

**CABINET MEETING – 9 FEBRUARY 2011**

**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

MINUTES, PART I

**Author(s):**

Head of Law and Governance

**Purpose of Report:**

Presents the minutes of the last meeting held on 17 January 2011 Part I.

**Action Required:**

To confirm the minutes as a correct record.



**At a meeting of the CABINET held in the CIVIC CENTRE (COMMITTEE ROOM NO. 1) on Monday 17 January 2011 at 2.00 p.m.**

**Present:-**

Councillor P. Watson in the Chair

Councillors Allan, Anderson, Blackburn, Charlton, Gofton, P. Smith, Speding, Trueman and D. Wilson.

**Part I**

**Minutes**

The minutes of the meeting of the Cabinet held on 1 December 2010, Part I (copy circulated) were submitted.

(For copy report - see original minutes).

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

**Receipt of Declarations of Interest**

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

Item 6 - Calculation of Council Tax Base 2011/2012	Councillors Anderson and Blackburn	Hetton Town Council
Item 8 - Revenue Budget 2011/2012 Proposals	Councillors Blackburn and Trueman	South Tyne and Wear Waste Management Partnership Joint Executive Committee
	Councillor Anderson	South Tyne and Wear Waste Management Partnership Joint Executive Committee

	Councillor Blackburn	Tyne and Wear Integrated Transport Authority
Item 9 - Revenue Budget Third Review 2010	Councillors Anderson, Blackburn, Charlton, P. Smith, Speding, P. Watson	Members of GMB (in relation to Single Status) (page 89 – Appendix B)
	Councillor Allan	Member of GMB and Unison (in relation to Single Status and Equal Pay) (page 89 – Appendix B)
Item10 - Capital Programme - Third Review 2010/2011, Provisional Resources 2011/2012 and Treasury Management Review 2010/2011	Councillor Allan	Governor of Thorney Close Primary School
	Councillor Speding	Football Foundation
	Councillor Blackburn	Tyne and Wear Integrated Transport Authority
Item 14 - Tyne and Wear Local Transport Plan 2011-2021	Councillors P. Watson and Anderson	Sunderland Partnership
	Councillor Blackburn	Tyne and Wear Integrated Transport Authority

In relation to item 5, “Exchange of land and variation of a restrictive covenant on land at Newcastle Road, Sunderland,” Councillor Gofton declared a personal and prejudicial interest as a member of the City of Sunderland College Board of Corporation and withdrew from the meeting during consideration thereof.

### **Apologies for Absence**

There were no apologies for absence.

## **Report of the meeting of the Personnel Committee, Part I**

The report of the meeting of the Personnel Committee held on 21 December 2011, Part I (copy circulated) was submitted and consideration was given thereto.

(For copy report – see original minutes).

2. RESOLVED that the report of the meeting held on 21 December 2010, Part I be noted.

Councillor Gofton withdrew from the meeting during consideration of the following item as she had a personal and prejudicial interest as a member of the City of Sunderland College Board of Corporation.

### **Exchange of land and variation of a restrictive covenant on land at Newcastle Road, Sunderland**

The Deputy Chief Executive submitted a report (copy circulated) to seek approval to the exchange of land and the variation of a restrictive covenant at Newcastle Road, Sunderland.

(For copy report – see original minutes).

Councillor Allan reminded Cabinet Members of the decision taken in September 2008 to grant an option to Sunderland College to purchase the site of the former Newcastle Road Baths from the Council to allow the College to develop out its adjoining land and the Council land for a new skills academy. He explained that funding was no longer available for the new academy and the College had received an offer for its land which would allow it to recoup its original costs of acquisition and would apply for a planning application for the development of the College land only.

Councillor Allan having highlighted that it would be an opportune time to regularise the boundary between the Council and College land by a land swap that would enable the Council to own a more regular shaped area of land that it was proposed to market separately for disposal, it was:-

3. RESOLVED that approval be given to:-
  - (i) the exchange of 0.24 hectares of Council land for 0.32 hectares of City of Sunderland College land together with the variation of a restrictive covenant at nil consideration and otherwise on terms to be agreed by the Deputy Chief Executive, and
  - (ii) advertise the disposal of the former public baths building and site at Newcastle Road in accordance with acceptable planning uses.

Councillor Gofton was re-admitted to the meeting.

### **Council Tax Base 2011/2012**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) on the calculation of the Council Tax Base for 2011/2012 and to seek approval to recommend to Council the Council Tax Base for 2011/2012 in accordance with the Local Government Finance Act 1992.

