

At a Meeting of the **CABINET** held remotely using **Microsoft Teams** and **livestreamed on YouTube** on **TUESDAY 9 FEBRUARY 2021** at **10.00 a.m.**

Present:-

Councillor G. Miller in the Chair

Councillors Atkinson, Chequer, Farthing, Stewart and Williams

Also present:-

Councillor P. Walker

Part I

Prior to the commencement of the business of the meeting, the Chair paid tribute to Councillor Dr. Geoffrey Walker who had sadly passed away on Friday 29 January 2021. He reported that Councillor Dr Walker had been an outstanding and valued Member of the Cabinet since 2018.

The Chair requested colleagues in the meeting to mark a moment's silence in honour of Councillor Dr. Geoff Walker.

Minutes

The minutes of the meeting of the Cabinet held on 12 January 2021, Part I (copy circulated) were submitted.

(For copy report – see original minutes).

1. RESOLVED that the minutes of the Cabinet meeting held on 12 January 2021, Part I, be confirmed and signed as a correct record, subject to the amendment to Councillor Farthing's comments in the item, "Low Carbon Framework and City Council Action Plan," on page 17, paragraph 4, second sentence to start "She explained....."

Declarations of Interest

In relation to item 5, "Capital Programme 2021/2022 and Treasury Management Policy and Strategy 2021/2022 including Prudential Indicators for 2021/2022," the following Councillors declared interests as members of the bodies indicated:-

Councillor Farthing	as the Council appointed representative on the Education Partnership North East (EPNE) (which is the group brand for Sunderland College, Northumberland College and Hartlepool Sixth Form College).
Councillor Stewart	as Chair-elect of Willow Wood Primary School and a member of the Bishopwearmouth CIC
Councillor Williams	as Chair of Governors of Oxclose Community Academy

In relation to item 9, "Disposal of two potential development sites at Emsworth Road, Sunderland - as an employee of Gentoo," Councillor P. Walker declared an interest as an employee of Gentoo and indicated that he would withdraw from the remote meeting during consideration of the report.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Johnston and Rowntree together with the Director of Children's Services.

Response from Scrutiny Coordinating Committee – 14 January 2021 – Budget Planning Framework and Medium Term Financial Strategy 2021/2022 – 2024/2025

The Assistant Director of Law and Governance submitted a report (copy circulated) to advise of the comments of the Scrutiny Coordinating Committee on a report of the Executive Director of Corporate Services that provides an update on the Council's Budget Planning Framework and Medium Term Financial Strategy 2021/2022 – 2024/2025.

(For copy report – see original minutes)

Councillor Stewart reported that the Scrutiny Coordinating Committee had received the report of the Executive Director of Corporate Services on the Budget Planning Framework and Medium Term Financial Strategy at its meeting held on 14 January 2021. He was pleased to report that the Committee acknowledged the current challenging circumstances that the Council continued to operate in and how the pandemic had put additional pressures on all Council services. He advised that the Committee were, however, satisfied with the contents of the report acknowledging that a number of funding uncertainties still remained.

Cabinet Members were advised that the Committee also acknowledged the revised version of the City Plan, in light of the Covid-19 pandemic, and had requested that updates on progress were provided to the Scrutiny Coordinating Committee as and when appropriate. Finally, the Committee had also put on record their appreciation to all Members and Officers who continued to work extremely hard on budget planning and the development of the Council's financial plans.

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

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

Capital Programme 2021/2022 to 2024/2025 and Treasury Management Policy and Strategy 2021/2022, including Prudential Indicators for 2021/2022 to 2024/2025

The Executive Director of Corporate Services submitted a report (copy circulated) to provide an update on the level of capital resources and commitments for the forthcoming financial year and to seek a recommendation to Council to the overall Capital Programme 2021/2022 to 2024/2025 and the Treasury Management Policy and Strategy (including both borrowing and investment strategies) for 2021/2022, to approve the Prudential Indicators for 2021/2022 to 2024/2025 and the Minimum Revenue Provision Statement for 2021/2022.

(For copy report – see original minutes).

Councillor Stewart reported that Council had strong ambitions for the city, which were reflected in the City Plan. He advised that the investments that were being proposed to Council in March put the finances in place to deliver these and to do so in a financially sustainable way.

Councillor Stewart referred to section 4 of the report which outlined that a Capital Programme for 2021/2022 to 2024/2025 of £623 million was proposed, made up of investment in new schemes of £234 million, in addition to £389 million of existing capital scheme commitments already approved by the Council. £249 million was planned to be spent in 2021/2022.

Cabinet Members were advised that the Capital Programme supported the City's priorities set out in the City Plan; providing for a dynamic city with investment in the City's infrastructure continuing to drive economic regeneration and growth through the development of strategic assets; providing for a healthy city with investment in education and skills; and maintaining and improving transport connectivity; and providing for a vibrant city with investment in the City's neighbourhoods and cultural assets.

