

**CABINET MEETING – 24 OCTOBER 2012**  
**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 10 October 2012 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 Wednesday 10 October 2012 at 2.00 p.m.**

**Present:-**

Councillor Trueman in the Chair

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

**Also present:-**

Councillor Oliver

Mr. S. Nicklin and Mr. G. Barker – Audit Commission

**Part I**

**Minutes**

The minutes of the meeting of the Cabinet held on 18 September 2012 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. Watson and P. Smith.

### **Response from Scrutiny Committee – 13<sup>th</sup> September, 2012 – Youth Justice Plan 2012-2013**

The Head of Law and Governance submitted a report (copy circulated) to advise of the comments of the Scrutiny Committee on a report considered by the Cabinet on 5<sup>th</sup> September 2012 on the Youth Justice Plan 2012-2013 outlining the background, purpose and intentions of the Plan.

(For copy report – see original minutes).

Cabinet Members having been advised that the Scrutiny Committee supported the intention of the Plan to prevent offending and re-offending by young people, it was:-

3. RESOLVED that the comments of the Scrutiny Committee be noted and it be recommended to council to approve the Youth Justice Plan 2012-13.

### **Response from Scrutiny Committee – 13<sup>th</sup> September, 2012 – Children and Young People’s Plan Annual Report 2011-2012**

The Head of Law and Governance submitted a report (copy circulated) to advise of the comments of the Scrutiny Committee on a report considered by the Cabinet on 5<sup>th</sup> September 2012 on the Children and Young People’s Plan Annual Report 2011-2012 which informed of the of progress and performance against the outcomes set out in the Children and Young People’s Delivery Plan 2010-2013 covering the period of 2011-2012.

(For copy report – see original minutes).

Cabinet Members having been advised that the Scrutiny Committee recognised the achievements of the Council and partners in relation to children and young people and supported the scope of the areas for further improvement, it was:-

4. RESOLVED that the comments of the Scrutiny Committee be noted and it be recommended to Council to approve the Children and Young People’s Plan Annual Report 2011-2012.

### **Response from Scrutiny Committee – 13<sup>th</sup> September, 2012 – Gambling Act 2005 – Approval of the Council’s Statement of Principles**

The Head of Law and Governance submitted a report (copy circulated) to advise of the comments of the Scrutiny Committee on a report considered by the Cabinet on 5<sup>th</sup> September 2012 on the draft statement of principles under the Gambling Act 2005.

(For copy report – see original minutes).

Councillor Kelly reported that Sunderland City Council was designated as a Licensing Authority under the Gambling Act 2005 and as such it was required to publish a statement of principles to apply when exercising functions under the Act. He highlighted that the types of premises the Council was involved in Licensing included Betting shops, Bingo Premises and Family Entertainment Centres.

Councillor Kelly reported that it was time to refresh the current statement of principles as the Act required that the document was reviewed every 3 years. He explained that the review was subject to a consultation exercise which had been carried out between June and July 2012 with a number of consultees including the Northumbria Police, the Safer Sunderland Partnership and the North East Council on Addictions. He added that guidance to Licensing Authorities from the Gambling Commission had not changed since the current statement was published therefore the draft statement had not been changed in any material way and no amendments to the document were identified during the consultation exercise.

Cabinet Members having been advised that the Scrutiny Committee supported the intention of the Policy, it was:-

5. RESOLVED that the comments of the Scrutiny Committee be noted and it be recommended to Council to approve the statement of principles under the Gambling Act 2005.

### **Audit Commission Annual Audit Letter 2011/2012**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) detailing the Audit Commission's Annual Audit Letter covering the year 2011/2012.

(For copy report – see original minutes).

Councillor Speding reported that he was pleased to briefly introduce the report prior to handing over to Steve Nicklin and Gavin Barker from the Audit Commission, to present their findings. He highlighted that the report set out an overview of the Audit Commission's Annual Audit Letter covering the year 2011/2012 which they were required to produce in order to communicate to the Council and other key external stakeholders, including members of the public, the key issues arising from their work, which they considered should be brought to the attention of the Council. He reported that it was extremely pleasing to again see such a strong and positive report which in summary provided a strong endorsement of the financial management and planning and governance arrangements that were in place right across the Council.

Cabinet Members were advised that the District Auditor has now issued an unqualified audit opinion on both the Council's financial statements and its arrangements to secure Value for Money in 2011/2012.

Councillor Speding then invited Steve Nicklin and Gavin Barker from the Audit Commission to present their findings.

Mr. Nicklin reported that it had been two weeks since the completion of the audit and it had been brought before this meeting as the new arrangements to outsource the audit practice would come into place at the end of the month. He was pleased to report that he had issued an unqualified opinion on the Council's 2011/12 financial statements included in the Statement of Accounts, concluded that proper arrangements had been made to secure economy, efficiency and effectiveness in the Council's use of resources, concluded that there were no matters arising from the value for money work and a certificate had been issued for the completion of the audit.

