

**I always come out of the State of the City debate invigorated but then lose my enthusiasm. I have asked people what Sunderland is about and what is its vision and people don't know. There are very few young people in the room and the Council website is not laid out to be attractive to young people. It might be a good idea to hold an event like this for sixth formers. The Council should be congratulated for the parks in the area.**

The Leader replied that engagement and communication could be problematic across the city and the Council did appreciate people coming to events such as this.

Events such as the State of the City were held for young people and the Leader stated that Sunderland had one of the most progressed Youth Parliaments in the country and he always received some extremely searching questions from the young people when he attended their meetings. The Council was proud of what it did with young people but maybe it needed to do more to let adults know this.

**As a resident of Houghton, we are very concerned about our air quality due to the landfill site at Houghton quarry.**

The Leader responded that he understood the concerns of the questioner but the Council could only do so much with their powers in this area. When complaints were raised they were actively pursued with the company involved.

The major issue of responsibility for this situation belonged with the Environment Agency and they also had to work within their powers.

Elected Members frequently raised these issues on behalf of their constituents and the Leader stated that he would oppose any extension of the quarry.

## **Place**

Finally, Richard Moss invited Superintendent Kay Blyth to introduce the discussion on 'Place'.

Superintendent Blyth stated how proud she was to be part of the Safer Sunderland Partnership which was working to make Sunderland a safer place for everyone. She highlighted that there were 1,637 fewer victims of crime in 2010/2011 when compared to 2002/2003 which has contributed to a reduction of 50% in recorded crime over the last eight years.

Feelings of safety had greatly improved and seven out of ten residents thought that the police and council were dealing with the crime and anti-social behaviour issues which matter locally.

The Police understand that not all incidents were reported and this was why the Safer Communities Survey was conducted annually, to get a more rounded picture of public perceptions, and to help all services, not just the police, to respond in a more effective manner.

An example of this type of working is the Local Multi Agency Problem Solving Groups (LMAPS) which consist of representatives from the police and partner agencies and identify solutions to a range of problems such as anti-social behaviour and off road motorbikes. These LMAPS had support for their work from all political groupings in the city.

Superintendent Blyth went on to highlight some of the work currently being done within the city, such as the Integrated Offender Management scheme which targets prolific offenders and those causing the most harm to communities. Alcohol-related issues were regularly raised by residents and the police work in partnership with other agencies to carry out licensing enforcement, tackle underage sales and carry out drug and weapon searches. The launch of the street pastor scheme and marshalled taxi ranks have also helped to reduce disorder and to defuse volatile situations in the city centre at night.

The Safer Sunderland Partnership had been recognised as one of the leading community safety partnerships nationally, but they were aware of the challenges ahead.

The economic situation posed a particular challenge but it remained a priority of Northumbria Police to continue to deliver excellent policing. Superintendent Blyth assured the audience that Neighbourhood Policing was still alive and well and locally based officers would continue to provide a strong, visible presence.

The transition to Police and Crime Commissioners also raised significant issues for councils, police authorities and partners but the Safer Sunderland Partnership remained committed to working together through this and to continue to demonstrate value for money and deliver on its promises.

## **Questions**

### **The Police have not done anything about a recent incident of violence perpetrated by young people hanging around a local shop.**

Superintendent Blyth indicated that she would be happy to discuss individual cases outside the public part of the meeting but added that 95% of young people were law-abiding and sometimes the perception was greater than the actual level of bad behaviour.

The police worked with youth engagement and anti-social behaviour officers on operations and as the local anti-social behaviour services became more flexible, they would be looking at different ways to tackle this sort of disorder.

**The LMAPS and local Community Beat Officers have had a big impact and been very successful. I have concerns about people bullying and abusing the most vulnerable in our communities.**

Superintendent Blyth agreed that there were vulnerable people who deserved the protection from relevant agencies and the local community. Training had recently been delivered on this issue for officers and there was a role to play for the community in providing intelligence relating to such abuse. The key would be in being able to identify repeat victims and putting measures in place at an early stage but the police were becoming more attuned to this issue.

**Northumbria Police have said that they cannot provide traffic management from officers for the Houghton Remembrance Day Parade. Could I ask Superintendent Blyth to request volunteers to do this?**

Superintendent Blyth responded that the issue of road closures for events was in the hands of the local authority. However, the police provided a contingent at events in the city through officers volunteering on their day off and where possible, cover being provided by neighbourhood policing.

The Chief Executive added that the city put a huge amount of importance on its remembrance parades and the Council continued to ensure that the events were marshalled and supported. The Council worked with communities to ensure that proper action was taken with regard to road closures and would continue to provide every resource it could for these events.

**I've heard you say that you want the people of Sunderland to spend money in the city, can we not advertise Sunderland in the south of the country as a base for manufacturing etc and use the city's students to publicise what Sunderland has to offer?**

Dave Smith advised that Sunderland did market itself both nationally and internationally but it could and should improve the way it does that. The Council was taking advantage of support from business in the city and wanted to develop a campaign which had a real impact, both within the United Kingdom, and internationally.

Shirley Atkinson highlighted that the University had a huge number of marketing, recruiting and campaigning events across the country and would certainly be able to use its students to obtain views about the city and to get those positive opinions across to others.

**Why were the residents of Millfield not consulted about the siting of the new mosque? The site has been sold underhandedly.**

The Leader of the Council responded that the land had not been sold. The Cabinet had agreed that, in line with Council policy, assets which were surplus to requirements, in this case the garage at St Mark's Road, could be disposed of for a reasonable market offer.

The disposal of the land was conditional on the community association obtaining planning permission for the site. This planning application process would be where the local community would have the opportunity to make representations on the proposed use of the site.

With regard to this issue, there were two community groups with differing opinions and it would be wrong for the Council to decide which was the correct view. Any decision made on the land would be to the rule and without bias.

### **Close of the Event**

As Chair of the debate, Richard Moss closed the open discussion and thanked all present for their attendance.

## **THE CABINET reports as follows:-**

### **1. Disposal Procedure for Surplus Land and Property and Amendment of Delegation Scheme and Financial Procedure Rules for acquisition and disposal of assets**

That they have given consideration to a report of the Deputy Chief Executive recommending improvements to the Council's Disposal Procedure for Surplus Land and Property, and a revision to the Delegation Scheme and Financial Procedure Rules which would further improve the process for the acquisition and disposal of assets.

The Cabinet approved the amendments to the Procedure for the Disposal of Surplus Land and Property be approved as set out in the report and accordingly recommends the Council to:-

- (i) amend paragraph 2.37 of the Delegation Scheme set out in Part 3 of the constitution in respect of the Deputy Chief Executive to provide as follows:-

“2.37 To authorise, in consultation with the Executive Director of Commercial and Corporate Services:-

- a) the acquisition and disposal of freehold and leasehold interests in land where the consideration is less than £250,000; and
- b) the acquisition and disposal of leasehold interests in land where the annual rental is less than £250,000.”

provided that in each case, save for:-

- (i) leases granted for a term of seven years or less; or
- (ii) where a disposal of a surplus property is proposed at less than best consideration to a Voluntary and Community Sector organisation in accordance with the Surplus Building Policy (Community Benefit) approved by Cabinet at its meeting on 6<sup>th</sup> April 2011 and the consideration or annual rental is less than £250,000.00 before any concession; or
- (iii) where the disposal is within the scope of the Deputy Chief Executive's delegated authority to agree rent concessions;

in the reasonable opinion of the Deputy Chief Executive, the transaction represents the best consideration reasonably obtainable.”

- (ii) amend paragraph 2.58 of the Delegation Scheme set out in Part 3 of the constitution in respect of the Deputy Chief Executive to provide as follows:-

“2.58 To agree abnormal development costs for all sites”

- (iii) amend paragraph 20.4 of the Financial Procedure Rules to provide as follows

“Cabinet approval is required for the purchase and disposal of freehold and leasehold interests in land where the consideration is £250,000 or more or, in any case, save for:-

- (i) leases granted for a term of seven years or less; or
- (ii) where a disposal of a surplus property is proposed at less than best consideration to a Voluntary and Community Sector organisation in accordance with the Surplus Building Policy (Community Benefit) approved by Cabinet at it’s meeting on 6<sup>th</sup> April 2011 and the consideration or annual rental is less than £250,000.00 before any concession; or
- (iii) where the disposal is within the scope of the Deputy Chief Executive’s delegated authority to agree rent concessions;

where the disposal of a freehold or leasehold interest is at less than best consideration.”

- (iv) amend paragraph 20.5 of the Financial Procedure Rules to provide as follows

“Cabinet approval is required for the purchase and disposal of leasehold interests in land where the annual rental is £250,000 or more or, in any case, save for:-

- (i) leases granted for a term of seven years or less; or
- (ii) where a disposal of a surplus property is proposed at less than best consideration to a Voluntary and Community Sector organisation in accordance with the Surplus Building Policy (Community Benefit) approved by Cabinet at it’s meeting on 6<sup>th</sup> April 2011 and the consideration or annual rental is less than £250,000.00 before any concession; or

- (iii) where the disposal is within the scope of the Deputy Chief Executive's delegated authority to agree rent concessions;

where the disposal of a leasehold interest is at less than best consideration"

- (v) authorise the Head of Law and Governance to make such other amendments to the constitution as are required to give effect to and ensure consistency with the decisions of Council as set out in paragraphs (2) (a) to (d) above.

## **2. Youth Justice Plan 2011-2012**

That they have given consideration to a report of the Executive Director of Children's Services seeking approval to the publication and distribution of the Youth Justice Plan 2011/2012. The report outlines the background, purpose and intentions of the Plan and provides the Plan intended for publication.

They also referred the report to the Children, Young People and Learning Scrutiny Committee for further advice and consideration. The Scrutiny Committee in considering the report, congratulated the service on yet another excellent report, and endorsed the Youth Justice Plan prior to its submission to the Youth Justice Board.

Accordingly the Cabinet recommends the Council to consider the contents of the report and approve the Youth Justice Plan 2011-2012 and agree to its publication and distribution.

## **3. Establishment of a Local Authority Owned Company**

That they have agreed to the establishment and development of a local authority owned company, with a Board of Directors to consist of three elected members, to take over the care and support provided in a number of care establishments for adults with learning disabilities, autism and complex needs in Sunderland.

Accordingly the Cabinet recommends the Council to appoint three members to the Board of Directors of the new company.





**DISPOSAL PROCEDURE FOR SURPLUS LAND AND PROPERTY AND  
AMENDMENT OF DELEGATION SCHEME AND FINANCIAL PROCEDURE  
RULES FOR ACQUISITION AND DISPOSAL OF ASSETS**

**REPORT OF THE DEPUTY CHIEF EXECUTIVE**

**1.0 Purpose of the Report**

- 1.1 This report recommends improvements to the Council's Disposal Procedure for Surplus Land and Property, and a revision to the Delegation Scheme and Financial Procedure Rules which will further improve the process for the acquisition and disposal of assets.

**2.0 Description of Decision**

- 2.1 Cabinet is recommended to:-

(1) agree to the amendments to the Procedure for the Disposal of Surplus Land and Property as set out in this report

(2) recommend Council to

(a) amend paragraph 2.37 of the Delegation Scheme set out in Part 3 of the constitution in respect of the Deputy Chief Executive to provide as follows:-

“2.37 To authorise, in consultation with the Executive Director of Commercial and Corporate Services:-

a) the acquisition and disposal of freehold and leasehold interests in land where the consideration is less than £250,000; and

b) The acquisition and disposal of leasehold interests in land where the annual rental is less than £250,000.”

provided that in each case, save for:-

- (i) leases granted for a term of seven years or less; or
- (ii) where a disposal of a surplus property is proposed at less than best consideration to a Voluntary and Community Sector organisation in accordance with the Surplus Building Policy (Community Benefit) approved by Cabinet at its meeting on 6<sup>th</sup> April 2011 and the consideration or annual rental is less than £250,000.00 before any concession; or

- (iii) where the disposal is within the scope of the Deputy Chief Executive's delegated authority to agree rent concessions;

in the reasonable opinion of the Deputy Chief Executive, the transaction represents the best consideration reasonably obtainable."