Councillor Stewart emphasised that the key priority continued to be investing in the strategic regeneration of the city to drive economic regeneration and job growth. He explained that the Council would do this by developing strategic assets, improving the city wide and area infrastructure, and encouraging inward investment to create the conditions for growth.

Councillor Stewart reported that the new starts proposals included further investment to support Riverside Sunderland, including a high-level pedestrian bridge, and investment in the wider City centre such as the redevelopment of the train station concourse and car park and the development of the Culture House. He explained that a number of schemes were included, which would result in future capital receipts and other income streams to the Council. He added that the proposals included significant investment in housing and to support the delivery of front-line services to residents across the city including schools, social care and other operational assets.

Cabinet Members were advised that the Council continued to ensure that grants allocated to Education were earmarked for priorities within that service. The approach would enable programmes such as school asset management to progress. Disabled Facilities Grant allocations were yet to be confirmed.

Turning to the more technical aspects of the report, Councillor Stewart reported that set out in section 5 and Appendix 4 were the Prudential Indicators which were in full compliance of the CIPFA Prudential Code of Practice. He advised that these were set annually and monitored regularly to ensure that the Council's capital plans were affordable, sustainable and prudent.

Cabinet Members were advised that it was proposed that the Council continue the prudent Minimum Revenue Provision policy used in 2020/2021, which was detailed in Appendix 5, releasing previous overpayments to support the debt charges budget for 20 years.

In conclusion, Councillor Stewart reported that the Council was required to adopt a Treasury Management Policy Statement and to set out its Treasury Management Strategy comprising a borrowing strategy and an investment strategy each year. He referred Cabinet Members to the detail of these set out in Appendix 6 and Appendix 7. He assured that the Council was not proposing any major changes to the overall Treasury Management Strategy in 2021/2022 and would continue the careful and prudent low risk approach adopted by the Council in previous years. The Strategy complied with the Treasury Management Code and observed best practice.

Councillor Farthing commended the proposals for the Capital Programme and was particularly pleased that the Education Capital was being retained for education projects. She suggested that an explanation on the difference between Capital and Revenue spending should be included on the Council website and in future publications going out to residents in order to highlight the difficulties the Council faced in respect of insufficient funding for the continued revenue expenditure for maintenance work for example.

Councillor Atkinson agreed that the Capital Programme was an ambitious programme being driven forward by the Council and in its recovery from Covid-19. She added that the programme clearly demonstrated that the Council was at the forefront of driving the regeneration of the city and was testament to the excellent professionals working in the finance team.

The Chair highlighted that the capital strategy was very clear that it was fully supporting the Council's City Plan. He drew attention to the total spend of £623 million of investment into the fabric and infrastructure of the city by 2024/25 and the expenditure of £248 million in the coming year. He explained that was why such ambitious plans for a new high level footbridge linking the Stadium of Light to the Vaux Riverside and Keel Square developments as well as the improvements to the train station to be a fitting gateway into the city centre. He reported that the programme extended beyond the city centre with projects also in line for Houghton and Washington. He was delighted with the proposals contained in the report and he hoped that, even while in the middle of a public health crisis, residents could see the commitment of Council to become the best medium-sized city to live in, in England.

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

3. RESOLVED that it be recommended to Council to approve:-

- (i) the proposed Capital Programme for 2021/2022;
- (ii) the Treasury Management Policy and Strategy for 2021/2022 (including specifically the Annual Borrowing and Investment Strategies);
- (iii) the Prudential Indicators for 2021/2022 to 2024/2025; and
- (iv) the Minimum Revenue Provision Statement for 2021/2022.

Revenue Budget and Proposed Council Tax for 2021/2022 and Medium Term Financial Plan 2021/2022 to 2024/2025

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

- (a) the overall revenue budget position for 2021/2022;
- (b) the projected reserves position as at 31st March 2021 and 31st March 2022 and advise on their sufficiency;
- (c) a risk analysis of the Revenue Budget 2021/2022;
- (d) a summary of the emerging medium term financial position facing the Council from 2021/2022 to 2024/2025, and associated Council Efficiency strategy; and
- (e) any views received from the local Business Sector, Trade Unions and Scrutiny Coordinating Committee.

(For copy report – see original minutes).

Councillor Stewart highlighted that the final local government finance settlement for 2021/2022 was received last week with no changes proposed to the provisional settlement. He advised that MPs would vote on the proposed final settlement the following day and as such, the Council's funding position was predominantly unchanged from that reported to Cabinet in January. He added that the Council was still, however, waiting for its grant announcement for Public Health.