(For copy report – see original minutes).

Councillor Allan explained that the Council tax Base report was a technical report which detailed the calculation of the Council Tax Base for 2011/2012. The Council tax base calculations were used in calculating the 2011/2012 Council Tax for the Council, Hetton Town Parish Council and used as a basis for precept charges for Police and Fire Authorities.

Cabinet Members were advised that the calculations were very complex and must follow strict government regulation which specified the factors and formula to be applied and also that the calculations must be based on all available information to the Council at 30th November of each year. He referred to paragraph 4.6 of the report which showed that the Council Tax Base for 2011/2012 had decreased from last year by £93 or 0.12%. He added that this was due primarily to an increase in the number of people in receipt of Council Tax single person's household discount of 25%.

Councillor Allan having reported that the Precepting Bodies and Parish Council must be informed of the Council Tax Base figures as soon as possible, once agreed by the Council, but by no later than the statutory deadline of 31st January 2011, it was:-

4. RESOLVED that it be recommended to Council that:-
- (i) the report for the calculation of the Tax Bases for the City Council and Hetton Town Council for 2011/2012 be approved, and
  - (ii) pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, as amended by Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003 the amount calculated by Sunderland City Council as its Council Tax Base for the year 2011/2012, shall be £80,167, and for the area of Hetton Town Council shall be £4,017.

## **The Provisional Local Government Finance Settlement for 2011/12 and for future years**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to set out the details of the Provisional Local Government Finance Settlement for 2011/12 and the basis for a response to the Government's consultation on the Provisional Local Government Finance Settlement proposals.

(For copy report – see original minutes).

Councillor Allan highlighted the results of the details of the Coalition Government's funding proposals for local government for 2011/12 and 2012/13 and the impact for the Council. He reported that although the government had indicated that it was helping councils most reliant on government funding, those authorities with a low council tax base and some of the most deprived areas of the country which needed resources the most, were losing out most and this had been confirmed by analysis provided by the Chartered Institute of Public Finance and Accountancy.

Councillor Allan advised that the Council was receiving an 8.88% reduction in its spending power which was more than double the average reduction of 4.4% and as the Council had just missed the threshold of 8.9% it was not going to receive transitional grant funding to assist with the loss of almost £10million of Working Neighbourhoods Fund grant. It was also confirmed, by looking at the impact on health grants promised to be protected pound for pound which would normally be proportionately higher for areas such as Sunderland, that there had been an 11% cut in those grants which were designed to support the most vulnerable people.

Councillor Allan then drew attention to the impact on schools funding which had been different to what had been trailed in the spending review. Not only had the Council seen the culling of the building schools for the future programme of almost £137million for Sunderland's schools, there were swingeing cuts in grants that would leave the City's schools and retained services over £8million worse off, even when taking into account the new pupil premium grant. This was in addition to the £2.7 million reductions announced in the Emergency Budget in the summer which meant that the Council was facing almost £11million worth of reductions compared to last year despite the promise of no cuts to school funding announced as part of the spending review.

Cabinet Members were advised that the government had also announced that it would fund up to the equivalent of a 2.5% council tax increase in 2011/2012 should Councils choose to freeze Council Tax at the same level as 2010/2011.

Councillor Allan reported that the overriding general point for local government compared to other public sector bodies was the impact of front loading of reductions. The Council was still facing reductions of 78% in its Formula grant in the first two years, and when other grant reductions and cost pressures were taken into account the overall sum of would be £60million over those two years with almost £39 million to be found in 2011/2012.

Councillor Allan assured that the Council would do its best to protect the services to the most needy and vulnerable in what promised to be a very difficult and challenging budget for 2011/12. He requested Cabinet to agree that the comments set out in section 5 of the report would be used to respond to the government as well as any additional comments arising from discussions today.

Cabinet Members having noted that the new funding, such as the pupil premium grant, came from within budgets for grants the Council was now losing despite promises of no cuts to school funding, it was:-

5. RESOLVED that the report be noted and the analysis set out at section 5 be used to form the basis for a response to the Government's consultation on the Provisional Grant Settlement.

### **Revenue Budget Proposals 2011/2012**

The Chief Executive and the Director of Commercial and Corporate Services submitted a report (copy circulated) on the provisional budget proposals for 2011/2012, as a basis for the continuation of budget consultation, prior to the receipt of the final Local Government Finance Settlement 2011/2012.