- (b) amend paragraph 2.58 of the Delegation Scheme set out in Part 3 of the constitution in respect of the Deputy Chief Executive to provide as follows:-

"To agree abnormal development costs for all sites"

- (c) amend paragraph 20.4 of the Financial Procedure Rules to provide as follows:-

"Cabinet approval is required for the purchase and disposal of freehold and leasehold interests in land where the consideration is £250,000 or more or, in any case, save for:

- (i) leases granted for a term of seven years or less; or
- (ii) where a disposal of a surplus property is proposed at less than best consideration to a Voluntary and Community Sector organisation in accordance with the Surplus Building Policy (Community Benefit) approved by Cabinet at its meeting on 6<sup>th</sup> April 2011 and the consideration or annual rental is less than £250,000.00 before any concession; or
- (iii) where the disposal is within the scope of the Deputy Chief Executive's delegated authority to agree rent concessions;

where the disposal of a freehold or leasehold interest is at less than best consideration."

- (d) amend paragraph 20.5 of the Financial Procedure Rules to provide as follows:-

"Cabinet approval is required for the purchase and disposal of leasehold interests in land where the annual rental is £250,000 or more or, in any case, save for:

- (i) leases granted for a term of seven years or less; or
- (ii) where a disposal of a surplus property is proposed at less than best consideration to a Voluntary and Community Sector organisation in accordance with the Surplus Building Policy (Community Benefit) approved by Cabinet at its meeting on 6<sup>th</sup> April 2011 and the consideration or annual rental is less than £250,000.00 before any concession; or

- (iii) where the disposal is within the scope of the Deputy Chief Executive's delegated authority to agree rent concessions;

where the disposal of a leasehold interest is at less than best consideration"

- (e) authorise the Head of Law and Governance to make such other amendments to the constitution as are required to give effect to and ensure consistency with the decisions of Council as set out in paragraphs (2) (a) to (d) above.

### **3.0 Background and Proposed Amendment**

- 3.1 The current Disposal Procedure for Surplus Land and Property was adopted by Cabinet in December 2009 (copy attached). Its operation has since been reviewed, and it is considered that there are a number of amendments that can be made that will improve the speed and efficiency of the disposals process without compromising its integrity. These are set out below.
- 3.2 Existing procedure  
Initial gross financial offers for land and buildings are reported to Cabinet, the highest acceptable offer being recommended for approval. This allows the Council to conditionally accept the offer and gives the preferred developer the confidence to proceed with due diligence. The current procedure requires that if, as is usually the case, unforeseen development costs exceed 10% of the original offer, a further report is made to Cabinet seeking approval to a revised offer.
- 3.3 This procedure results in unnecessary lengthening of the process due to the need to report to Cabinet twice on the majority of transactions. It can therefore lead to delays in the process and prolong the investment and development in Sunderland.
- 3.4 Proposed amendment  
It is therefore proposed that a report be made to Cabinet recommending the proposed disposal to the preferred bidder at the initial gross offer on the basis that the offer is both acceptable in planning terms and represents the most financially advantageous offer representing best consideration.
- 3.5 As is the case now, the preferred bidder will then be issued a contract for sale which will be conditional upon the grant of planning permission and the agreement of any abnormal development costs for the proposed development. The prospective purchaser will have the opportunity to carry out due diligence and will commission site investigation works.

- 3.6 If it is the case that site investigation works highlight unforeseen additional development costs, these will be scrutinised and verified in order to reach a best and final offer. It is proposed that the Deputy Chief Executive, in consultation with the Executive Director of Commercial and Corporate Services, be delegated authority to accept a best and final offer. The Council's constitution also contains requirements in respect of consultation with relevant portfolio holders by Chief Officers who are exercising delegated powers and in the case of property disposals, consultation will be undertaken with the Leader and Cabinet Secretary. In respect of unforeseen costs it is expected that bidders will have undertaken diligent desk top surveys of the site in question and as a result will have allowed for costs such as access, services, and known ground conditions as part of their initial submission. These areas will not be considered as unforeseen development costs. However, works that could not have reasonably been envisaged at the time of making the offer such as the removal of contaminated materials, removal of substructures and the requirement for upgraded foundations due to poor ground quality, will be considered.
- 3.7 The policy presently requires any claimed reductions for unforeseen development costs in excess of £100,000 to be scrutinised and verified by independent external consultants. However the expertise to carry out this work is available in house and it is proposed that this be utilised which will result in a saving on consultants fees. Specialist external advice will be sought only if necessary.
- 3.8 The procedure set out above will be followed in respect of any transaction for which the value exceeds the level delegated to the Deputy Chief Executive. With the following exceptions it is recommended that any proposed disposals at an undervalue (for example, in order to secure the promotion or improvement of the economic, social or environmental well-being of the area) must be approved by Cabinet.

The exceptions are:-

- a) where a disposal of a surplus property is proposed at less than best consideration to a Voluntary and Community Sector organisation in accordance with the Surplus Building Policy (Community Benefit) approved by Cabinet at its meeting on 6<sup>th</sup> April 2011 and the consideration or annual rental is less than £250,000.00 before any concession (therefore within the current acquisition and disposal delegation).
- b) leases granted for a term of seven years or less where the annual rental is less than £250,000.00 (therefore within the current acquisition and disposal delegation).

where the disposal is within the scope of the Deputy Chief Executive's delegated authority to agree rent concessions.

#### **4.0 Proposed Amendment to the Scheme of Delegation and Financial Procedure Rules**

- 4.1 Currently the Scheme within the Constitution enables the Deputy Chief Executive to authorise the acquisition and disposal of freehold and leasehold interests where the consideration is less than £100,000 in the case of freeholds and where the annual rent is less than £50,000 in the case of leaseholds. Transactions outside of these limits require Cabinet approval.
- 4.2 It is proposed therefore that the Deputy Chief Executive be authorised, in consultation with the Executive Director of Commercial and Corporate Services, to approve the acquisitions and disposals of both freehold and leasehold property where the consideration is less than £250,000 and where the annual rental is less than £250,000 in respect of leaseholds. The requirement to consult with the Executive Director of Commercial and Corporate Services will ensure that best consideration is obtained save for the excepted cases at 3.8 above including leases granted for a term of seven years or less. Such leases generally relate to occupation by social enterprises and charities of Council shops and factories and are not reported to Cabinet.

It is also proposed that the Financial Procedure Rules be amended to reflect that:-

- a) Cabinet approval is required for the purchase and disposal of freehold and leasehold interests in land where the consideration is £250,000 or more or, in any case, save for:
  - (i) leases granted for a term of seven years or less; or
  - (ii) where a disposal of a surplus property is proposed at less than best consideration to a Voluntary and Community Sector organisation in accordance with the Surplus Building Policy (Community Benefit) approved by Cabinet at its meeting on 6<sup>th</sup> April 2011 and the consideration or annual rental is less than £250,000.00 before any concession; or
  - (iii) where the disposal is within the scope of the Deputy Chief Executive's delegated authority to agree rent concessions;

where the disposal of a freehold or leasehold interest is at less than best consideration.

- b) Cabinet approval is required for the purchase and disposal of leasehold interests in land where the annual rental is £250,000 or more or, in any case, save for:

- (i) leases granted for a term of seven years or less; or
- (ii) where a disposal of a surplus property is proposed at less than best consideration to a Voluntary and Community Sector organisation in accordance with the Surplus Building Policy (Community Benefit) approved by Cabinet at its meeting on 6<sup>th</sup> April 2011 and the consideration or annual rental is less than £250,000.00 before any concession; or
- (iii) where the disposal is within the scope of the Deputy Chief Executive's delegated authority to agree rent concessions;

where the disposal of a leasehold interest is at less than best consideration.

## **5.0 Reasons for decision**

To provide a more efficient and streamlined approach to the acceptance of offers for the disposal of Council land and buildings.

## **6.0 Alternative options to be considered and recommended to be rejected**

The alternative options are:-

Not amend and continue with the existing Delegation Scheme and the procedure for the Disposal of Surplus Land and Property. This option would not take advantage of an opportunity to provide a more efficient procedure thereby assisting with the earlier receipt of capital sums.

This option has been considered and is not recommended.

## **7.0 Financial Implications and Legal Implications**

The Executive Director of Commercial and Corporate Services has been consulted and his comments are contained in the report.

## **8.0 Background Papers**

Appendix 1 - Disposal Procedure for Surplus Land and Property.

**CABINET**

**2 December 2009**

**Strategy for Surplus Assets**

**Report of Deputy Chief Executive**

**1.0 Purpose of Report**

1.1 This report outlines a strategy for the disposal or retention of surplus land and property assets (which for convenience are referred to as property in the remainder of the report). The strategy sets out a number of criteria against which the Council will make a judgement on whether it is in its best interests to dispose of or retain property that is no longer required for service delivery purposes. Surplus property is likely to be:

- property that is no longer required for any Council operational purpose;
- vacant property that has development potential;
- tenanted property which does not contribute towards strategic priorities or help to meet performance targets.

**2.0 Description of Decision**

2.1 Agree the strategy for surplus assets, as set out in this report.

**3.0 Background**

3.1 The Council has an extensive property holding which can broadly be divided into two categories: -

- operational property, i.e. property used to deliver services; and
- non-operational property, which is all other property.

There is not a definitive guide to determine what property should be held in either category but the Council has followed the guidance agreed between the Royal Institute of Chartered Surveyors (RICS) and the Chartered Institute of Public Finance and Accountancy (CIPFA) for the valuation of local authority property assets and subsequently adopted by the Government in its guidance to local authorities for asset management. Examples are set out below.

- Operational – schools, leisure centres, libraries, plus offices and depots used to support service delivery.
- Non Operational – land awaiting development, investment property (e.g. industrial units), surplus property.

It should be noted that as part of this categorization certain operational assets, such as parks and historic buildings, are defined as community assets, which the Council holds in perpetuity, and may have restrictions on their disposal.



A more detailed analysis of the categorisation of land and property assets is shown in **Appendix 1**.

- 3.2 The Council's property portfolio is managed as a corporate resource allowing decisions on the use, acquisition and disposal of assets to be taken to address and deliver the Council's strategic priorities.

- 3.3 In 2008 the Department for Communities and Local Government published "Building on Strong Foundations – A Framework for Local Authority Asset Management". This document defines strategic asset management as:

*'... the activity that seeks to align the asset base with the organisation's corporate goals and objectives. It ensures that the land and buildings asset base of an organisation is optimally structured in the best corporate interests of the organisation concerned'.*

- 3.4 It is important that the Council ensures that strategic property decisions are taken within the context of the above definition. This report therefore seeks approval to a strategy for surplus assets that will enable such decisions to be taken in the best interests of the Council.

#### **4.0 Strategy for Surplus Assets**

- 4.1 There will be a presumption that surplus property is disposed of other than where, after satisfaction of one or more of the following tests, it is concluded that there is a case to retain the property. These tests will be applied to operational property that has been declared surplus to requirements as follows:

##### **4.1.1 Strategic Needs**

Where it can be demonstrated that property, which has been declared to be surplus to operational requirements, is required to meet the strategic aims of the Local Area Agreement, the Sunderland Strategy 2008-2025, or the Corporate Improvement Objectives of the Council, the property may be retained.

##### **4.1.2 Financial Risk**

In circumstances where the Council is exposed to significant financial risks, the retention of surplus property may be required as a strategic response to the management of those financial risks.

##### **4.1.3 Regeneration Requirements**

Where it is anticipated that as part of a medium to longer term land assembly programme, surplus property may be retained, where it will ultimately lead to the delivery of regeneration objectives.

##### **4.1.4 Partnership Working**

Through the Head of Land and Property the Deputy Chief Executive will consult with partners on the Strategic Property Group. Property

may be retained for use for partnership working with public or private sector partners, where it is anticipated that retention will lead to improved outcomes for service delivery, or where enhanced values can be realised through partnership working, or both.