Councillor Stewart reported that as set out in reports to Cabinet during this budget process, additional investment in social care to support the rising demand and cost pressures in this area had been provided. He advised that the proposed budget also enabled investment in key services to support the communities. He added that these budget proposals therefore included, amongst other priorities:

- the provision of ongoing additional funding to support environmental services and housing services,
- investment in the appropriate disposal of waste, so making the city a cleaner and greener one,
- working alongside Together for Children providing funding for the costs of a social impact bond to support a group of clients that were not in education, employment or training.

Cabinet Members were advised that in addition, further funding was also provided to support the Council's significant capital investment proposals to support the delivery of the City Plan.

Councillor Stewart reported that the budget allowed for a 50% reduction in pest control charges. He advised that for those in receipt of council tax support, charges for dealing with mice and rats in a residence would reduce from £51.66 to £25.83 therefore helping those communities and residents most in need.

The attention of Cabinet Members was drawn to section 5 of the report that outlined a proposal to continue to support the most vulnerable residents and communities. This included continuing to award council tax hardship relief of up to £150 to working age council tax support claimants in 2021/2022. It was estimated that this would mean around 16,500 working age claimants would pay no council tax this year. On top of that, a response fund of £1 million was being established to support communities from council resources.

Councillor Stewart highlighted that the Council had asked residents what they want and need, and the Council was responding to what they had said, which had been a clear pledge of the Council.

Councillor Stewart reported that the Council had continued its approach to addressing the remaining budget gap by identifying savings which sought to minimise further impact on front line services wherever possible. He advised that for 2021/2022, £6.307 million of savings were proposed and these were set out in Appendix A.

Councillor Stewart drew attention to a small amendment to the proposal. He explained that after further consideration, it was proposed to remove the proposal DL4 for additional parking permit income of £40,000, with a corresponding adjustment to the proposed use of reserves. He commented that this was consistent with the Council's approach to support local communities at this time of need during the public health crisis. He advised that it was proposed to use some of the reserves next year to support the financial position and this would help to limit the cuts required next year. He added that the budget proposals, after the adjustment for the parking permits, assumed £2.3 million of reserves would be used next year to balance the budget.

The attention of Cabinet Members was then drawn to Appendix F, circulated separately today, which set out the Council's proposal to raise council tax. The Council had done its best to protect residents from the impact of the cuts since 2010. The compound impact of the Government's significant and disproportionate funding reductions in previous years, combined with unavoidable unfunded cost pressures, meant that the Council was once again faced with very difficult decisions.

Councillor Stewart reported that raising council tax was one of those difficult decisions. He explained that if the Council did not raise council tax, it would need to cut services further and reduce its investment into key priority areas. He advised that would mean cuts in services to those most vulnerable in the communities and to the services which residents highlight as high priorities.

Cabinet Members were advised that indeed, in its financial settlement, the Government assumed that all councils would raise council tax by the maximum permitted level. In Sunderland's case that was 4.99%. Councillor Stewart reported that the Government would never say that they were increasing funding for local government and unfortunately nationally over 87% of the increase was to be raised locally through council tax. He explained that in Sunderland, due to the relatively lower council tax base, this proportion was lower, but was still significant. 59% of the increase that Government assumed would be available to Sunderland City Council was being met by its residents.

Councillor Stewart reported that the Council therefore had taken the difficult decision to raise the core council tax element next year by 1.99%. He advised that it was also proposed that the Government's Social Care Precept would be increased by 3% in 2021/2022 to support the demand and cost pressures in adult social care. This meant that the proposal was to raise council tax by a total of 4.99% for next year. The proposed increase was below the referendum limit set by the Government, and therefore a referendum was not required.

Cabinet Members were advised that the 4.99% increase represented an increase of 94p a week for a Band A property. Despite the proposed increase, the Band D council tax would still remain the lowest in the region.

Councillor Stewart assured that the Council would continue to support its residents through its local council tax support scheme helping those with the lowest incomes and as stated earlier, continued provision would be made for hardship relief of up to £150 to working age council tax support claimants in 2021/2022. He reiterated that the key message that approximately 16,500 households would have no council tax to pay for 2021/2022.

Cabinet Members were advised that whilst the Police and Crime Commissioner had confirmed final details of their precept, confirmation of the final precept proposals from Tyne and Wear Fire and Rescue Authority were awaited, and this might require an amendment to the final proposal to Council in due course.

Councillor Stewart drew the attention of Cabinet Members to the Medium Term Plan set out at Appendix G. He advised that Cabinet Members were aware that the future outlook remained very uncertain. He explained that there were continued unfunded cost pressures, combined with the ongoing uncertainty with regard to the Covid-19 pandemic as well as significant uncertainty around the impact of the Government's spending review, fair funding review and the move to 75% retained business rates, all of which were scheduled for the medium term. He added that based on the best information and after taking into account proposed savings plans and assumed future council tax increases, there remained a budget gap of approximately £35.7 million over the three years 2022/23 to 2024/25.

