

**At a meeting of the CABINET held in the COUNCIL CHAMBER
(COMMITTEE ROOM NO. 2) on Wednesday 9 October 2013 at 2.00pm.**

Present:-

Councillor Trueman in the Chair

Councillors Blackburn, Gofton, Kelly, G. Miller, and Speding

Also in attendance:-

Councillors Price and Wood

Part I

Minutes

The minutes of the meeting of the Cabinet held on 4 September 2013 Part I (copy circulated) were submitted.

(For copy report - see original minutes).

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

Receipt of Declarations of Interest

There were no declarations of interest.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors P. Smith and P. Watson.

Feed and Food Controls Service Plan 2013/14

The Deputy Chief Executive submitted a report (copy circulated) to advise of the Feed and Food Controls Service Plan of Public Protection and Regulatory Services for 2013/14

(For copy report – see original minutes).

Councillor Blackburn highlighted that local authorities were required by the Food Standards Agency to produce, each year, an animal feed and food controls service plan. He reported that these plans set out how each local authority would address national priorities for feed and food law enforcement and how public health and consumer interests in relation to feed and food standards would be protected locally. He added that each plan would be a key document in the event of any audit of a local authority by the FSA.

Cabinet Members were advised that the proposed plan set out how the Council would assist food businesses through the provision of advice and how the Council would also protect the public through a programme of risk assessed interactions with businesses. The proposed plan, was largely similar to those of previous years, and took into account advice issued to local authorities by the FSA in 2012 which encouraged local authorities to target resources at lower-rated premises. The proposed plan therefore indicated how the Council would focus attention on the less well performing food businesses while using lighter touch techniques for monitoring the activities of currently high performing businesses.

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

2. RESOLVED that it be recommended to council to approve the Feed and Food Controls Service Plan for 2013/14.

Procurement of Replacement Grass Cutting, Horticultural and Mechanical Road Sweeping Equipment

The Deputy Chief Executive submitted a report (copy circulated) to seek approval to procure up to 30 replacement grass cutting and horticultural machines and 2 mechanical road sweeping machines.

(For copy report – see original minutes).

Councillor Blackburn reported that the Council operated a five year replacement programme for specialist grass cutting and horticultural machines, to ensure they were economic to maintain and operate. He added that the Council currently operated four large mechanical road sweeping machines which were replaced on a seven year cycle due to their higher purchase cost and two of these vehicles were used on front line operational duties.

Cabinet Members were advised that driven by the Fleet and Transport service review, it had been identified that up to 30 grass cutting and horticultural machines required replacing during 2013/ 2014 to ensure that the machines in use continued to provide an efficient and effective level of services. The cost of maintenance and repair of the Council's large mechanical road sweeping machines was increasing due to their age. A review of operational needs had shown that the Council could reduce the number of mechanical road sweepers without reducing capability and capacity, through better serviceability and coordination with our fleet of medium and smaller sized sweepers.

Councillor Blackburn advised that any delay in the replacement of this equipment would reduce operational efficiency and increase maintenance costs. He added that there was budgetary provision for the replacement equipment and no net increase in operational costs to the Council.

Cabinet Members were advised that the total value of the replacement equipment was £600K and was, therefore, subject to the Official Journal of the European Union (OJEU) procedures. In addition the relevant directorates had been consulted on these proposals and there were no significant impacts identified.

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

3. RESOLVED that:-

- (i) approval be given to procure up to 30 grass cutting and horticultural machines and 2 mechanical road sweeping machines to replace those in use to maintain the efficiency and effectiveness of services as part of the planned equipment replacement programme, and
- (ii) it be noted that there is budgetary provision and no net increase in costs to the Council.

Sunderland Business Improvement District (BID)

The Deputy Chief Executive submitted a report (copy circulated) to provide an update on the Sunderland Business Improvement District (BID) and to seek agreement on a funding package to support the BID Company over its 5 year term.

(For copy report – see original minutes).