(For copy report – see originals minutes).

Councillor Allan reported that this would be a very difficult budget particularly because of the front loading of cuts. He explained that the budget planning framework and plans were designed to cope with the overall reductions over a four year period but those plans were being accelerated because of the severity of the cuts in the first two years. The reductions in government funding had a significant negative impact on the Council's position and of course there were a wide range of pressures that the Council want and need to address.

Councillor Allan advised that the provisional proposals set out in the report represented an expansion of the agreed Budget Planning Framework approach with additional actions amounting to £13.8million being identified to address the impact of the front loading. They also represented a balance between addressing the significant funding cuts by maximising savings by doing things differently to modernise and improve services through the Sunderland Way of Working, while seeking to minimise the impact on services



and staff, and enabling service pressures and priorities to be addressed but there would be some tough decisions to make on the way.

Councillor Allan thanked Cabinet colleagues for the positive and constructive way in which they had engaged, with their Directors, in identifying the proposals to address the funding gap in this very difficult year. He added that there were a number of outstanding uncertainties around the financial position and additional actions to meet the funding gap were still being confirmed. He explained that there were some final decisions which remained to be taken, and, of course, the consultation which would be undertaken between now and the February meeting was very important to inform those final decisions.

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

6. RESOLVED that the provisional budget proposals be approved as a basis for the continuation of budget consultation prior to the receipt of the final Local Government Finance Settlement for 2011/2012.

### **Revenue Budget Third Review 2010/2011**

The Director of Commercial and Corporate Services submitted a report (copy circulated) to report the details of the outcome of the Revenue Budget Third Review for 2010/2011 and the latest information about the impact of the Government's grant reductions on the Council.

(For copy report – see original minutes).

Councillor Allan drew attention to the main areas of variation in service budgets in the current financial year being the ongoing impact on income to services of the economic downturn and demand pressures on Children's Safeguarding Services. He explained that these issues were identified when the outturn position for 2009/2010 was reported and provision to cover the impact in 2010/2011 was made at that time and demand pressures within Home Care and Community Support services were being contained through mitigating actions elsewhere within the service Directorate. He added that the potential impact of the severe winter conditions was also flagged in this report as an additional pressure which would be addressed through contingency fund provisions.

In relation to other variations identified in the report, Councillor Allan reported that actions had been identified to ensure all Portfolios would be within their delegated budgets at the end of the year and actions taken to address the Coalition Government's cuts in funding for the current year had resulted in savings of £3.5m in excess of the grant reductions. It was proposed that this together with a further £4m of savings from debt rescheduling and investment interest be earmarked to help support the one off transitional costs arising from 2011/2012 budget planning process.

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

7. RESOLVED that:-

- (i) the contingency transfers proposed at Appendix B and budget transfers be approved, and,
- (ii) it be recommended to Council to approve the transfers to the strategic investment reserve to support the revenue budget for 2011/2012 as set out in 5.2 of the report.

**Capital Programme - Third Review 2010/2011, Provisional Resources 2011/2012 and Treasury Management Review 2010/2011**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to detail the outcome of the Third Review of the Capital Programme for 2010/2011, to show provisional capital resource allocations for 2011/2012 and to provide an update on progress in implementing the Treasury Management Borrowing and Investment Strategy for 2010/2011.

(For copy report – see original minutes).

Councillor Allan reported that the anticipated spend in 2010/2011 was £12.224 million below the level of the capital programme as reported at the Second Capital Review in October 2010. He explained that there were a whole host of variations; the main changes were as a result of external factors or changes in funding allocations in light of government announcements. He added that this included reprofiling of Area Renewal works of almost £3.4million to take into consideration neighbourhood renewal assessments being undertaken within Maudlin Street Hetton and discussions being undertaken with the Homes and Communities Agency on funding in respect of other Area Renewal areas.

Councillor Allan then drew attention to capital resources for the next year, and advised that as predicted, following the spending review, the amount of funding had reduced significantly for 2011/2012, with reductions amounting to 53% for children's services and 40% for transport and housing allocations still to be announced. He advised that Portfolio holders were asked to prepare the capital programme on the level of resources identified and the new starts in respect of all services would be considered in the light of overall resources available and affordability.