Councillor Stewart assured that work would, of course, continue to identify a further suite of proposals to address the remaining budget gap into future years and the Council would continue to lobby the Government for a true fair funding agreement for Local Government.

Councillor Stewart then invited comments from Cabinet colleagues in relation to their own specific areas and reported that the proposals presented represented the most appropriate balance taking all factors into account. He therefore moved the recommendations as set out at paragraph 2 of the report, with the amendment set out earlier and reported that the amended report would then be taken to Council on 3 March for consideration.

Councillor Farthing referred to the social impact bond to work to reduce the numbers of young people not in education, employment or training. She explained that this had been difficult to achieve over the years and it was timely to try a different approach. She added that she welcomed that the Government had agreed to continue with the Troubled Families' Grant into 2021/22, as this funded the Council's early help service in Together for Children which reduced the number of vulnerable children coming into the cared for system.

Councillor Williams commended the work which had taken place to produce the proposed balanced budget in what had been a difficult situation. She commented that the choices had been made well to protect the most vulnerable and also in being realistic about what the Council could offer. She appreciated that Sunderland still had the lowest council tax and for a Band A property it equated to an increase of 94p per week. She advised that taking this into consideration with staff pay increases and increased service costs, this tax increase was the best that could be expected until the Government funded local authorities correctly and fairly. She was confident that the budget was deliverable as it would continue to be regularly monitored.

Councillor Atkinson concurred with the comments and added that Councillors took no pleasure in having to make these difficult decisions to increase council tax to prevent cuts to services. She reported that this highlighted that the fundamental understanding and ethos of the Council being to protect the most vulnerable residents and this was something that the Council could be proud of.

The Chair reported that the Council was required to raise a council tax and that this was the eleventh year of austerity funding cuts from the Government. He advised that the Government was continuing to underfund local authorities and passport adult social care costs onto local residents. He reiterated that 16,500 households would not be paying any council tax because of the work the Council was undertaking to protect those who were the most vulnerable. In addition, £1 million fund had been established to help further to help those residents who were on the edge of failure. He advised that the Council would do what it could to support those residents especially during this public health crisis which had complicated matters further.

Councillor Stewart clarified that whilst the Government had increased councils' core funding, this was only by the Government's assumption that councils were increasing council tax. He drew attention to section 2.3 of the appendix which specifically referenced the precept for adult social care in recent years which had had a cumulative impact of social care precepts of 13%. This equated to over half of the council taxes increases year on year. He advised that this was a national issue for councils and the costs were being passported to residents instead of the Government taking responsibility and providing appropriate funding.

The Cabinet Members, namely Councillors Atkinson, Chequer, Farthing, G. Miller, Stewart and Williams having unanimously voted in favour of the recommendations contained in the report and the amendment to remove the proposal DL4 for additional parking permit income of £40,000, with a corresponding adjustment to the proposed use of reserves, it was:-

4. RESOLVED that:-

- (i) it be recommended to Council to approve the proposals set out in the report including the proposed Revenue Budget for 2021/2022 set out at Appendix J subject to an amendment to remove the proposal DL4 for additional parking permit income of £40,000, with a corresponding adjustment to the proposed use of reserves;

- (ii) it be recommended to Council to approve the Medium Term Financial Plan 2021/2022 to 2024/2025 including Efficiency Strategy as set out in Appendix G and the potential use of Capital Receipts Flexibility set out at section 9 of the report;
- (iii) the finalisation of the Council tax supplementary information, that will be published on the Council website, be delegated to the Executive Director of Corporate Services in consultation with the Leader of the Council;
- (iv) recommend to Council that the proposed Council Tax Requirement for the Council for 2021/2022 for its own purposes is £108,110,255 (excluding Parish precepts) and represents a 4.99% increase in council tax for 2021/2022. It should be noted that this includes the additional ringfenced social care precept of 3%;
- (v) recommend to Council that it be noted that at its meeting on 27 January 2020 the Council approved the following amounts for the year 2021/2022 in accordance with the amended regulations made under Section 31B(3) of the Local Government Finance Act 1992 (the 'Act'):
 - a) 70,045 being the amount calculated by the Council, in accordance with the above regulation of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by Local Authorities (Calculation of Tax Base) (England) Regulations 2012, as its Council Tax Base for the year (Item T).
 - b) 3,803 being the amount calculated by the Council, in accordance with the Regulations, as the amount of its Council Tax Base for the year for dwellings in the area of the Parish of Hetton Town Council.
- (vi) recommend to Council that the following amounts be calculated by the Council for the year 2021/2022 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:
 - a) £705,681,482 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.
 - b) £597,516,236 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.