Councillor Speding reminded Cabinet Members that city centre businesses voted to introduce a Business Improvement District in July this year. He reported that the Cabinet was being requested to further support this important development by approving a grant of £30,000 to the new BID Company to cover salary and operational costs pre April 2014. In addition, he advised that grant funding of £50,000 per annum was also being sought for the duration of its five year term.

Cabinet Members were assured that all funding would be subject to satisfactory performance and annual review and would be met from existing economic development budgets.

Cabinet Members having welcomed this private sector-led initiative and the investment that would be generated to benefit the City's economy, it was:-

4. RESOLVED that:-

- (i) a grant of £30,000 to the new BID company to cover salary and operational costs pre April 2014 to be met from existing economic development budgets be approved;
- (ii) grant funding of £50,000 per annum be approved to the new BID company for the duration of its 5 year term subject to satisfactory performance and annual review to be met from existing and future economic development budgets; and
- (iii) the Deputy Chief Executive in consultation with the Executive Director of Commercial and Corporate Services, and the Leader of the Council be authorised to conclude the operating agreement with the BID company.

Second Capital Review 2013/2014 (including Treasury Management)

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) which detailed the:-

- (a) reprofiling of projects since the First Capital Review for 2013/2014 was approved in June 2013;
- (b) inclusion of additional schemes and revisions to costs and resourcing for 2013/2014 since the First Capital Review was reported;
- (c) progress in implementing the Treasury Management Strategy for 2013/2014.

(For copy report – see original minutes).

Councillor Speding highlighted that the revised programme stood at £79.7m, a reduction of £12.5m since the first review. He explained that variations to the 2013/2014 capital programme included £7m of expenditure that had been re-profiled into future years and the re-profiling was primarily as a result of, reviewing scheme requirements to ensure best value to the Council and re-profiling of works to minimise service disruption. He assured that relevant funding was of course secured and would be carried over.

Cabinet Members were advised that other variations to the capital programme included new schemes or variation to existing schemes arising from grant awards. All variations were detailed within the report.

In relation to the Treasury Management aspects, Councillor Speding reported that the position continued to be very positive and therefore there were no areas for concern or any issues which require review.

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

5. RESOLVED that:-

- (i) in relation to the Capital Programme, approval be given, and where necessary it be recommended to Council, for the inclusion of additional schemes or variations to existing schemes for 2013/2014 detailed at Appendix A, as a variation to the Capital Programme, and
- (ii) in relation to the Treasury Management Strategy and Prudential Indicators, the positive progress made in implementing the strategy for 2013/2014 be noted.

Revenue Budget Second Review 2013/2014

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) on details of the outcome of the Revenue Budget Second Review for 2013/2014.

(For copy report – see original minutes)

Councillor Speding highlighted that in overall terms there was very positive progress being made in terms of delivering the 2013/2014 savings requirement of £37m although the Council continued to face increasing challenges both in delivering the sustained level of reductions required and in addressing demand pressures. He reported that where delays in implementation of savings targets and budget pressures were identified Portfolio Holders and Directors were progressing alternative actions to address the position. He added that this was coupled with the workforce planning arrangements which would ensure that a positive outturn position would be achieved.

Councillor Speding reported that in addition, savings of £5m were anticipated from capital financing arrangements and additional income from investments. He explained that it was proposed that this and any other under spending arising from unutilised contingencies at the end of 2013/2014 would be earmarked to support the overall 2013/2014 position and to meet transitional costs arising from the 2014/2015 budget setting process.

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

6. RESOLVED that the contingency transfers proposed at Appendix A and budget transfers set out in the report be approved.

Budget Planning Framework 2014/2015 and Medium Term Financial Strategy 2014/2015 – 2016/2017

The Chief Executive and the Executive Director of Commercial and Corporate Services submitted a report (copy circulated) which identified the key factors influencing the development of the Council's financial plans into the medium term and which set out the budget planning framework for the Council for 2014/2015. The report sets out the headlines and context for the Medium Term Financial Strategy 2014/2015 to 2016/2017 which would be formally considered in due course.

(For copy report – see original minutes).

Councillor Speding drew attention to the impact of Government announcements in recent months on the level of anticipated funding to be received by the Council over the next two years. He advised that reductions in funding of £18m were now forecast for 2014/2015 with a further £24m reduction in 2015/2016. He added that at this stage, the position for 2016/2017 was anticipated to be yet a further similar level of reduction.