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

8. RESOLVED that :-

- (i) in relation to the Third Review of the Capital Programme for 2010/2011 to approve, and where necessary to recommend to Council, the inclusion of additional schemes for 2010/2011 detailed at Appendix A, and amendments in resourcing the Capital Programme since the Second Review of the Capital Programme was reported to October Cabinet,
- (ii) in relation to the Capital Programme for 2011/2012:-
  - (a) agree to the allocation of resources as set out in paragraph 6 subject to any adjustments when final announcements are made;
  - (b) note that Cabinet Members with Portfolios for areas covered by the Children's Services, Adult Services, Housing, Highways and Other Services Blocks will consider proposals for new starts based on the resource allocations outlined in paragraph 6 in order to incorporate proposed new starts in the Capital Programme to be presented to Cabinet in February 2011, and
- (iii) in relation to the Treasury Management Strategy for 2010/2011:-
  - (a) note the progress made in implementing the borrowing and investment strategy for 2010/2011; and
  - (b) endorse an increase in the Councils benchmark rate for long-term borrowing by 1% to 5.5% for the remainder of 2010/2011 set out in section 7.4 and the delegated decision amending the Council's Lending List set out in Appendix B.

### **Corporate Risk Profile**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) on the updated Corporate Risk Profile and amendments that have taken place since the previous review in September 2010.

(For copy report – see original minutes).

Councillor Allan reported that the review of the Corporate Risk Profile was undertaken by the Corporate Risk Management Group which consisted of a range of senior managers, and it has been considered by the Executive Management Team and the Audit and Governance Committee. He advised that the review confirmed that the Corporate Risk Profile identified and detailed the major risks facing the Council.

Cabinet Members attention was drawn to Table 3 within the report which showed all of the risks that remained on the Corporate Risk Profile, along with their assessment and a short commentary.

Councillor Allan highlighted that there were action plans in place to manage all of the risks identified and progress was monitored by the Corporate Risk Management Group and as could be evidenced in Table 4 of the report, good progress had been made in relation to these actions.

Councillor Gofton agreed that the exercise of reviewing the Corporate Risk Profile was more important than ever to help the Council to look forward and feel confident that risks were being monitored and managed.

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

9. RESOLVED that the updated Corporate Risk Profile be noted and approved.

### **Adoption of Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982**

The Executive Director of Commercial and Corporate Services and the Executive Director of City Services submitted a joint report (copy circulated) to seek the formal adoption of the provisions of Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by Section 27 of the Policing and Crime Act 2009 relating to the regulation of sex establishments.

(For copy report – see original minutes).

Councillor Wilson advised that this legislation would enable the Council to regulate lap dancing clubs and similar venues and local residents would have the opportunity to object to such establishments. He requested that Council approval be sought to formally resolve to adopt the relevant provisions of the 1982 Act and that they should come into force on 7 March 2011.

Cabinet Members having welcomed the proposals which would enable residents have more of a say in what establishments were located in their areas, it was:-

10. RESOLVED that it be recommended to Council to approve that Schedule 3 to the Local Government (Miscellaneous Provisions) Act 1982 (as amended by section 27 of the Policing and Crime Act 2009) in relation to the regulation of sex establishments shall apply to its area and that the Schedule shall come into force on 7 March 2011.

## **Procurement of Independent Foster Care Providers**

The Executive Director of Children's Services submitted a report (copy circulated) to seek approval for the procurement of the provision of Independent Foster Care Providers via a framework arrangement.

(For copy report – see original minutes).

Councillor Smith highlighted the main aspects of the report and advised that Cabinet approval was sought to procurement of the provision of Independent Foster Care Providers as the value of the framework would be over £250,000. She explained that the Council had a statutory duty under the Children Act 1989 and the Children and Young Persons Act 2008 to provide sufficient type and range of accommodation for looked after children within its local area.

Cabinet Members were advised that although the vast majority of children needing foster placements were placed with in-house carers, on occasion external foster placements were needed, either because of lack of in-house capacity or the very specialist needs of individual children.

Councillor Smith reported that the current framework agreement was run jointly with South Tyneside with 11 independent fostering providers and it had been in place since 1 April 2009 for a period of two years. She explained that although there was an option to extend the contract for one year, it was felt that there were benefits, both in terms of cost and service, to be gained from re-tendering.

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

11. RESOLVED that the procurement of a framework for the provision Independent Foster Care Providers be approved.

## **Tyne and Wear Local Transport Plan 2011-2021 Consultation**

The Executive Director of City Services submitted a report (copy circulated) to seek endorsement to the draft formal response to the Integrated Transport Authority on the Tyne and Wear Local Transport Plan 2011-2021 (Consultation Draft).