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| c) | £108,165,246 | being the amount by which the aggregate at (vi) (a) above exceeds the aggregate at (vi) (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax Requirement for the year including Parish precepts (Item R in the formula in Section 31A(4) of the Act). |
| d) | £1,544.2251 | being the amount at (vi) (c) above (Item R) all divided by Item T ((v) (a) above), calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts). |
| e) | £54,991 | being the precept notified by Hetton Town Council as a special item under Section 34 (1) of the Act. |
| f) | £1,543.4400 | being the amount at (vi) (d) above less the result given by dividing the amount at (vi) (e) above by the Item T ((v) (a) above), calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates. |
| g) | £1,557.8999 | being the amount given by adding to the amount at (vi) (f) above the amount (vi) (e) divided by the amount at (v) (b) above, calculated by the Council in accordance with Section 34 (3) of the Act as the basic amounts of its Council Tax for the year for dwellings in the area of the Parish of Hetton Town Council. |

h) Charges relating to the Council:

Valuation Band	Hetton Town Council	All other parts of the Council's area £
	£	
A	1,038.60	1,028.96
B	1,211.70	1,200.45
C	1,384.80	1,371.94
D	1,557.90	1,543.44
E	1,904.10	1,886.43
F	2,250.30	2,229.41
G	2,596.50	2,572.40
H	3,115.80	3,086.88

being the amounts given by multiplying the amounts at (vi) (f) and (vi) (g) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (vii) it be noted that for 2021/2022, in accordance with Section 40 of the Local Government Finance Act 1992, the Police and Crime Commissioner for Northumbria has issued the precept presented below to the Council.
- (viii) it be noted that for the year 2021/2022, the Tyne and Wear Fire and Rescue Authority has supplied their best estimate of their proposed precept, which has yet to be formally notified by their Authority. Consequently, the following amount for the Tyne and Wear Fire and Rescue Authority represents the provisional precept for 2021/2022, which may be issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992:

Precepting Authority

Valuation Band	Police and Crime Commissioner for Northumbria £	Tyne and Wear Fire and Rescue Authority (proposed) £
A	95.89	57.09
B	111.88	66.61
C	127.86	76.12
D	143.84	85.64
E	175.80	104.67
F	207.77	123.70
G	239.73	142.73
H	287.68	171.28

- (ix) in accordance with Section 30 (2) of the Local Government Finance Act 1992, the Council has calculated the aggregate of the amounts at (vi) (h) and the estimated precepts at (viii) and estimates the total level of council tax for 2021/2022 to be:

Valuation Band	Hetton Town Council £	All other parts of the Council's area £
A	1,191.58	1,181.94
B	1,390.19	1,378.94
C	1,588.78	1,575.92
D	1,787.38	1,772.92
E	2,184.57	2,166.90
F	2,581.77	2,560.88
G	2,978.96	2,954.86
H	3,574.76	3,545.84

- (x) it be noted that under Section 52ZB of the Local Government Finance Act 1992, the Authority's relevant basic amount of Council Tax for 2021/2022 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act.

(i.e. the proposed council tax increase for 2021/2022 means that the Council does not need to hold a referendum on its proposed council tax. The provisions set out in Section 52ZC of the Local Government Finance Act 1992 require all billing authorities (councils and precept authorities (i.e. Fire and Police authorities)) to hold a referendum on their proposed level of basic council tax each year if they exceed government guidelines set out annually.)

- (xi) the views expressed by the North East Chamber of Commerce, Trade Unions, and Scrutiny Coordinating Committee be noted.

Collection Fund (Council Tax) 2020/2021

The Executive Director of Corporate Services submitted a report (copy circulated) to advised of the estimated balance on the Collection Fund for 2020/2021 in respect of Council Tax and the deficit attributable to the Council and its major precepting authorities for use in setting Council Tax levels for 2021/2022.

(For copy report – se original minutes).

Councillor Stewart highlighted that the report advised of the estimated balance on the Collection Fund in relation to Council Tax at the end of this financial year. He explained that where a deficit was projected on the Collection Fund, the Council had a legal requirement to inform its Precepting Bodies so that they could be considered in calculating the Council Tax for the following year.

The attention of Cabinet Members was drawn to section 5 of the report which detailed that the actual deficit in relation to the collection fund at 31 March 2020 was greater than that previously estimated. In addition, as set out in section 6, the estimated deficit at 31 March 2021 in respect of 2020/21 was £4,300,420.