Councillor Speding reported that when these funding reductions were combined with unavoidable spending and demand pressures, a funding gap of £110m was forecast for the next three years with a requirement for savings in 2014/2015 of £35.5m. He advised that due to recent Government announcements this position was approximately £10m worse than forecast through to 2015/16.

Councillor Speding highlighted proposals set out in the report for meeting the savings requirement through the Improvement Framework based on the Community Leadership Council approach including:

- Managing demand;
- Using insight and intelligence effectively;
- Managing the cost of supply and using the customer services network as the gateway to services;
- Development of alternative service delivery models to meet need;
- Acceleration of the commissioning approach
- A continued review of strategic services and fixed assets.

Cabinet Members were advised that this would involve:-

- A programme of activity based on the Improvement Framework and Community Leadership Council principles. Services would be asked to bring forward savings plans to enable a programme of additional key reviews to be proposed;
- Continued consideration of alternative models of service delivery and service improvement;
- A continued focus on progressing regeneration, funding leverage and commercial opportunities.

In conclusion, Councillor Speding drew attention to the Council's responses to a number of Government technical consultation papers on the proposed funding arrangements for 2014/2015 and 2015/2016 which had been included in the report for information. He advised that given the severe negative impact on the Council budget, the Council continued to lobby robustly against the Government's proposals.

Councillor Miller thanked the Cabinet Secretary and the Executive Director of Commercial and Corporate Services for the report and highlighted that the Budget Planning Framework was an excellent piece of work setting out that the Council was doing everything it could to protect the residents of the city and the services they expected from the Council.

Councillor Kelly agreed the Council was under tremendous financial pressures and would be in difficulties if was not for excellent work of the leadership team and the officers.

Councillor Speding reported that he wished to make it absolutely clear that the difficult financial position being faced by the Council had been imposed by central Government and the Council was duty bound by law to produce a balanced budget.

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

7. RESOLVED that:-

- (i) the proposed Budget Planning Framework summarised at Section 10 of the report which will guide the preparation of the Revenue Budget for 2014/2015 be agreed; and
- (ii) it be noted that the full Medium Term Financial Strategy 2014/2015 to 2016/2017 will be presented to Cabinet in February.

Proposals for Budget Consultation 2014/2015

The Chief Executive and Executive Director of Commercial and Corporate Services submitted a report (copy circulated) which proposed the budget consultation strategy and framework to inform the preparation of the Budget for 2014/2015.

(For copy report – see original minutes).

Councillor Speding reported that the proposed budget consultation would build on the successful approach adopted in recent years which was in line with government guidance. He explained that this would involve consultation with a range of stakeholders including Equality Forums and Voluntary sector, Trades Unions, Chamber of Commerce, Schools Forum and Governors and the Youth Parliament. He added that this year enhanced community engagement was also proposed through :-

- the Annual State of the City Debate which would set the scene about the overall position and the Council's approach to tackling it,
- a budget consultation event to be held at the Civic Centre drawing representation from each area of the city, and
- A survey to test agreement with the Council's approach to meeting the cuts.

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

8. RESOLVED that the budget consultation strategy and framework be approved as set out in this report and referred it to the Scrutiny Committee for consideration.

Contract Provision for Welfare Rights Advice

The Executive Director People Services submitted a report (copy circulated) to seek agreement to commence the procurement of the Welfare Rights Advice Service, and to seek approval to award the contract(s) to the successful independent sector providers who provide the most economically advantageous tenders.

(For copy report – see original minutes).

Councillor Miller in highlighting the report, explained that the demand for welfare rights advice was continuing to rise due to unprecedented changes to welfare reform, which were impacting upon local communities, with levels of debt rising and people in the city becoming poorer. He advised that the procurement of this Contract hoped to mitigate some of this impact.

Cabinet Members were advised that the Contract would be awarded in six separate product areas or 'lots'. These were, five locality based lots covering the five area locations for a casework service covering welfare benefits and debt, and a sixth lot for coordinated activity and locality based budgeting skills courses.