(For copy report – see original minutes).

Councillor Blackburn reported that the current Tyne and Wear Local Transport Plan was due to expire at the end of March and was to be replaced with a new plan, the Tyne and Wear Local Transport Plan 2011-2021 or LTP3 as it was more commonly known. He explained that the implementation of the Local Transport Act 2008 meant that it was now the responsibility of the Integrated Transport Authority to prepare and approve the LTP for its area. He added that the ITA, involving the district councils and people who had an

interest in transport, had prepared a draft LTP3 which had been the subject of a public consultation exercise that concluded on 10<sup>th</sup> December last year.

Cabinet Members were advised that the report set out the proposed response from the city council to the consultation. Councillor Blackburn drew attention to Section 5.0 of the report which set out the vision of the ITA for transport in Tyne and Wear and identified three high level goals or objectives. These were Economic Development and Regeneration, Climate Change and Safe a Sustainable Communities and they linked well with the council's own objectives and were to be supported. Attention was then drawn to Section 6.0 of the report which showed what proportion of the somewhat limited available funding was to be allocated to projects intended to make a contribution to the achievement of these goals.

Councillor Blackburn reported that as currently drafted, the LTP3 did not give sufficient prominence to the role that investment in new highway infrastructure had in stimulating economic development nor did it say enough about the importance of promoting improvements on the Durham Coast railway. He advised that the overall focus of LTP3 was on promoting actions that would enable people to make better informed choices about how they travelled and supporting more sustainable ways of travelling. In this the ITA had a key role to play so it was disappointing that LTP3 had little to say on the importance of community involvement in key decisions.

Councillor Blackburn highlighted that funding for investment in district public transport projects was provided by the Department for Transport but channelled through Nexus. He added that the basis upon which Nexus allocated funds was unclear and did not seem to take account of the relative size of districts or local public transport challenges. It was suggested that the ITA review the method of allocating public transport funding.

Councillor Anderson thanked Councillor Blackburn for his contribution to LTP3 and improving services to the outlying areas of Sunderland. She welcomed the proposed comments and hoped that the Plan would bring about improved services throughout the city.

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

12. RESOLVED that the formal response to the consultation on the Tyne and Wear Local Transport Plan 2011-2021 as set out in Section 8.0 of this report be submitted to the Integrated Transport Authority.

### **Care Quality Commission – Annual Outcomes Assessment of Delivery of Adult Social Care**

The Executive Director of Health, Housing and Adult Services submitted a report (copy circulated) on a summary of the Care Quality Commission (CQC'S) judgement of the Outcomes Assessment for 2009/10 on the delivery of adult social care in Sunderland, published in November 2010.

(For copy report – see original minutes).

Councillor Speding reminded Cabinet Members that the Care Quality Commission (CQC) was the regulatory body for the delivery of adult social care and health in England. He highlighted that the Outcomes Assessment for 2009/2010 was published in November and it was required to formally report it to Cabinet. He added that this would be the last year CQC would provide an annual assessment, however they would continue to have a regulatory role for care providers nationally. He explained that in the future there would be increased focus on achieving better outcomes through continuous improvement.

Cabinet Members were advised that the Assessment provided a judgement of how the Council delivered outcomes for adult social care within the city together with areas of strength and improvement. The Outcomes Assessment for Sunderland was rated as Performing Well.

Councillor Speding reported that an improvement plan was agreed by the Directorate each year and there had been significant achievements since April 2010 including:

- Self-Directed Support – implementation of revised Care Management and Assessment process.
- Improving Safeguarding Arrangements – strengthening control, improving scrutiny, streamlining and expanding access.
- Reablement – Importance of supporting people in their own homes.
- Support for Carers – focusing on their needs through carers assessments.
- Development of Customer/Care Reference Groups so people were able to have an affect on the development of care and support across all key groups.

Councillor Speding assured Cabinet Members that he would work with the Director to continue to make further improvements and reminded Cabinet Members there would be challenging times ahead as a result of the severe budget reductions for the Council and the Directorate.

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

13. RESOLVED that the CQC's judgement about the Council's Outcome Assessment for the delivery of adult social care for 2009/10, and their comments about our areas of strength and for improvement, be noted.

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

At the instance of the Chairman, it was:-

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

(Signed) P. WATSON,  
Chairman.

### **Note:-**

The above minutes comprise only those relating to items during which the meeting was open to the public.

Additional minutes in respect of other items are included in Part II.