Councillor Stewart explained that ordinarily, these sums would need to be fully taken into account within the 2021/2022 budget. He reported that however, in recognition that all authorities across the country would be likely to be reporting larger collection fund deficits as a consequence of the Covid-19 pandemic, the Government had amended legislation so that authorities were required to recover collection fund deficits in relation to 2020/2021 over a three year period.

Turning to Section 7 of the report, Cabinet Members were advised that the Precepting Bodies had been advised of the overall position. Councillor Stewart reported that the financial impact on the Council had been reflected in the Council's proposed budget for 2021/2022 and Medium Term Financial Plan.

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

5. RESOLVED that the overall position in relation to the Collection Fund (Council Tax) for 2020/2021 and the Council's share of the deficit be noted.

South Sunderland Growth Area Infrastructure Delivery - Housing Infrastructure Fund

The Executive Director of City Development submitted a report (copy circulated) to provide an update on the outcome of the Housing Infrastructure Fund ("HIF") funding bid and to seek approval to take all necessary steps to implement and deliver the HIF Infrastructure projects ("the Projects").

(for copy report – see original minutes).

Councillor Atkinson highlighted that in January 2019, as part of the Council's ongoing commitment to deliver high quality homes across the city, and building on the successful implementation of the Potters Hill development at Chapelgarth, the Cabinet had agreed to support the delivery of over 3,000 new homes by:-

- approving the submission of a funding bid under the Ministry of Housing, Communities and Local Government's (MHCLG) HIF Programme; and
- approving the acquisition of land required to deliver a range of infrastructure projects in the South Sunderland Growth Area (SSGA).

Councillor Atkinson reported that at that meeting a funding requirement of £20.3 million was proposed to support six HIF Projects. She advised that after further detailed design work and the inclusion of Special Education Needs provision, the HIF funding application had increased to £25.4 million.

Cabinet Members were advised that in March 2020, the Council was awarded the full £25.4 million of funding. Therefore, approval was now required to update the Capital Programme to reflect the increased funding allocation. To enable delivery of the HIF infrastructure projects, it was recommended to authorise the procurement and appointment of contractors and consultants.

Councillor Atkinson was pleased to report that as well as the HIF infrastructure projects, the SSGA development proposals included provision of a new primary school. She advised that to support the delivery of the school, Cabinet was recommended to approve entry into a Land Option Agreement to secure future purchase of the required third-party land at relevant market value.

Councillor Williams welcomed the proposal and the forward planning to establish a new primary school in the area.

The Chair reported that the award of the full £25.4 million HIF funding demonstrated that the Government considered that Sunderland was committed to its regeneration and development into a twenty first century modern city. He commended the report and what it meant for the city's housing offer.

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

6. RESOLVED that:-

- (i) the content of the report be noted and the Executive Director of City Development, in consultation with the Chief Executive, Executive Director of Corporate Services and Leader of the Council, be authorised to:-
 - (a) take all necessary steps to progress the delivery of the Projects;
 - (b) procure and appoint contractors and consultants to deliver the Projects;
in accordance with the available approved funding; and

- (c) agree terms and enter into a Land Option Agreement (LOA) for the future purchase of land required for development of the proposed new primary school at relevant market value;
- (ii) the Chief Executive, Executive Director of Corporate Services and the Assistant Director of Law and Governance be authorised to execute all necessary legal agreements in order to give effect to the above; and
- (iii) the inclusion of the HIF funding within the Council's Capital Programme and the resultant variation to the Capital Programme be approved.

At this juncture, Councillor Walker withdrew from the meeting during consideration of the following report in view of his declaration of interest.

Disposal of two potential development sites at Emsworth Road, Sunderland

The Executive Director of City Development submitted a report (copy circulated) to seek approval to dispose of the freehold interest in the former Carley Hill School site (Property 1) and Land Adjacent to Emsworth Road (Property 2) (collectively “the Properties”) for the development of new affordable homes

(For copy report – see original minutes).

Councillor Atkinson reported that the Council owned the freehold of two sites on Emsworth Road in Sunderland; the former Carley Hill School which was indicated as Property 1 on the plan, and an area of open space adjacent to Fulwell Quarry which was indicated as Property 2 on the plan. She explained that the sites were currently surplus to Council requirements and proposals had been received from Gentoo which would see it develop up to 225 new affordable homes, subject to receipt of satisfactory planning permission and necessary grant funding.

Cabinet Members were advised that the proposed developments would provide high quality affordable new homes, utilising modern methods of construction and low carbon technology in keeping with the Council's objective to deliver more and better housing. Gentoo would directly develop, own and manage the two developments alongside its existing homes in the area.

Councillor Atkinson reported that survey work had revealed significant constraints associated with former land use which made development financially unviable without significant capital investment / grant support. She explained that it was therefore proposed that a sale price of £1 would reflect market value and best consideration. She advised that Gentoo was deemed to be best placed to deliver the proposals as a result of its ability to secure third party grant funding and its ownership of land adjacent to Property 2 which was required to create access to that development site.