#### **4.1.5 Heritage**

In some instances, the retention of heritage assets may be necessary to ensure that the property is maintained in good order, to prevent blight to the property and the surrounding area.

- 4.2 Following the application of the above tests, and where property is to be retained, temporary uses will be considered to minimise risks relating to security, rates, property maintenance, and loss of investment income.

- 4.3 Where property is to be disposed of, the Portfolio Holder for Resources will be consulted, together with the appropriate ward members. The property will be included in the disposal programme for release either when market conditions are optimum so as to secure the highest capital receipt, or when it is considered that the Council's funding requirements are such that a capital receipt should be realised. On becoming surplus to requirements, and whether the property is to be disposed of or retained, its management will be undertaken by Property Services. Where it is agreed that any capital receipt will revert to the service area, the costs of dilapidations and the management costs of holding the property will be borne by the service which previously occupied the building. These management arrangements will be subject to a detailed agreement between Property Services and the service area. Where it is agreed that the capital receipt will be held corporately, the costs will be met corporately.

### **5.0 Method of Disposal**

- 5.1 Once a decision has been taken to dispose of a property, the method of disposal will need to be determined. The disposal could vary from the grant of a leasehold interest to a freehold disposal and the method could be by negotiation, auction or by marketing and tender process. These methods are detailed in **Appendix 2** and the preferred method for each disposal will be recommended by the Deputy Chief Executive, following consultation with the Capital Strategy Group, setting out the rationale for the business case.
- 5.2 In the main, significant disposals take place using an informal tender process, the procedure for which is set out in section 7.
- 5.3 In some instances, a leasehold disposal of a property may provide for rent concessions. The Council's rent concessions policy, agreed by Cabinet in October 2008, is set out in **Appendix 3**.

### **6.0 Best Consideration**

- 6.1 The Local Government Act 1972 enables the Council to dispose of surplus property in any manner including the sale of freehold interests, granting of leases, assignment of any unexpired term of a lease and the granting of easements. Any disposal must be for the best consideration reasonably obtainable unless it is progressed under the provisions of the General Disposal Consent referred to in paragraph 6.5 and **Appendix 4**. A specific consent will be required for the disposal where land is held under powers derived from the Housing Act 1985 or the disposal of land under section 233 of the Town and Country Planning Act 1990. The provisions for disposal for best consideration do not apply to tenancies of a term of less than 7 years, or to the assignment of a lease with less than 7 years of its term remaining.
- 6.2 The Courts have considered the definition of best consideration and held that it is the highest price achievable without restrictions on use.
- 6.3 There is no statutory definition in respect of the method to be adopted to demonstrate best consideration has been obtained. It is generally held that providing an authority has acted reasonably it is entitled to form its own view as to whether a particular price is the best consideration which can be reasonably obtained.
- 6.4 In this respect, all local authorities are recommended to obtain a realistic valuation for disposals so that they can determine whether the proposed price is the best consideration reasonably obtainable. The realistic valuation to be the assessment of the likely sale price based on the RICS Valuation Standards definition of Market Value:

“ The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion”

but also taking into account the existence of any ‘special purchaser’ where the combination of one or more interests in property will create a new asset with a higher value than the sum of the individual interests.

The value will have regard to: -

- any restrictions on the use of the property in the title deeds;
- the planning allocation in the Unitary Development Plan or Local Development Framework and planning guidance on acceptable alternative uses;
- highway constraints;
- known property defects (the condition of the building, ground condition problems and the like);
- market conditions;
- relevant comparable evidence of recent market transactions for the type of property.

This should be done irrespective of the method of disposal. Disposal by tender, sealed bids or auction does not automatically mean that best consideration has been obtained. Indeed legal commentators have stated the converse, that there is no presumption that such methods are essential to establish best consideration. The Council is expected to act consistently, record evidence and be satisfied that its fiduciary duty has been discharged.

- 6.5 The Local Government Act 1972: General Disposal Consent (England) 2003 provides a general consent removing the requirement for the Council to seek specific approval from the Secretary of State for a wide range of disposals at less than best consideration to a maximum undervalue of £2,000,000.
- 6.6 The terms of the general consent means that specific consent is not required for the disposal for less than best consideration where the Council considers it will help to secure the promotion or improvement of the economic social or environmental wellbeing of its area as set out in **Appendix 4**. In these cases the advice of the Chief Solicitor will be sought to ensure that the legal basis of the disposal is sound.

## **7.0 Disposal Procedure for Surplus Land and Property**

- 7.1 At its meeting on the 14<sup>th</sup> March 2007 Cabinet agreed a procedure for the disposal of surplus land and property. At its meeting on the 11<sup>th</sup> December 2008 the Policy and Co-ordination Review Committee agreed that improvements to the procedure be recommended for adoption by Cabinet. The disposal procedure, together with the proposed improvements shown in italics, is set out as follows: -

The main steps in the disposal procedure are as follows:

- Step 1: Following consultation with all Directorates, land is declared surplus to requirements and alternative uses evaluated.
- Step 2: Where a proposal is made to dispose, Ward Councillors are consulted and if appropriate, sales particulars and a design brief are prepared including guidance on the Council's expectations for planning, highway and open space/play requirements. *The design requirements and evaluation criteria are signed off by appropriate Heads of Service. The particulars will also contain a timeframe setting out the Council's requirements for various key stages to be achieved to seek to complete a disposal by a specific date.*
- Step 3: The site is marketed with sales particulars and a design brief is sent to prospective purchasers, and initial design submissions, including layout plans are requested by a closing date. *A contract for the disposal will be incorporated into the particulars.*

- Step 4: Design submissions are evaluated against the objectives of the brief.
- Step 5: Developers submitting acceptable designs are invited to submit financial offers by a closing date. A supplement to the financial offer is requested to provide a breakdown of any deductions made by the developer relating to known development costs to enable the offers to be evaluated by the Council.
- Step 6: Financial offers are opened in the presence of the Mayor.
- Step 7: The highest acceptable offer is recommended to Cabinet. (The offer is generally conditional upon the developer obtaining planning consent, a satisfactory ground condition report and availability of service connections. Developers will only commit to carrying out costly and detailed work in these areas once they have the comfort of knowing that the Council has conditionally accepted their offer).
- Step 8: The conditional contract issued with the sales particulars will be refined to meet the requirements of the disposal – the Council to sell the land at the offered price subject to the developer obtaining planning consent and obtaining a satisfactory ground condition report within a specified timescale. It is the conditional contract that gives the developer the comfort to invest in further work and also provides the Council with comfort that should another offer be received it can be disregarded without the risk of a legal challenge.
- Step 9: Developer submits planning application and commissions ground investigations.
- Step 10: Where a developer identifies abnormal ground conditions an application may be submitted to reduce the previously accepted price; this is scrutinised and a revised price provisionally agreed:
- An abnormal development cost claim in excess of £100,000, is scrutinised by independent external advisors appointed by the Council. In the case of a dispute regarding the value of any abnormal development costs, the Council's decision shall be final.
  - An abnormal development cost claim below £100,000 is scrutinised by the Deputy Chief Executive.
  - The Deputy Chief Executive has delegated authority to agree abnormal development costs for all sites up to a maximum of 10% of the original highest offer.

- In the case of abnormal development costs exceeding 10% of the original highest price the matter is referred to Cabinet to decide whether to either re-market the site or accept the reduced offer.

Step 11: Developer obtains planning consent and purchases site.

- 7.2 **Appendix 5** details the milestones and indicative timescales to be achieved for each major disposal. The milestones will in the main be the same for less significant disposals, although the timescales will be reduced. The particulars of sale for each disposal will contain the milestones and timescales to be adhered to. The Capital Strategy Group will receive performance reports on disposals progress against the timescales. Failure on the part of the developer to adhere to the timescale could result in a report to Cabinet recommending an alternative course of action.

## 8.0 Non Operational Property

- 8.1 The Council has acquired an extensive non operational property holding over a long period of time. It includes industrial units, managed workspaces, shops and market, and also comprises miscellaneous land and property acquired for a variety of purposes, not used for service delivery and often leased to others to generate an income. This miscellaneous element includes the following:

- property let as a general investment;
- land used for agricultural purposes including horse grazing;
- land used for private car parking and garages;
- land used for allotments, storage and garden purposes;
- land and buildings used by community groups;
- land let on ground leases (leases for long terms eg 99 years or more where the tenant is responsible for constructing a building and maintaining it during the course of the lease eg The Bridges);
- buildings used for offices (other than Council offices), pubs, restaurants;
- dwellings;
- third party rights (wayleaves, easements, rights of way etc predominantly but not exclusively to companies providing services to the City).

The non operational portfolio, including industrial units and shops, will be reviewed using option appraisal techniques, and reports will be brought forward recommending retention or disposal as appropriate. The appraisals process will include criteria in relation to the retention of property, if appropriate, to meet the tests set out in paragraph 4.1.

## **9.0 Decision Making**

- 9.1 The Council's Constitution provides for a delegation to the Deputy Chief Executive to dispose of freehold and leasehold interests in property where the freehold value is less than £100,000 and in the case of leaseholds, where the annual rental is less than £50,000 (Paragraph 9.62 of delegation Scheme in Part 3 of the Constitution) . All other decisions to accept or decline offers for surplus property will be referred to Cabinet.

## **10.0 Reason for Decision**

- 10.1 To ensure that the Council has a strategy in place that enables decisions in respect of the disposal or retention of assets to be made within the context of agreed criteria.
- 10.2 To demonstrate that where a decision to dispose of an asset has been made, the disposals process is undertaken in accordance with an agreed methodology.

## **11.0 Options**

- 11.1 The Council could decide not to adopt a strategy for disposal of surplus assets. Such an option would not enable the Council to demonstrate that it had properly considered and aligned its asset base to the corporate goals of the organisation. This option has therefore been considered and is not recommended.

## **12.0 Consultations**

- 12.1 The Chief Solicitor and the Director of Financial Resources have been consulted and their comments are contained in the report.

## **13.0 Background Papers**

- 13.1 Asset Disposal working papers held by the Deputy Chief Executive.

CATEGORIZATION OF LAND AND PROPERTY ASSETS

Annexe B to UK appendix 1.5 Examples of asset categories

Annexe B to UK appendix 1.5  
Examples of asset categories

- UK practice statements

1.

**Operational assets**  
Land associated with operational *property*  
Council dwellings  
Other housing *properties*  
Buildings  
Office buildings  
Schools  
Libraries  
Sports centres and pools  
Golf courses/sports pitches (see note 1, below)  
Residential homes/day centres  
Museums and galleries  
Depots and workshops (see note 2, below)  
Cemeteries (buildings only)  
Crematoria (buildings only)  
Off-street car parks  
Tenanted farms/smallholdings (see note 1, below)  
Equipment  
Vehicles  
Mechanical plant  
Computers  
Fixtures and fittings  
Other equipment

2.

**Non-operational assets**  
Land awaiting development  
Commercial *property*  
Investment *property*



Annexe B to UK appendix 1.5 Examples of asset categories

- Surplus assets (see note 3, below)
- Golf courses/sports pitches
- Depots and workshops
- Tenanted farms/smallholdings
- Shops on housing estates (see note 1, below)
- Markets
- Mooring sites and rights/dockland/shipways (see note 1, below)

3. Infrastructure assets

- Roads
- Sea defences
- Bridges
- Permanent ways
- Water drainage
- Street furniture

4. Community assets

- Parks
- Historic buildings
- Works of art
- Museum exhibits
- Civic regalia
- Cemeteries (land only)
- Crematoria (land only)

**Note 1:** If these *properties* are held for investment purposes, they are non-operational. However, if they are held with particular service objectives in mind, they are operational.

**Note 2:** The identification of the category of these *properties* will depend on the individual circumstances in each case. If a *third party* uses them to provide the authority's services, then they are operational.

**Note 3:** Includes *property* released by a service and awaiting alternative use, as well as land and buildings declared surplus.