Councillor Miller reported that the proposed service would take into account the need to develop the market including the need for providers to diversify into a more holistic delivery model that took into account wider customer sustainability. He advised Cabinet Members that it was important that the contracts reflected the changing needs of customers and their need for more than a welfare rights solution, by bringing financial capability and budgeting skills and support into the remit. He added that the contract would prioritise and target the council's investment and resources where they were most needed.

Cabinet Members were advised of the contract options which were for a term of 4 years with an option to extend for up to a further 12 months, plus a further and final 12 months.

Councillor Gofton welcomed the proposals as this was a service that would be required more than ever, particularly in the more deprived wards of the city.

The Chairman agreed, highlighting from the report that this service played a vital role in helping to reduce poverty, inequality, and deprivation levels. Such support could also help people into and to retain employment, and improve their health and wellbeing, especially mental health.

9. RESOLVED that:-

- (i) approval be given to commence the procurement process and award contracts to provide welfare rights advice/information for the period 1 April 2014 – 2017 on the basis that the value of these contracts will be over £75,000 in total, and
- (ii) it be noted that the budget for the contracts is £1,060,000 over a period of 4 years.

Sunderland Agreed Syllabus for Religious Education

The Executive Director People Services submitted a report (copy circulated) to seek approval for the revised Sunderland Agreed Syllabus for Religious Education.

(For copy report – see original minutes).

Councillor Miller informed Cabinet Members that local authorities had a statutory duty to set up and maintain a 'Standing Advisory Council for Religious Education' whose duties included the provision and monitoring of a Religious Education Agreed Syllabus and collective worship in the Local Authority's Community Schools. He explained that Sunderland had a Standing Advisory Council which met on a termly basis.

Cabinet Members were advised that the new syllabus was a revision of the Sunderland Agreed Syllabus for Education produced in 2008. It took into account local and regional resources for RE and the make up of local religious communities. In line with national guidance, the Agreed Syllabus for Sunderland had been reviewed and re-written.

Councillor Miller reported that the final draft of the new syllabus was submitted to the Agreed Syllabus Conference on 15 July 2013 when it was unanimously agreed to recommend the Syllabus to the Cabinet for formal adoption. He added that subject to the agreement of Cabinet, the new syllabus would be formally launched at a training day with all RE staff in Sunderland.

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

10. RESOLVED that the revised Sunderland Agreed Syllabus for Religious Education, which has been recommended by the Agreed Syllabus Conference for adoption by Sunderland schools, be agreed with effect from 1 November 2013 for a period of five years.

Allowances for Caring for Children

The Executive Director of Commercial and Corporate Services and the Executive Director of People Services submitted a report (copy circulated) to propose a scheme for payment of allowances for caring for children under special guardianship, residence order and adoption arrangements.

(For copy report – see original minutes).

Councillor Speding reported that the Council had a duty and responsibility to promote children growing up in their birth families if it was safe for them to do so. He advised that if parents could not look after children, the Council would support them growing up with relatives wherever possible and this was usually achieved through a Residence Order or Special Guardianship Order, both of which gave the carers legal parental responsibility for the child. He added that if it was not possible for children to be brought up with their own extended families, the next best option was to match them with new families through adoption.

Cabinet Members were advised that these arrangements were supported by the Council, including through financial support in the form of Special Guardianship, Residence Order and Adoption Allowances, all of which would normally be subject to financial assessment.

Councillor Speding explained that this report recommended changes to the rate at which these allowances were paid, to bring all new and current Special Guardianship and Residence Order allowances in line with fostering allowances and that all new Adoption Allowances were paid at the same rate.

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

11. RESOLVED that the proposal to align special guardianship and residence order allowances, and future adoption allowances to the age related core fostering allowance 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 information relating to the financial or business affairs of any particular person (including the authority holding that information) (Local Government Act 1972, Schedule 12A, Part I, Paragraph 3). The public interest in maintaining this exemption outweighs the public interest in disclosing the information.

(Signed) H. TRUEMAN,
Chairman.

Note:-

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

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