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

7. RESOLVED that approval be given to the disposal of Property 1 and to grant an option to purchase Property 2 to Gentoo Group Limited 'Gentoo' at a price which represents best consideration and on terms to be agreed by the Executive Director of City Development in consultation with the Chief Executive, Executive Director of Corporate Services and Leader of the Council.

Councillor Walker was then readmitted to the meeting.

Proposed E-Scooter Trial

The Executive Director of City Development submitted a report (copy circulated) which sought approval in principle to take part in an E-Scooter Trial with an E-Scooter specialist operator (to be confirmed) with the support of the Department for Transport (DfT).

(For copy report – see original minutes).

The Chair reported that the Council wished to take part in a pilot E-Scooter Trial with an E-Scooter specialist and with the support of the Department for Transport (DfT). He advised that a start date of 1 March 2021 had been approved by Ministers and the Trial would run for approximately eight months until November 2021. He explained that a full procurement process had been carried out with the successful candidate to be confirmed, and subject to Cabinet approval.

Cabinet Members were advised that routes would be provided linking the City Centre to the Hospital & University via Chester Road and the Seafront and Seaburn Metro Station via Dame Dorothy Street and Dykelands Road respectively. The evidence gathered in the Trial would guide the DfT in their final decisions about whether and, if so, how to fully legalise the use of e-scooters. Data collected would also contribute to deciding the long-term vision for Active Travel in Sunderland.

The Chair reported that there were no capital costs to the Council and the only revenue costs were in relation to officer time, advertising and associated costs for the making and displaying of the requisite notices for the making of the Traffic Regulation Orders, which could be met from existing budgets. He emphasised that the set-up operation and maintenance costs of the e-scooters throughout the trial would be the responsibility of the operator.

Cabinet Members were advised that the Police, NHS, University and Nexus had been consulted and were in support of the Trial. Road safety issues had been taken into consideration and appropriate risk assessments undertaken. Prior to the trial commencing routes would be investigated and any highway faults repaired where necessary. In addition, Health & Safety had been consulted and their advice was that under the Health & Safety at Work etc. Act 1974, the duty was with the E-Scooter provider to ensure the health and safety of users and any legal liability would rest with the provider. Other safety aspects of the trial included:-

- Routes to be geofenced and designed to use as much off-road existing cycling infrastructure as possible to protect the user from needing to ride on the highway.
- GPS Tracking system with appropriate sanctions to be taken by the operator to users when e-scooters were detected on footpaths or other `no-go` areas - Alarm sounding and motor cut off would occur if taken outside the geofenced area.
- Speed restrictions would be set at a maximum of 12.5 mph and reduced to 5-6 mph in high pedestrianised and sensitive areas.
- It would be specified that Helmets must be worn.
- Operator was responsible for insurance for users and the cover of E-scooters for theft and vandalism.

Councillor Atkinson commended the report. She welcomed the forward thinking as the Council moved towards being a carbon neutral city and looking how residents moved around the city. She was particularly please with the routes that had been chosen and the inclusion of the anchor institutions.

The Chair concurred and highlighted that this would demonstrate that the Council was committed to achieving its green credentials. He added that the proposed routes linking the sea front into the city centre and up to the hospital was an ideal pathway to examine what would come out of the trial. He hoped that by the end of the trial, it was successful and would highlight that this was an area that could be further developed to help the city to become carbon neutral as quickly as possible and by 2040 at the latest. He advised that although this Trail would be a small part in the overall carbon reduction plans for the city, it would be part of an important achievement to protect the environment for future generations.

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

8. RESOLVED that approval be given, in principle, to support the E-Scooter Trail to commence 1 March 2021 for approximately 8 months until November 2021 to be operated by an E-Scooter specialist operator (to be confirmed) who are to be appointed following their successful bid during a full procurement exercise.

Managed Store Facility

The Executive Director of Neighbourhoods submitted a report (copy circulated) to seek approval to procure and award a contract to a managed store provider for material purchasing for a four-year period to support Building Services in the effective delivery of its services.

(For copy report – see original minutes).

The Chair highlighted that the establishment of a new four-year Managed Store for Building Services would improve the productivity and efficiency of Building Services. He reported that it was proposed that the new managed store would be locally based and would support Building Services in all its future material provision and procurement.

Cabinet Members were advised that the managed store facility would:-

- Save time in managing the procurement of materials;
- Increase productivity and efficiency of the service;
- Provide better value for money;
- Support the City Plan in having a service that would be set up and delivered locally and support local job creation; and
- Create positive environmental impacts as travelling time would be reduced as materials would be available locally and in one place

Councillor Atkinson welcomed the report as it would build on the economy and job creation in the city.