UK practice statements

## **APPENDIX 2**

### **METHOD OF DISPOSAL**

#### **1.0 Definition**

- 1.1 The disposal of property is defined as the transfer, in any manner or by any means whatsoever, of property title for a consideration.

#### **2.0 Statutory and Constitutional Requirements**

- 2.1 Local authorities are given power under Section 123 of the Local Government Act 1972 to dispose of property in any manner they wish. The only constraint is that generally a disposal must be for best consideration reasonably obtainable.
- 2.2 The disposal of property is also regulated in Part 4 of the Rules of Procedure FPR 20. Under these procedures the disposal of property by Chief Officers should have due consideration to the Councils Capital Strategy and be executed as part of their Revenue Budget or Capital Programme as appropriate. Cabinet approval is required for the disposal of freehold interests in land where the consideration is £100,000 or more. Beneath this figure a sale can progress via delegated authority given to the Director of Development and Regeneration.

#### **3.0 Methods of Sale**

- 3.1 A decision to declare a property surplus to requirements may be taken either by Cabinet or by the Service Director in consultation with the Cabinet Portfolio Holder.

Once a decision has been made to disposal of an asset, there are four principle methods which may be employed for the disposal. These are set out below.

#### **4.0 General Principles**

- 4.1 The Head of Land and Property should recommend the most effective way of disposing of that interest in order to secure the best terms reasonably obtainable. A written record should be kept of the reasons for such recommendations e.g. cost, timescales etc.
- 4.2 Disposals of Council land should be seen to be fair and transparent.

#### **5.0 Private Treaty**

- 5.1 Procedure

The majority of property in the UK is sold through private treaty e.g.

private home sales via Estate Agents. A sale by private treaty occurs where property is marketed, valued and negotiations are carried out between the vendor and prospective purchasers (or their respective agents) privately, normally without any limit on the time within which they must be completed before contracts are exchanged.

## 5.2 Advantages

The advantages of the private treaty method are that it allows a flexible approach; time pressures are seldom imposed on either the vendor or the purchaser, and it is widely understood and accepted by the general public.

## 5.3 Disadvantages

The major disadvantage is that the proceedings cannot always overcome suspicions of unfair dealings, and it is therefore a method that is used with caution in the public sector.

There is no current time limit on these negotiations within which they must be completed.

## 5.4 Suitability

Generally, wherever there is likely to be more than one potential purchaser then surplus land/property disposals should be completed through a competitive tendering process by open advertisement on the market.

The main area where best consideration should be achievable by private treaty negotiations is where there is a special purchaser, that is a purchaser who has an existing interest in the property or area and has an interest over and above a normal market purchaser in purchasing the Council's interest.

Examples of special purchasers are:

- A purchaser who already controls significant property holdings in the area and is consolidating its holdings.
- A specific, albeit commercial, development proposal.
- An existing tenant where the merger of the freehold and leasehold interests give rise to "marriage value" and a price over and above what an ordinary market purchaser could offer.
- A property owner who is the only likely party interested in purchasing the Council's interest, eg land being sold for garden extensions.
- Those occasions where the Council wishes to support a specific use or development; allowing key objectives of the Sunderland Strategy to be delivered. Examples may include:

- Sales to Housing Associations;
- Sales to developers or companies for commercial development that creates new employment opportunity or protects existing jobs;
- Sales to religious, community or voluntary groups that meet the local need;
- Sales to selected partners.
- Sales to developers that can show preferred developer status.

Where the Council does decide to progress a private treaty disposal and an acceptable price cannot be negotiated then it retains the ability to dispose of the property by tender, sealed bids or by auction.

An acceptable price will depend upon the individual circumstances of each transaction but will primarily be whether the proposed sale price equals or exceeds the Market Value assessed by the Head of Land and Property.

## **6.0 Public Auction**

### **6.1 Procedure**

Auction is the process by which a property is sold to the highest bidder at a public sale.

The chosen auctioneer will confirm their terms of appointment, all charges (including the commission rates for sale on the day, sale after auction or no sale at all), will liaise with the City Solicitor, gather together the necessary paperwork, liaise with others to get Searches, Planning Permissions, Specialist Reports, Tenancy agreements, Architectural Plans and get Special Conditions of Sale prepared for the property. This will all contribute towards the legal pack which potential buyers can inspect on or before the auction. Auctioneers may also provide services for putting up sale boards and showing potential bidders around the property. This may be done at set times before the auction. Some auction houses also provide the services of Internet and telephone bidding to complement the bidding in the auction room itself on the day.

The property is advertised by the auction house prior to the auction to gain maximum coverage for the property.

On the day of the auction, each lot is described prior to being offered. If bidding reaches the reserve price the property will be sold on the fall of the hammer, with contracts effectively being exchanged at that point. The clerk or auction administrator will require the buyer to sign the sale documentation and pay a 10% sale deposit on the day.

## 6.2 Advantages

- Certainty of sale. When the hammer comes down contracts are exchanged and the buyer is legally committed. The buyer must pay a deposit of the sale price before leaving the auction house and the remaining balance within a set period;
- interest from two or more prospective buyers will encourage them to bid against each other;
- the process of competitive bidding will help property to achieve 'best price' on the day. Where sales are required to achieve 'best price' and where auction is the chosen route then this is guaranteed and open to public scrutiny;
- With Private Treaty sales a price agreed may not be the price finally received eg a deduction for cost of repairs or abnormal costs not known at the time offers were received. With Auction there is no re-negotiation, no discounting to take account of survey findings. With Auction the buyer will have fully researched the property's condition prior to bidding and cannot reduce the sale price after the hammer has fallen.

## 6.3 Disadvantages

- To the extent that an auction is a 'sold as seen/buyer beware' deal, it requires buyers to accept higher risks than they would accept in a more conventional deal. Buyers will cope with this extra risk by bidding less than they otherwise would in a sale by private treaty/tender and the property may therefore sell for less than full market value.
- Not generally the accepted disposal method by general public bodies because of costs of preparatory works and unusual environment.
- The auctioneer will seek to enter into a sole agency agreement. This means they will advertise our property in brochures and catalogues on behalf of the vendor. The Council would be responsible for the cost of that advertising, as well as a portion of the room hire fee, regardless of whether the property sells. On top of this, the auctioneer generally charges the seller around 2.5% commission on the sale.
- Although auction houses will often state that one of the advantages of auction is the speed of the sale, by the time a property has been prepared for auction the process is often no quicker than conventional methods.
- There is no guarantee that the property will sell at auction and abortive costs will have been incurred.

## 6.4 Suitability

Selling property at auction is by no means suitable for every type of property. Auctions usually focus on unusual, hard-to-value premises such as churches and village halls, as well as properties in

need of renovation although in recent years the method has become more popular for selling job lots including ground rents and investment properties.

## **7.0 Formal Tender**

### **7.1 Procedure**

This is similar to an auction in that all the preparatory work is done prior to marketing and offers made are legally binding.

The formal tender document is the contract from sale so all of the relevant issues must as far as possible have been resolved before the tender procedure commences. The vendor then invites sealed bids to be received by a certain date, subject to the caveat that it will not be bound to accept the highest, or any tender.

### **7.2 Advantages**

The period for identifying a proposed purchaser can be defined and controlled, and that the process can be demonstrated to be transparent. Prospective purchasers have sufficient time to consider all of the relevant issues before submitting an offer and will have the opportunity to contact the vendor for any further information they may want, so the offer is likely to be informed and reasonably represent the highest figure that particular purchaser would pay.

### **7.3 Disadvantages**

The disadvantage is that some prospective purchasers will be deterred by the finality of the process whereby only one offer may be submitted and there is no subsequent chance to amend that offer in terms of price and timescale.

### **7.4 Suitability**

This method of sale is rarely used in practice and is suitable only in limited circumstances.

## **8.0 Informal Tender**

### **8.1 Procedure**

The procedure is similar to that of formal tenders but the tender applicant may submit conditional offers that will only become binding once those conditions have been satisfied e.g. grant of planning permission and site investigations.

The method of quantifying abnormal development costs is set out in

this policy. These costs could occur on Greenfield or Brownfield sites.

In such circumstances it is usual for a developer to approach the Council with an application to reduce the original offer price by the amount of these costs. The costs would have been quantified following site investigations and would be challenged and verified by the Council's in house technical team. The policy therefore states that sales particulars include details of the areas of work that the Council would accept as qualifying as abnormal development costs. In addition where offers exceed £1m, any application for a price reduction over £100,000 will be scrutinised by external advisors appointed by the Council. The Director of Development and Regeneration is authorised to agree abnormal development costs up to a maximum of 10% of the original offer and any reduction exceeding 10% is to be referred to Cabinet. In any event the Council's decision would be final.

## 8.2 Advantages

The main advantage of this procedure is that it is well known and acceptable to the market place. This method has the advantage of allowing both vendor and purchaser more flexibility and scope to respond to matters which may emerge during the tender process. The timetable can therefore be managed from inception to completion.

## 8.3 Disadvantages

Conversely to the advantages, this method has the disadvantage of introducing an element of uncertainty.

## 8.4 Suitability

This method of disposal is suitable for a wide range of disposals, especially where significant demand is expected e.g. housing and mixed use sites.

## 9.0 Conclusions

- The Council has a statutory obligation to achieve best consideration in the disposal of its property
- There are a number of methods available for the disposal of property
- Officers should recommend the most effective method for each individual circumstance and this recommendation should be clearly reasoned in writing.
- All disposals should be seen to be fair and transparent.

## APPENDIX 3

### RENT CONCESSION POLICY

#### **1.0 Policy for Rent Concessions – Agreed by Cabinet 8 October 2008 in respect of property leased by the Council.**

##### **1.1 The policy for rent concessions will be as follows:**

- Manufacturing business already benefit from a 50% rent discount in the first year of occupancy as an incentive to create jobs. Further rent concessions will also be considered in circumstances whereby tenants can demonstrate that existing jobs will be protected or new jobs created as a result. In both cases consideration will be on the basis of consultation with the Council's Business and Investment Team and City Treasurer.
- Managed Workspace tenants may benefit from rent discounts of 75% for the first 6 months, 50% for a further 6 months, 25% for months 12 to 18 and a full rent thereafter. This provides an incentive to start new business and create new jobs. Eligibility criteria have been established which are attached at Appendix 2, and the process is administered by Property Services. Any further extended rent concessions will be on the basis of consultation with the Council's Business Investment Team and the City Treasurer, and subject to the limits contained in the recommendations of this report.
- Rent concessions for shop, industrial or vacant premises will be given consideration where the tenant undertakes remedial works which are the responsibility of the Council as follows: -
  - A concession equivalent to 100% of the costs of works undertaken will be considered where a tenant carries out works such as the removal of items belonging to a previous tenant, or the execution of dilapidation works that, in default, have not been attended to by the previous tenant or the Council as Landlord.
- Rent concessions may be given where the tenant proposes to undertake improvement works which will provide long term benefit to the property as follows:
  - A concession equivalent to 50% of the costs of improvement works undertaken will be considered where a tenant proposes to alter or improve the premises which will result in significant and lasting benefit to the Council, for example converting two shops into one which will improve the trading position of the unit and its longer term marketability.



- Rent concessions may be given where the tenant proposes to undertake works which are their responsibility but are high cost and will provide significant and long term benefit to the property as follows: -
  - A concession equivalent to 25% of the costs of works undertaken will be considered where a tenant proposes to carry out works which would normally be a tenants responsibility but are considered to be a long term benefit to the premises, for example re-wiring, installation of a new heating system.
- Rent concessions may be given for difficult to let property which has been vacant for some time and will lead to the property being brought back to beneficial use which will lead to new job creation, services to the community and a financial return for the Council. Although each case will need to be considered on its particular merits, a concession based on this criterion would normally be considered where a property has been vacant for at least 3 months.

In all cases lease terms will state that the works are to be timetabled and detailed as positive covenants, classed as Landlords improvement works and any attributable additional value will be included in future rent reviews throughout the lease term. Any departures from the policy will be reported to Cabinet for approval.

## **2.0 Procedure for Request of Rent Concession**

The procedure for dealing with a request for a rent concession will form part of the adopted Letting Strategy and be included within internal Quality Assurance procedures. The procedure, which should be read in conjunction with the policy, is set out below.

- 2.1 A request for a rent concession is received, in writing from the tenant, providing full details of the proposal.
- 2.2 The property is then inspected by the Council's Surveying Services Manager and findings recorded to confirm works are reasonable and required for business purposes and satisfy the circumstances set out in section 6.1 above.
- 2.3 The tenant or prospective tenant provides three written quotes for works from suitable contractors.
- 2.4 The Council's Surveying Services Manager confirms within 20 working days, whether or not the quotes reflect value for money in terms of cost and specification, and a reasonable timescale for completion is provided.

- 2.5 Where a rent concession is agreed at officer level, or by Cabinet where necessary, this will be stated in the Heads of Lease Terms that are issued to prospective tenants in accordance with the lettings procedure.
- 2.6 Upon completion of the lease and the works, the Surveying Services Manager will ensure that the work has been carried out to a satisfactory standard, the tenant has paid for the works and the contractor engaged was one of those for whom a quote was provided earlier in the process.

### **3.0 Delegations**

- 3.1 The Director of Development and Regeneration is authorised to agree rent concessions up to a value of £25,000 a year per property and up to a total value of £50,000 over the term of the lease. Cabinet approval will be required for amounts over these values.

The grant of any proposed rent concessions will be subject to the prior consultation and approval of the Resources Portfolio Holder.

- 3.2 In all cases the economic, social or environmental benefits will be identified as part of the supporting documentation.

## **4. Background**

- 4.1 The Council's managed property portfolio consists of factory units, 5 managed workspace centres, the Place at Sunnyside, shops, and Jacky Whites Market, together with miscellaneous properties ranging from tenancies at the Port of Sunderland to offices and buildings for community use. The Bridges shopping development also provides the Council with an annual rental income. The portfolio is held to meet the Council's strategic objectives and for investment purposes, the revenue from which provides funding for Council services through the Council's financial planning processes.

The annual rental received from the portfolio fluctuates depending upon occupancy rates, but on average is in the region of £5.2m. Rent concessions have previously been granted to tenants in appropriate circumstances, for example for difficult to let property, or as an incentive to new business and to secure job creation. In the vast majority of cases concessions relate to the management of the shops and factories portfolio. Appendix 1 outlines the property to which concessions are most likely to apply based upon 2007/08 figures.

- 4.2 Rent concessions are an acknowledged part of property management practice as well as a tool to encourage investment and secure job creation. As a general rule a rent concession can be defined as a rent free period the length of which can reflect both the

cost of works proposed to be carried out to a property by a tenant in order to bring it into use, and the period of time that the property cannot be used by the tenant for business whilst the work is being undertaken. Concessions may be given for works that are either the responsibility of the Council as landlord, or which are required by the tenant to bring the property into operational use for their specific business. The grant of a rent concession will provide an incentive to the tenant and can make a crucial difference in being able to grant leases to start-up businesses, bring vacant property into use and to secure job creation in accordance with the Council's Prosperous City priority.

It should be noted that there may be circumstances where both a rent concession for fit out, and a separate concession supported by the Business Investment Team and justified by job creation, may be applicable for the same property.

- 4.3 The benefits to the Council that can result from a rent concession include the subsequent income from the letting of vacant property, the creation and or the retention of jobs, potential increase in value of the Council's property asset as a result of tenant investment and potentially a greater certainty of revenue income in the longer term.
- 4.4 The value of the rent concession will vary depending on individual circumstances and examples that can prompt the use of a rent concession can include capital works such as small extensions to property, remedial works that are normally the responsibility of the Council as landlord, fitting out works at the commencement of a lease such as installation of trade counters, display windows, floor coverings, plant and equipment.
- 4.5 The rent concession policy also needs to take into account competition from elsewhere, for example adjacent areas which can offer the benefits of Enterprise Zone status and other landlords offering particularly advantageous and lengthy rent concessions without conditions.
- 4.6 The Council has a general duty under Section 123 of the Local Government Act 1972, to dispose of land other than short tenancies for the best consideration that can be reasonably be obtained. Short tenancies are those involving the grant of a term not exceeding 7 years or an assignment where at the date of assignment the lease has not more than 7 years to run.

A circular issued in 2003 on general disposal consent enables Local Authorities to carry out the statutory duties and functions and fulfil other objectives they consider necessary or desirable, bearing in mind their fiduciary duties.

In summary, the Authority can dispose at less than best

consideration subject to the condition that the under value does not exceed 2 million pounds. The exercise of the power is linked to the Council's well-being powers under Section 2 of the Local Government Act 2000. There are also limitations regarding land held under certain powers and guidance as to how a valuation should be undertaken. Thus the Council does also have appropriate powers to grant rent concessions, for longer tenancies where it would be in the interests of the economic development of its area.

Property to which rent concessions are most likely to apply based upon 2007/2008 figures.

Type	No. of Units	Number Vacant	Approx. Full Rental £ per annum	Rent Received £ per annum	Approx Average Rent per Unit £ per annum
Shops	195	4	653,000	633,417	3,350
Factories	*1 112	8	1,795,000	1,750,515	16,000
Managed Workspace	148	*2 32	291,000	*3 181,149	1,228
Jacky Whites Market	85	3	385,000	357,855	4,500

\*<sub>1</sub> - Does not include units at Salterfen and Rheims Court which are vacant and due to be demolished.

\*<sub>2</sub> - 15 of which are vacant at Southwick Centre following recent refurbishment.

\*<sub>3</sub> - Tenants of start up business benefit from discounted rent

Eligibility for Concession

Eligible applicants are defined as those:-

1. Being in the process of setting up a business in order to commence trading;
2. Having an established business, which is trading from a home address and has not previously held commercial premises for that particular business use;
3. Being in the process of creating a new franchise of an established business;
4. Being in the process of creating new satellite trading premises of an established business, with a clearly defined new project.

Retail and automotive repairs are considered to be ineligible activities.

## **APPENDIX 4**

### **DISPOSAL AT LESS THAN BEST CONSIDERATION**

#### **1.0 Background**

- 1.1 The Council has power under The Local Government Act 1972 Section 123 to dispose of surplus property in any manner including the sale of freehold interests, granting of leases, assignment of any unexpired term of a lease and the granting of easements. With the exception of short tenancies with a term of less than 7 years or the assignment of a lease with less than 7 years of its term remaining the only constraint is that the disposal must be for the best consideration reasonably obtainable. Any other disposal at less than best consideration requires the approval of the Secretary of State.
- 1.2 Section 123 will apply to the majority of disposals by the Council however there are other provisions for disposals such as section 233 of the Town and Country Planning Act 1990.
- 1.3 The Government has emphasised that its policy is that local authorities should dispose of surplus property wherever possible and it is expected that disposals should be for the best consideration obtainable. However, it recognises there may be circumstances where local authorities may consider it appropriate to dispose of property at an undervalue and subject to the authority being satisfied that the circumstances warrant such action in line with its fiduciary duty has issued a General Consent for disposals.

#### **2.0 General Disposal Consent (England) 2003**

- 2.1 The Local Government Act 1972: General Disposal Consent (England) 2003 provides a general consent removing the requirement for the Council to seek specific approval from the Secretary of State for a wide range of disposals at less than best consideration. The Council is granted consent to dispose of property at less than best consideration where the undervalue does not exceed £2million and considers the disposal is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the whole or any part of the area or all or any persons resident or present in the area. It is for the Council to decide whether any particular disposal meets these criteria or continues to require specific consent under the 1972 Act.
- 2.2 Consent is still required for disposals for less than best consideration where the undervalue exceeds £2,000,000 or where the land is held under the Housing Act 1985 or for planning purposes.
- 2.3 The Consent and the Government guidance on well-being powers state the Council should have regard to its Community Strategy and whilst a

proposal need not be specifically referred to in the strategy the Government expects the Council to think very carefully before using the power in a way which ran counter to the aims and objectives of the strategy.

- 2.4 The Council must be able to demonstrate that it has acted reasonably in agreeing undervalue transactions, particularly as it is unlikely that aggrieved unsuccessful or potential purchasers or local residents will in all cases accept the decision. A fundamental issue will be the ability to demonstrate reasonableness having regard to applicable policy.
- 2.5 The decision to dispose of property at less than best consideration is to be made rationally and fairly.

### **3.0 State Aid**

- 3.1 Where the Council disposes of property at less than best consideration it is providing a subsidy to the owner, developer and/or occupier of the property. Where this occurs the Council must ensure that the disposal complies with the European Commission's State Aid rules.

### **4.0 Proposals**

- 4.1 Sales of property at an undervalue in Sunderland have only ever taken place on an exceptional basis and to ensure future requests are considered appropriately the following guidelines will apply.
- 4.2 Proposals to dispose of property for less than best consideration will be considered by the Capital Strategy Group with the following information:-
  - (i). A valuation report undertaken by a qualified valuer setting out the valuation of the interest to be disposed in accordance with the Consent's Technical Appendix and the requirements of the RICS's Valuation Standards UK Guidance Note 5. This requires valuations to be prepared to show:-
    - A). The unrestricted value, the best price reasonably obtainable if the Council's aim was to maximise the capital receipt.
    - B). The restricted value, the market value of the property having regard to the terms of the proposed transaction.
    - C). The value of voluntary conditions, the total capital value of conditions imposed voluntarily by the Council as terms of the disposal. These may include non property benefits including operational savings. This valuation will need to be prepared in conjunction with the Project Sponsor, see (ii) below.

If the difference between the values shows the undervalue and where this is less than £2million the Council has the ability to proceed with the disposal.



Where the assessment shows the undervalue to be in excess of £2million the Council will need to seek the approval of the Secretary of State. This application will require a valuation report as detailed above.

- (ii). The Project Sponsor will need to provide an assessment of the capital value to the Council of those benefits of the proposal which are capable of monetary assessment (e.g. operational savings or income generation, leveraging in of additional financial resources) together with an assessment with supporting evidence of the value of non-monetary benefits (economic benefits such as job creation, environmental improvements, health and safety benefits, etc and social benefits to the community).
- (iii). Confirmation from the Project Sponsor that the disposal will contribute positively towards an agreed Council priority and will not adversely affect any other priority project or area, together with a clear statement showing where the scheme fits within service priorities.
- (iv). A clear statement from the Project Sponsor that the benefits which the city or its residents will derive cannot be achieved unless the sale takes place at an undervalue and confirming that no alternative means of funding is available. In case where the proposed disposal is to an identified person/organisation without a tender process this will normally only be possible by provision of a robust business plan and analysis of the financial standing of the organisation.
- (v). Details (having taken advice from the Head of Land and Property) of the proposed terms of the transaction which will ensure (as far as possible) that the disposal will contribute to the achievement of well-being locally.
- (vi). Confirmation that the property is held for purposes to which the General Disposal Consent Order applies or if not whether the property can be appropriated to a purpose within the Consent Order.
- (vi). Any views of Members.
- (vii). A statement from the Chief Solicitor on whether he considers the disposal at an under value is within the provisions of the General Disposal Consent Order and complies with the European Commission State Aid rules.