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

9. RESOLVED that the procurement approach and the award of a contract to a managed store provider for material purchasing for a four-year period be approved.

Proposal to Publish Notice of Statutory Proposals for the Closure of Hetton le Hole Nursery School

The Executive Director of Neighbourhoods submitted a report (copy circulated) to provide information relating to and to seek a decision on the proposal to commence the statutory consultation process required to close Hetton-Le-Hole Nursery School.

(For coy report – see original minutes).

Councillor Farthing advised that it was always with great sadness that a report had to be presented to request the start of statutory proposals to close a school. She highlighted that in recent years, because of funding changes and the increasing costs associated with delivering a maintained nursery provision, Sunderland's maintained nursery schools had faced significant financial pressures.

Councillor Farthing reported that Hetton Le Hole Nursery now had an unrecoverable financial deficit. She advised that it was estimated, despite the best efforts of the nursery leadership and the Council to reduce costs, that the nursery would have a budget deficit of over £170,000 by the end of the current financial year and this was projected to rise to more than £200,000 by the end of 2023. She added that the nursery was no longer able to operate within its own budget and because of this it was unfortunately not considered to be sustainable.

Councillor Farthing reported that she had carefully examined the setting of the nursery in great detail. She explained that it could not improve its position even it had had the numbers of children attending. She drew the attention of Cabinet Members to paragraph 4.6 of the report which highlighted that the nursery was absorbing a larger proportion of the city's lump sum allocation to the detriment of other nursery schools not only in its own locality but across the city as a whole.

Cabinet Members were advised that the Council was therefore recommending that a proposal to close the nursery was published. It was expected that a final decision on this proposal would be made in April or May of this year. If the decision was taken to close the nursery it was anticipated that its last day of operation would be in August 2021.

Councillor Farthing reported that the Council was committed to ensuring that there were enough nursery places in Hetton to meet demand. She explained that already there were proposals to establish a sustainable nursery provision at the new Hetton Primary School. She advised that this proposal would be expanded to ensure there was no loss in either 2, 3 or 4-year-old capacity in the Ward as a consequence of this proposal and would be available from the school site from September 2021.

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

10. RESOLVED that:-

- (i) the responses received to date from the pre-publication consultation relating to the proposal to discontinue provision at Hetton le Hole Nursery School be noted ; and
- (ii) the commencement of the necessary statutory proposal process required to discontinue provision at Hetton le Hole Nursery School be authorised.

Proposal to Make Necessary Variations to the Council's Capital Programme Relating to New and Existing Education Proposals and to Procure Capital Works for Education Proposals Included within the Council's Capital Programme

The Executive Director of Neighbourhoods submitted a report (copy circulated) which provided information relating to and sought a decision on the proposal to procure capital works for a range of improvements at Sunderland's schools.

(For copy report – see original minutes).

Councillor Farthing in highlighting the report, advised that the proposed capital works included the provision of a new dining facility and class resources as well as a refurbishment of the current teaching block at Barnes Junior School, a major refurbishment at Fulwell Junior School and further enhancement of the planned facilities at the new Hetton Primary School due to be open in 2022.

Cabinet Members were advised that the Council was also proposing capital works to further increase the number of autism school places in the city. The former Harraton Skills Centre in Washington was currently being used as a temporary special school while works were completed on the new Harry Watts Academy building in North Sunderland. The site had proved incredibly popular. The report proposed carrying out further works at the site which would allow the school to be used as a permanent autism school that could offer an additional 64 special school places for the city.

The Chair reported that as a Washington Ward Councillor, he was pleased that the Harraton Skills Centre site would become a permanent autism school as it would give Washington and residents west of the city a further accessible facility. He commended officer for enabling the decision to be made promptly.

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

11. RESOLVED that:-

- (i) the Executive Director of the Neighbourhoods be authorised to procure capital works to facilitate the refurbishment of the former Harraton Skills Centre, a replacement dining block at Barnes Junior School, and refurbishment to the teaching blocks at Barnes Junior School and Fulwell Junior School;
- (ii) the funding arrangements for delivery of the proposed works at Harraton Skills Centre and the resultant variation to the Capital Programme be approved; and
- (iii) the funding arrangements associated with the development of a new Hetton Primary School and the resultant variation to the Capital Programme be approved.

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

At the instance of the Chairman it was: -

12. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it was considered to involve a likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the authority holding that information) (Local Government Act 1972, Schedule 12A, Part 1, Paragraph 3). The public interest in maintaining this exemption outweighs the public interest in disclosing the information.

(Signed) G. MILLER,
Chair.

Prior to moving to Part II of the agenda, it was confirmed that the livestream of the meeting had ended.

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.