**APPENDIX 5****Timeframe for Disposal by Informal Tender**

Start date	Site marketed by Property Services
+ 8 weeks	Closing date for layouts
+ 4 weeks	Evaluation of layouts by planning and engineering completed
+ 4 weeks	Developers requested by Property Services to revise layouts
+ 4 weeks	Layouts confirmed to be acceptable and financial offers sought by Property Services
	DfES consent sought if required
+ 4 weeks	Return of financial offers
+ 4 weeks	Offers reported by Property Services to Cabinet
1 day	Solicitors instructed by Property Services
within 2 weeks	Pre application meeting developer & Development Control
+ 6 weeks	Completion of conditional contract via Property Services and Legal and submission of planning application
	DfES consent obtained if necessary
+ 13 weeks	Planning consent granted (minimum)
	Referred to SoS if required
	Renegotiation of price by Property Services and external consultant if required
	by policy, due to changes in layout to secure planning consent/abnormal development costs*
	Revised price considered by Cabinet
	Highway stopping up order triggered by grant of planning consent (minimum)
+ 1 day Scheduled completion	
(Minimum 49 weeks)	



## YOUTH JUSTICE PLAN 2011-2012

## REPORT OF EXECUTIVE DIRECTOR OF CHILDREN'S SERVICES

**1. Purpose of the Report**

- 1.1 The Youth Justice Plan is an Article 4 plan which requires full Council approval.
- 1.2 The report informs Cabinet of the background, purpose and intentions of the plan and seeks approval of Cabinet to forward the plan for full Council approval.

**2. Description of Decision (Recommendations)**

- 2.1 Following consultation with various partners, including Children's Trust and Children, Young People and Learning Scrutiny Committee, Cabinet is recommended to agree the contents of the report and the Youth Justice Plan 2010 – 2011 (attached) and recommend that it is presented to full Council for ratification.

**3. Introduction/Background**

- 3.1 The Crime and Disorder Act 1998 required the Chief Executive of each local authority area to set up a multi-agency Youth Offending Team / Service (YOT / YOS) governed by a multi-agency Management Board. The act required that each Team / Service produce an annual Youth Justice Plan.
- 3.2 The Sunderland YOS Management Board comprises the four statutory agencies of the Local Authority, Police, Probation and Health as well as the area courts as a local partner. The attached Youth Justice Plan 2011-2012 was considered by the multi-agency YOS Management Board on 26<sup>th</sup> May 2011.
- 3.3 The Youth Justice Board (YJB) currently oversees the youth justice system in England and Wales (though this will transfer to the Ministry of Justice (MOJ) in the near future). The YJB is required to monitor performance of the youth justice system and report to the Home Secretary. The YJB does this through the collection of performance data and annual Youth Justice Plans.
- 3.4 Each year the YJB issues guidance on the required content for the annual Youth Justice Plan and sets out the required submission date. The Youth Offending Service partnership is therefore given a defined period for the development of the Youth Justice Plan and for the relevant consultations to be undertaken. For 2011-2012 the guidance received from the YJB was that there were no set criteria or templates and that the content of the plan should be in line with local planning arrangements. The plan is to be submitted to the Youth Justice Board by their required submission date of 30<sup>th</sup> June 2011.

**4. Current Position – Youth Justice Plan 2011 - 2012**

- 4.1 The Youth Justice Plan 2011 – 2012 sets out the principal aim of the Sunderland Youth offending Service to '*prevent offending and re-offending by children and young people*'. It also sets out the key related outcomes of 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.

- 4.2 The Youth Justice Plan 2011-2012 sets out a number of service development priorities that have been developed on the basis of a comprehensive needs analysis drawing on evidence from a range of sources including:-
- The national and local policy context for youth justice.
  - Performance against key national and local outcome targets.
  - Analysis of prevention and youth offending service assessment data.
  - Outcomes of practice quality assurance audits
  - Analysis Viewpoint data (an interactive game style evaluation tool for use with young people).
  - Outcomes of consultation with children and young people using Sunderland Youth Offending Services.
  - Outcomes of consultations with parents and carers.
  - Outcomes of consultations and satisfaction surveys with victims of crime (this takes into consideration young victims and the views of the wider population of children and young people through the young people's fear of crime survey)
  - Consultation with members of the general public on restorative justice services.
- 4.3 The plan sets out the outstanding performance of Sunderland Youth Offending service and it's achievements during 2010-2011. The service's validated achievements for the whole of 2010/11 are:
- First time entrants reduced by 48.7% at the end of 2010/11 against a national target of 1.9% (257 FTEs in 2010/11 compared with 501 in 2009/10).
  - Youth re-offending reduced by 17.3% at the end of 2010/11 against a three year (2008-2011) target of 10% reduction (rate of re-offences 0.98 compared with 1.18 in 2005).
  - 90.8% in education, training or employment at the end of their YOS intervention (354 of 390 young people).
  - 99.1% in suitable accommodation at the end of their YOS intervention (423 of 427).
  - A low use of custody at just 1.9% (13 of 677).
  - No differences in sentencing on the basis of ethnic origin.
  - National recognition in the YJB Communicating Youth Justice Awards 2010 for work in communicating, through the local media, action taken to reduce youth offending.
  - Highly commended in prestigious Local Government Chronicle Awards 2011 for the effective management of services.
  - Winner of a Sun FM Business Award for our *Contribution to Children's Services* in Sunderland.
  - Awarded a National Training Award for the Phoenix project which has supported children and young people in relation to education, training and employment.

## **5. Reasons for the Decision**

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

## **6. Alternative Options**

- 6.1 The alternative option is not to submit the Youth Justice Plan to full council and for the plan not to be approved. This would result in an approved copy of the Youth Justice Plan 2011 – 2012 not being submitted to the Youth Justice Board thereby contravening YJB requirements for the submission of the annual Youth Justice Plan.

## **7. Relevant Considerations / Consultations**

- 7.1 The relevant statutory partners as well as local partners have been consulted on the plan through the YOS Management Board.
- 7.2 Consultations and service user feedback have informed the development of the plan through the needs analysis underpinning the plan.
- 7.3 The report and plan has been presented to the Children, Young People and Learning Scrutiny Committee.

## **8. Glossary**

MOJ Ministry of Justice  
YJB Youth Justice Board  
YOS Youth Offending Service

## **9. List of Appendices**

Appendix 1 – Sunderland Youth Justice Plan 2011 – 2012.



**SUNDERLAND  
YOUTH JUSTICE PLAN  
2011 -2012**



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**Awards 2011**

**Highly Commended**

## FORWARD

On behalf of the Sunderland Youth Offending Service Management Board I am pleased to introduce the Youth Justice Plan 2011/ 2012. The plan reflects on our achievements for 2010 / 2011, our 10<sup>th</sup> Anniversary year. After a decade of working in partnership to reduce youth crime, we have made significant progress with dramatic reductions in re-offending and in the numbers of young people entering the criminal justice system. This has been achieved through award winning programmes, passionate and committed staff and a focus on delivering outcomes for children and young people, their families, victims and wider communities affected by youth crime.



In December 2010 the government published “*Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders*”. The document sets out the government’s proposals for it’s reform of the criminal justice system and represents the most significant changes to youth justice since the inception of Youth Offending Teams ten years ago.

This plan sets down, in the context of national reform, how the Sunderland Youth Offending Service partnership will embark on the next decade of delivering youth justice services in Sunderland. It sets out our core aims of continued reductions in young people re-offending and preventing young people entering the criminal justice system altogether. It also outlines our key objectives for the forthcoming year to achieve those aims.

We continue to strive to use resources in the most effective way by preventing the costs of crime through early intervention, transforming services to achieve efficiencies and by exploring re-investment models to produce longer term effectiveness.

As both a criminal justice agency and a children’s service, partnership working continues to be at the heart of our approach to reducing re-offending, ensuring public protection and safeguarding children. The governing Youth Offending Service Management Board remains a strong and committed significant partnership for the city and in 2011-2012 the Board will continue to develop and deliver innovative partnerships with statutory, voluntary, business and community sector partners to achieve positive outcomes for children and young people who offend and who are at risk of offending.

Keith Moore

Chair of the Sunderland Youth Offending Service Management Board  
Executive Director of Children’s Services

## INTRODUCTION

Sunderland Youth Offending Service is a multi-agency service comprising of the four statutory agencies of Police, Probation, Health and the Local Authority and works in partnership with other key agencies such as the area courts.

The principal aim of the service is to prevent offending and re-offending by children and young people. The service works with:-

- Young people aged 10-17 who, because of alleged or actual offending have become involved in the criminal justice system.
- Children and young people identified as at risk of offending
- Families of children and young people offending or at risk of offending, and
- Victims of young people who have offended.

The role and responsibilities of local Youth Offending Teams / Services was set down by the Crime and Disorder Act 1998. It also set down the requirement for each local area to produce an annual Youth Justice Plan, setting out how youth justice services will be delivered in the local area.

This plan sets out how youth justice services will be delivered in Sunderland in 2011 – 2012.

## THE LOCAL AND NATIONAL CONTEXT

**National Context** – The publication of the governments green paper and consultation document “*Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders*”, heralds the most significant changes to youth justice legislation in the decade since Youth Offending Teams were established in April 2000. The paper proposes a number of changes across both youth justice sentencing and in relation to accountability in the youth justice system. Some of the key proposed changes are:-

- An increased focus on the use of restorative justice
- A focus on increasing the use of Parenting Orders and programmes that address the needs of families with complex problems
- The introduction of a payment by results model of funding and,
- Transfer of the responsibility for funding of young people entering the secure estate to local authorities.

Alongside this, national responsibilities for the monitoring of the effectiveness of the youth justice system will transfer from the Youth Justice Board for England and Wales (YJB) to the Ministry of Justice (MOJ) creating a period of significant change in the national landscape around youth justice. In assuming national responsibility for youth justice the MOJ proposes to focus on a small number of key outcomes, specifically:-

- First time entrants to the youth justice system
- Proven rate of re-offending for children and young people who offend
- Use of custody

In addition to monitoring key outcomes, the YJB prior to transfer of responsibilities to the MOJ, will continue in 2011 – 2012 to collect a range of data regarding the effectiveness of

local youth justice services. This includes an annual audit of performance against National Standards for Youth Justice. An advice document on *“Information Management in Youth Offending Teams”*, has been released by the YJB to support local Youth Offending Teams to compile and collate performance and case level information whilst simultaneously ensuring that personal data is managed effectively and in accordance with legislative requirements. The green paper *“Breaking the Cycle”*, also indicates that there may be changes to the national framework for inspecting local Youth Offending Teams / Services with a more risk led approach targeting inspection and follow-up support where most needed.

**Structure and Governance** - Youth Offending Teams were set up under the statutory provisions of the Crime and Disorder Act 1998. The act set down the requirement for a local youth offending team comprising the four statutory agencies of: the Local Authority (including Children’s Services Social Care and Education), Police, Probation and Health. Accompanying the Crime and Disorder Act of 1998 was an inter-departmental circular on ‘Establishing Youth Offending Teams’, that set out the requirements for a governing chief officer steering group. In 2004 the YJB published *“Sustaining the Success: Extending the Guidance, Establishing Youth Offending Teams”*, that set down the requirements for steering groups to transfer into governing YOT Management Boards. The role and responsibilities of Youth Offending Teams and their governing Management Boards have since, and continue to be, regulated by National Standards for Youth Justice Services. The standards, that have recently been updated, include specific standards for YOT Management Boards. The Board is chaired by the Executive Director of Children’s Services with a direct link to the Chief Executive of the local authority. The Sunderland YOS Management Board comprises representatives of the statutory partners as well as other local partners such as the area court. The governments consultation paper ‘Breaking the Cycle’, on proposed changes to youth justice legislation sets out that there are no proposed changes to the model of Youth Offending Teams.

The multi-agency Sunderland YOS Management Board is identified as a ‘significant partnership’ for Sunderland and it also provides the strategic links with other significant partnerships, and their associated strategic plans across children’s services, criminal justice and community safety.

**Local Partnership Arrangements**– The YOS Management Board links into the Safer Sunderland Partnership (local Crime and Disorder Reduction Partnership (CDRP)) and up to the Sunderland Partnership (LSP) through the Safer Sunderland Business Support Group. Sunderland YOS shares the aspirations of the Safer Sunderland Strategy 2008 - 2023 to ensure that *“everyone in Sunderland will be and feel safe and secure”*.

The YOS Board is aligned with the Children’s Trust and its vision to work together to improve the life chances and aspirations for each child and young person in Sunderland. The YOS Board, through its Youth Justice Plan, is the responsible partnership for improving Priority Outcome 11 (Youth Offending) in the Children and Young People’s Delivery Plan 2010-2013, the initial 3 year plan for implementing the Children and Young People Strategy 2010-2025.

Sunderland Youth Offending Service is committed to working in partnership with others to deliver on the full range of outcomes for children and young people who offend, their

families and victims. This includes for example, safeguarding children, public protection, reducing child poverty, swift administration of justice, reducing teenage pregnancy and many other key outcomes that support our core outcomes of preventing offending and re-offending.

Sunderland Youth Offending Service will work with other Youth Offending Teams in the area to continue appropriate links with the revised structures of the Local Criminal Justice Board until the appointment of the area Police and Crime Commissioner. The first Police and Crime Commissioners are expected to be elected in May 2012. The recently released Police Reform and Social Responsibility Bill has set out plans to introduce Police and Crime Commissioners that will replace existing local Police Authorities. They will have a duty to work with other criminal justice partners in delivering effective criminal justice services.

It is within this national and local context that the priorities within this Sunderland Youth Justice Plan 2011 – 2012 are set.



## ACHIEVEMENTS 2010 /11 - CELEBRATING A DECADE OF SUCCESS

2010 – 2011 was the 10<sup>th</sup> Anniversary year for Sunderland YOS since it's inception in April 2000 following the implementation of the Crime and Disorder Act 1998. At the end of 2010, after a decade of delivering award winning services including having been a Beacon authority for reducing re-offending, the Sunderland Youth Offending Service partnership is able to demonstrate massive reductions in youth re-offending with even greater reductions in the rate of young people entering the criminal justice system. At the end of 2010:-

- First Time Entrants were reduced by 34%, against a national target of just 1.9%.
- Youth Re-offending was reduced by 27% against a three year target of 10%.

As both a children's service and a criminal justice agency Sunderland Youth Offending Service is committed to delivering life changing outcomes for children and young people who offend, for those at risk of offending for their families. whilst ensuring that justice is done for the victims of their offending and for

the wider community affected by youth crime. At the end of 2010 the Sunderland Youth Offending Service also demonstrated an outstanding performance against a range of other outcomes for children and young people who offend. These included:-

- 88% in education, training or employment at the end of their YOS intervention.
- 99.8% in suitable accommodation at the end of their YOS intervention
- A low use of custody at just 1.7%
- No differences in sentencing on the basis of ethnic origin.

Testimony to our success in enabling young people who offend to turn their lives around is the achievements that young people who have offended have made with the support of Sunderland Youth Offending Service, including young people winning Young Achievers Awards and Top Scorer Awards. Sunderland YOS can also demonstrate, how victims of young crime have been able to move on from offences against them, by being given a voice in how young people payback for their offending.



**Young Achievers Awards  
2011**



**Young person makes good for  
their offending**

Other achievements for 2010-2011 include:-

- National praise for keeping young people out of custody, which is recognised as one of the most expensive youth justice options.
- National recognition in the YJB Communicating Youth Justice Awards 2010 for work in communicating, through the local media, action taken to reduce youth offending.
- Highly Commended in prestigious Local Government Chronicle Awards 2011 for the effective management of services.
- Winner of a Sun FM Business Award for our *Contribution to Children's Services* in Sunderland.
- Awarded a National Training Award for the Phoenix project which has supported children and young people in relation to education, training and employment.



**Highly Commended Management Team  
Local Government Chronicle Awards 2011**



## NEEDS ANALYSIS

Our priorities for the year ahead are based on a comprehensive needs analysis drawing on evidence from a range of sources including:-

- The national and local context for youth justice.
- Performance against key national and local outcome targets.
- Analysis of prevention and youth offending service assessment data.
- Outcomes of practice quality assurance audits
- Analysis Viewpoint data – an interactive game style evaluation tool for use with young people.
- Outcomes of consultation with children and young people using Sunderland Youth Offending Services.
- Outcomes of consultations with parents and carers.
- Outcomes of consultations and satisfaction surveys with victims of crime. This takes into consideration young victims and the views of the wider population of children and young people through the young people's fear of crime survey
- Consultation with members of the general public on restorative justice services.



**Consulting local people about how young people who offend can give back to local communities**

The local and national context for youth justice sets down the strategic direction for Sunderland Youth Offending Service and it is within this context that preventing offending



**YOS Manager talks to young people about their experiences and how Sunderland Youth Offending Service can make a difference**

and re-offending remains the principal aim. Our performance demonstrates an excellent track record and we are committed to reducing rates of re-offending even further. Service user feedback provides us with a perspective on how best to do this whilst consultation with victims and the general public provides us with a greater insight into how this can be done whilst simultaneously ensuring that young people pay back the costs of their offending to their individual victims or to the wider communities in which they have offended.



## OUTCOMES

### Strategic Priorities

The principal aim of Sunderland Youth Offending Service is to:

***“Prevent offending and re-offending by children and young people”.***

The key outcomes for our principal aim are:-

1. To reduce the numbers of children and young people entering the criminal justice system for the first time (first time entrants)
2. To reduce re-offending by children and young people (proven rate of re-offending).

Additionally Sunderland Youth Offending Services is committed to preventing young people entering the secure estate (use of custody) and thus a third key outcome is:-

3. To maintain low levels of custodial sentencing.

Targets and actions against each outcome have been identified below. These have been established based on the needs analysis underpinning this Youth Justice Plan.

#### Preventing Young People Entering the Youth Justice System (First Time Entrants)

We will achieve this by:

- Further development of Arrest Diversion scheme to enable screening for risk and need at the earliest opportunity upon entry to the youth justice system.
- Ensuring robust risk assessments and monitoring arrangements in relation to families referred to YOS Prevention Services who refuse to engage.
- Ensuring the delivery of evidenced based parenting intervention to parents with identified need.
- Ensuring that young people identified as at risk of offending are engaged in suitable Education, Training and Employment.
- Ensure that young people identified as at risk of offending have access to suitable Accommodation.

**Outcome Target:** A further reduction in the numbers of first time entrants of 5%.

## Reducing Re-offending

We will achieve this by:

- Ensuring that young people who offend are engaged in suitable Education, Training and Employment.
- Ensuring that young people who offend have access to suitable Accommodation.
- Undertaking an analysis of need around emotional and mental health services for young people who offend and develop appropriate performance monitoring in relation to access to services.
- Ensuring the delivery of evidenced based parenting interventions to parents with identified need.
- Increasing face to face victim / offender restorative justice interventions
- Delivering an effective programme of offending behaviour intervention with impact measured through evaluation.
- Ensuring effective enforcement of statutory interventions.
- Ensuring that interventions are effectively sequenced in accordance with individual needs.

**Outcome Target:** A further reduction in re-offending of 2%.

## Maintaining low levels of custodial sentencing

We will achieve this by:

- Reviewing all cases of young people remanded or sentenced to ensure robust and appropriate court services are provided in all cases.

**Outcome Target:** To maintain custodial sentencing below 5%

## SERVICE DEVELOPMENT PRIORITIES 2011 – 2012

To ensure that Sunderland Youth Offending Service is able to respond to national changes around youth justice and deliver local services that are customer focused a number of *Service Development Priorities* have been identified for 2011 – 2012. These can be summarised as:-

- Consultation, participation and engagement
- A whole family approach to services
- Service transformation and,
- Sustaining outcomes

Targets and actions to achieve each priority are set out below.

### Consultation, Participation and Engagement

We will achieve this by:

- Quality assuring interventions to ensure that diverse needs are comprehensively assessed.
- Quality assuring interventions to ensure that service user views are fully taken into consideration in developing intervention plans.
- Undertaking specific consultation and participation activities that promote user involvement.
- Holding regular consultation events with children and young people based on the Hear by Rights consultation standards.

**Outcome Target:** Service planning and delivery informed by consultation, participation and engagement across all service user groups (e.g. children and young people, families, victims)

### A Whole Family Approach to Services

We will achieve this by:

- Ensuring robust sentencing proposals for Parenting Orders that secure the confidence of the local court.
- Delivering a family approach to services building on the outcomes of the YOS Family Intervention Programme.
- Piloting a family assessment model within prevention of offending services for those receiving an intensive intervention and to explore the expansion of the use of a family assessment model in relation to other YOS services.

**Outcome Target:** A whole family approach to services enabled through a whole family approach strategy including performance monitoring.

## Service Transformation

### We will achieve this by:

- Exploring service re-investment models with a particular focus on moving investment from community disposals to early intervention to reduce throughput thereby reducing the longer term investment required in community programmes.
- Better understanding the social return on investment for offending interventions by developing a cost benefit analysis model across all areas of service delivery.

**Outcome Target:** A reduction of 5% (stretch target) in re-offending after Final Warning from September 2011.

## Sustaining Outcomes

### We will achieve this by:

- Ensuring a comprehensive analysis is undertaken at the end of the intervention describing the offender journey and future likelihood of risk as it relates to risk of re-offending, risks to self (safeguarding) and risks to others (public protection).
- Developing a systematic approach to ensuring exit strategies are in place where needed with a particular emphasis on addressing those escalating from early intervention (Reprimands and Final Warnings) to First Tier Penalties (Referral Orders).

**Outcome Target:** 100% of interventions ending at Referral Order having an exit strategy in place where there are outstanding risks and needs.

This Youth Justice Plan is underpinned by a comprehensive delivery plan that sets out milestones, targets and timescales for actions to achieve service development priorities and service outcomes.

A Workforce Development Strategy for 2011 – 2012 has been developed that focuses on the workforce development activity needed by youth justice practitioners to deliver our principal aim and service development priorities.

## RESOURCING AND VALUE FOR MONEY

### Resources

The YOS budget for 2011 - 2012 is made up statutory partner agency funding and in kind contributions, core government funding from the Youth Justice Board and other grants. Within this budget Sunderland YOS will deliver the core statutory youth justice service as set out by the Crime and Disorder Act 1998 and other subsequent legislation. The core statutory youth justice services can be summarised as:-

- The provision of appropriate adults to safeguard the interests of children and young people detained or questioned by police officers.
- The provision of voluntary interventions in respect of Final Warning (pre-court disposal)
- The provision of court services including reports for the courts
- Support for children and young persons remanded.
- Assessment and supervision of children and young people sentenced by the court to youth justice disposals, and the provision of rehabilitation programmes.
- The provision of Responsible Officers in relation to court ordered Parenting interventions
- Supervision of young people sentenced to a custody including post release interventions for Detention and Training Order.

All the multi-agency professionals required to form the local youth offending service (as set out in the Crime and Disorder Act 1998) are in place for 2011 – 2012.

Sunderland YOS has a strong partnership approach to delivering effective services evidenced in a committed and effective partnership YOS Management Board. Additional to statutory services, Sunderland YOS provides a range of specialist and award winning intervention programmes that are targeted at specific need and risk groups.

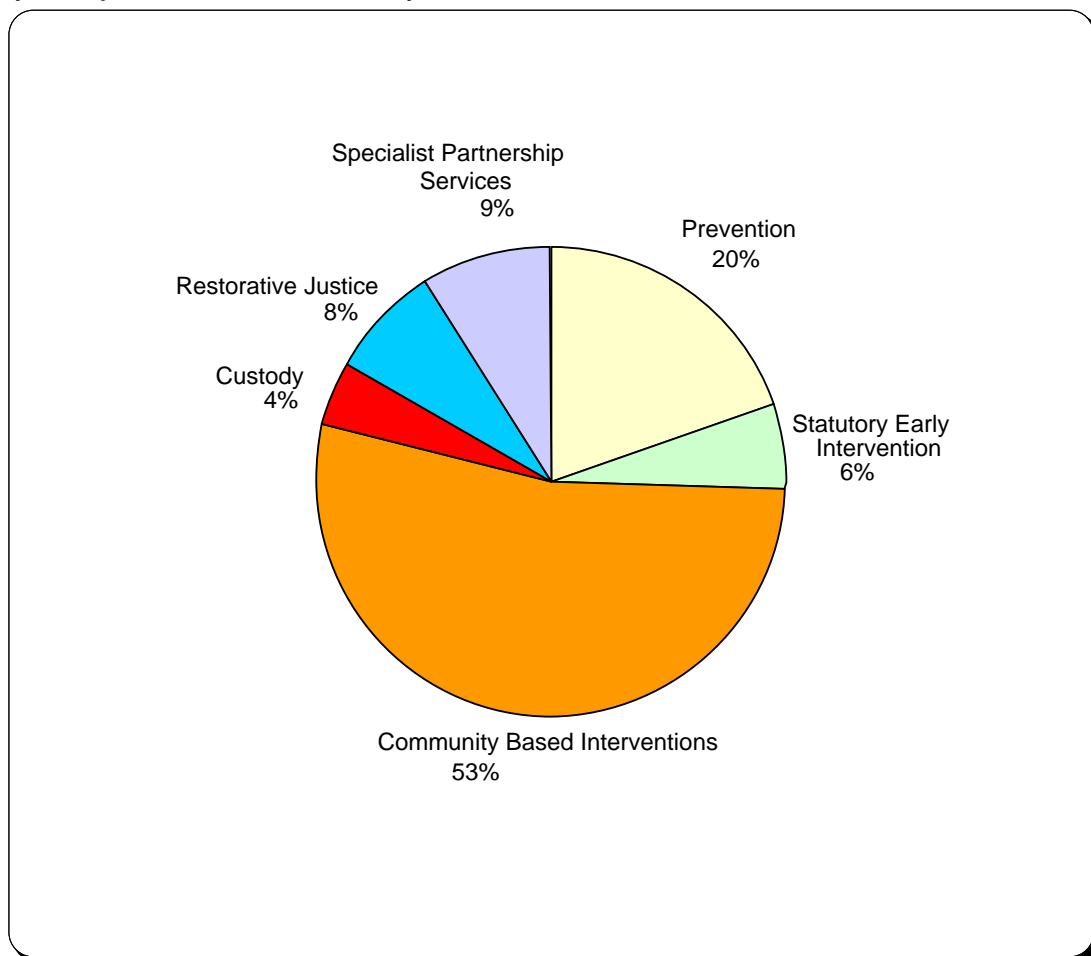


**The Phoenix Programme in partnership with Tyne and Wear Fire and Brigade**

Additional targeted and specialist interventions include:-

- Tackle it in partnership with Sunderland Football Club Foundation.
- Phoenix Fire Safety Programme in Partnership with Tyne and Wear Fire and Rescue Brigade.
- Specialist Parenting intervention in partnership with Barnardos voluntary sector organisation.
- An Arrest Diversion scheme in partnership with Northumbria Police and other partners.
- A family intervention programme for hard to reach families.
- Mentoring to provide young people with additional support and positive adult role models.

These statutory and specialist provisions combine to form youth justice services across prevention, early intervention, enforced community based interventions and custody. Additionally Sunderland YOS has an established Restorative Justice Service that supports victims of youth crime and enables young people who offend to repair the costs of their offending to their individual victims or to the wider community (Community Payback Services). Based on the indicative delegated budget for 2011-2012, allocation of budget across youth justice service delivery in Sunderland will be:-



The governance of the use of resources is a key priority for the YOS Management Board for 2010-2011



## Value for Money

Over the forthcoming year Sunderland YOS will continue to ensure value for money and the effective use of resources through:-

- Effective use of commissioning to ensure best possible service at the best possible price
- Analysis of outcome data to ensure return on costs

Sunderland YOS has a strong performance management culture and effective performance management arrangements to ensure the value of services is effectively measured. Over the forthcoming year Sunderland YOS will enhance this capacity through the further development of cost benefit models that link performance and financial information to develop a greater understanding of the social return on investment. This has been identified as a key action under the Service Development Priorities set out in this plan. The completion of this work will enable Sunderland YOS to be well placed to respond to government proposals on *Payment by Results* as set out in the green paper *“Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders”*.

Sunderland Youth Offending Service will build on existing successful cost benefit analysis models such as negative outcomes cost analysis used within the Youth Offending Service Family Intervention Programme. In 2010/11 the family intervention programme saved statutory services £14,338 through the prevention of negative outcomes (such as criminal or care proceedings) for hard to reach families. The scheme cost on average less than £2,000 per family.

***“The family intervention programme demonstrated average potential savings of £14,338 per family through the prevention of negative outcomes for hard to reach families”. The scheme cost on average less than £2000 per family.***



**Restorative Justice Services – young people who have offended repair the costs of their offending through Community Payback**

**ACTION TAKEN ON PETITIONS**

Council Members are asked to note the action taken in relation to the under mentioned petition which was presented to Council.

- (i) 749 Name Petition requesting the provision of full-time Traffic Signals on the A19 and A690 Roundabout. Presented by former Councillor Michael Dixon on 26<sup>th</sup> January 2011**

The Executive Director of City Services considered the petition and determined that the petitioners' request for the provision of full time signals should be declined.

The Executive Director did, however, agree to increase the hours of operation of the part time traffic signals at the junction of the A19/A690 to run from 06:30 hours to 20:00 hours on all days and following a parallel accident investigation that the hours of operation of the traffic signals at the A19/A183 junction also run from 06:30 hours to 20:00 hours, on all days.

The Ward Councillors and the lead petitioner have been notified of the Executive Director's decision.



**NOTICE OF MOTION**

Council Members are asked to consider the undermentioned Motion:-

**(i) Notice of Motion – Enterprise Zone**

This Council welcomes the decision to award Sunderland an Enterprise Zone and pledges to use all available means to secure the economic regeneration of the City.

Councillor R. Oliver  
Councillor P. Wood  
Councillor R. Francis  
Councillor G. Howe  
Councillor M. Forbes  
Councillor J.S. Wiper  
Councillor P. Maddison  
Councillor L. Martin  
Councillor R. Vardy  
Councillor T. Morrissey  
Councillor L. Walton

**COUNCIL**

**5<sup>TH</sup> OCTOBER 2011**

**Quarterly Report on Special Urgency Decisions**

**Report of the Leader**

The Council's Constitution requires that a quarterly report be submitted to Council on executive decisions which have been taken under Rule 16 of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000.

This is the special urgency provision under which key decisions may be taken by the executive notwithstanding that the item was not contained in the Forward Plan and compliance with Regulation 15 (the general exception) was impracticable.

There have been no such instances since the last quarterly report.

**Recommendation**

That the Council notes the content of this report.

**APPOINTMENTS TO COMMITTEES AND OUTSIDE BODIES - EARLY IMPLEMENTER HEALTH AND WELLBEING BOARD, WEAR ESTUARY FORUM, HEALTH AND WELLBEING SCRUTINY COMMITTEE, SOUTH TYNESIDE NHS FOUNDATION TRUST AND LOCAL GOVERNMENT ASSOCIATION URBAN COMMISSION**

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

**1.0 Introduction**

- 1.1** The purpose of this report is to consider appointments and nominations to the Early Implementer Health and Wellbeing Board, the Wear Estuary Forum, the Health and Wellbeing Scrutiny Committee, the South Tyneside NHS Foundation Trust and the Local Government Association Urban Commission.

**2.0 Early Implementer Health and Wellbeing Board**

- 2.1** At its meeting on 20<sup>th</sup> July 2011 the Council agreed to the establishment of an Early Implementer Health and Wellbeing Board and agreed its membership as the:

- § Leader of the Council (Chair)
- § Cabinet Secretary
- § Health and Wellbeing Portfolio Holder
- § Children and Learning City Portfolio Holder
- § Member of the Majority Group in Opposition (Councillor Oliver)
- § Executive Director of Health, Housing and Adult Services
- § Executive Director of Children's Services
- § Executive Director of City Services
- § Director of Commissioning Development at NHS South of Tyne and Wear
- § Locality Director of Public Health, Sunderland TPCT
- § Chair of Sunderland's GP Commissioning Consortium
- § Chair of NHS South of Tyne and Wear Sunderland Teaching PCT

- 2.2** Councillor Oliver has advised that he is unable to attend the meetings and has nominated Councillor Wiper to attend as the Member of the Majority Group in Opposition. Council is, accordingly, requested to agree the appointment of Councillor Wiper to the Board.

- 2.3** At its meeting on 27<sup>th</sup> July the Board had noted that the GP Commissioning Consortium was currently a pathfinder body and was yet to take on full statutory responsibilities. It was therefore proposed that a second GP consortium member be co-opted onto the Board to allow more flexibility and a continuum of engagement from the group. The Board has requested the Council to consider agreeing that its membership be amended to include a second GP Consortium Member to be Co-opted by the Board.

### **3.0 Wear Estuary Forum**

- 3.1** The new Wear Estuary Forum was re-established in 2011 with the coming together of the Wear Estuary Forum and the Water Based Activities Group. The Forum is comprised of representatives of the Port, the Coastguard, the Marina Activity Centre and user organisations such as the Yacht Club, various Boat Clubs and the Sea Scouts etc.
- 3.2** The vision of the forum is to collectively work together to support and develop individual organisations and activities as an attractive option for residents and visitors to take part and enjoy.
- 3.3** Linking into the City's Economic Masterplan's aim 3 'a prosperous and well-connected waterfront city centre', it is anticipated that the forum will promote the City's position on the waterfront as an important part of its sense of place and will enhance Sunderland's distinctive role in the region.
- 3.4** The Forum has requested the Council to consider appointing the Safer City and Culture Portfolio Holder as its representative on the Forum in view of the Portfolio Holder's responsibilities in relation to Tourism, Resorts and Events and the Seafront Strategy. Council is asked to consider the request.

### **4.0 Health and Wellbeing Scrutiny Committee**

- 4.1** For the municipal year 2011/2012 the Health and Wellbeing Scrutiny Committee will be undertaking a review of rehabilitation and early supported discharge from hospital.
- 4.2** In order to facilitate the review the Committee wishes to co-opt four additional members during 2011/2012. The following nominations have been received and the Council is requested to approve the four co-options for the municipal year 2011/2012:
- § Dr John Dean, Core Group Member (LINKS nomination)
  - § Ralph S Price, Board Member (LINKS nomination)
  - § Victoria Brown, Operations Manager (AGE UK nomination)
  - § Eibhlin Inglesby, Joint Operations Manager (Sunderland Carers Centre nomination)

### **5.0 South Tyneside NHS Foundation Trust**

- 5.1** With effect from 1<sup>st</sup> July 2011 the South Tyneside NHS Foundation Trust has taken responsibility for the provision of Community Services for Sunderland, Gateshead and South Tyneside as part of the Transforming Community Services programme. The Trust has accordingly changed the composition of its Council of Governors to allow for the appointment of a Governor from each of Sunderland, Gateshead and South Tyneside Councils.
- 5.2** Council is therefore invited to consider nominating a Member to the Council of Governors of the South Tyneside NHS Foundation Trust.

## **6.0 Local Government Association Urban Commission**

- 6.1** The Council is currently represented on the Local Government Association Urban Commission by the Portfolio Holder for Prosperous City and the Executive Director of City Services. The Majority Group has now requested the Council to consider appointing the Leader and the Deputy Leader as the Council's new representatives on the Local Government Association Urban Commission. Council is accordingly invited to consider the request of the Majority Group.

## **7.0 Recommendations:**

- 7.1** The Council is accordingly recommended to consider:
- (i) agreeing the appointment of Councillor Wiper in place of Councillor Oliver to the Early Implementer Health and Wellbeing Board and that the Membership of the Board be amended to include a second GP Consortium Member to be Co-opted by the Board,
  - (ii) appointing the Portfolioholder for Safer City and Culture as the Council's representative on the Wear Estuary Forum.
  - (iii) approving the Co-option to the Health and Wellbeing Scrutiny Committee for the municipal year 2011/2012 of the 4 nominees as set out in paragraph 5.2 above,
  - (iv) nominating a Member to the Council of Governors of the South Tyneside NHS Foundation Trust, and
  - (v) appointing the Leader and Deputy Leader as the Council's new representatives on the Local Government Association Urban Commission.