Mr. Nicklin observed that the Council had successfully met one of the most significant financial challenges that it had ever faced when Government funding had been cut and the Council continued to look for ways of improving service delivery and outcomes with less money at its disposal.

Mr. Nicklin and Mr. Barker thanked senior management and Members for their support and co-operation during this year's audit and also over the many years previously.

Cabinet Members thanked Mr. Nicklin and Mr. Barker for the excellent report and wished them well for the future. In addition they also thanked the Chief Executive and his officers for their sterling work in delivering value for money and financial resistance in the difficult economic climate.

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

6. RESOLVED that:-

- (i) the contents of the report be received and noted, and
- (ii) the report be referred to Council for their consideration.

### **Executive Arrangements - Meetings and Access to Information**

The Chief Executive and Executive Director of Commercial and Corporate Services submitted a joint report (copy circulated) on the revised requirements for the notification and recording of executive decisions and to propose consequential revisions to arrangements to support executive decision-making.

(For copy report – see original minutes).

The Chairman highlighted the main provisions of new regulations that had been introduced regarding executive decision making and access to information. He drew attention to the former Forward Plan which had been replaced by a requirement to issue a 28-day notice of proposed key decisions and also to the requirement to give notice of meetings which were to be held in private, in order to deal with "Part II" items. He explained that in such cases, before the meeting was held, a notice must be issued setting out the reasons for holding it in private and the response to any representations received regarding this. He therefore reported that in order to avoid having to convene additional Cabinet meetings to consider such representations, it was proposed that this function be delegated to the Head of Law and Governance in consultation with the Leader.

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

7. RESOLVED that:-

- (i) the report and the provisions of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 ("the Regulations") be noted, and
- (ii) the Head of Law and Governance, in consultation with the Leader, be delegated the consideration of representations received in response to notices issued under regulation 5 of the Regulations in respect of private meetings and the determination of the response to such representations on behalf of the decision making body.

### **Ombudsman's Annual Review 2011-2012**

The Chief Executive and the Executive Director of Commercial and Corporate Services submitted a joint report (copy circulated) on the number and outcome of complaints considered by the Local Government Ombudsman during 2011-2012 and to advise of the extended powers of the Ombudsman.

(For copy report – see original minutes).

The Chairman in highlighting the report, advised that the Ombudsman had asked for action to be taken in only three cases and in each of these cases there was no financial payment required and the Ombudsman was satisfied with the Council's response. He was also pleased to report that the Ombudsman had concluded that she had no issues arising from complaints to bring to the Council's attention.

The attention of Cabinet Members was drawn to the reference that in the Tyne and Wear area, Sunderland had the fewest referrals, as well as the lowest number of premature complaints made to the Ombudsman.

The Chairman then reported that with effect from next year the Ombudsman's practice would change and all decision statements would be published. This would mean that details of the background to each Council's Ombudsman complaints would be made available to the public.

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

8. RESOLVED that the contents of the Ombudsman's annual review and in particular that there were no findings of maladministration against the Council for the municipal year 2011 -2012 be noted.

### **Second Capital Review 2012/2013 (including Treasury Management)**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) on the overall updated Capital Programme following the Second Review and the progress in implementing the Treasury Management Strategy.

(For copy report – see original minutes).

Councillor Speding highlighted that variations to the 2012/2013 capital programme included over £7.8m of expenditure reported to Cabinet in June that had been reprofiled into 2013/2014 which had primarily been as a result of finalising funding agreements, reviewing scheme requirements to ensure best value to the Council and, reprofiling of works to minimise service disruption. He assured Cabinet Members that relevant funding was secured for 2013/14 and would be carried over.

Councillor Speding reported that other variations to the capital programme were broadly cost neutral and related to savings made to contracts from good scheme management, reassessment of schemes to achieve revenue cost reductions, and new schemes arising from grant awards.

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

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

9. 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 2012/2013 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 2012/2013 be noted and the delegated decision amending the Council's Lending List Criteria set out in Appendix B be endorsed.

### **Revenue Budget Second Review 2012/2013**

The Executive Director of Commercial and Corporate Services submitted a report (copy circulated) to set out the results of the second quarterly review of the Revenue Budget for 2012/2013.

(For copy report – see original minutes).

Councillor Speding reported that the Council continued to face a number of challenges in delivering the required level of reductions and meeting demand pressures in 2012/2013 and this had been reflected in the prolonged and deep reductions in expenditure faced by the Council.

In particular Councillor Speding drew attention to 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 however given the demand pressures being experienced in relation to adult social care, this area was subject to intensive mitigating action and monitoring to seek to reduce the projected overspend although some transitional support might be required if actions in train did not fully address the position.

In addition Cabinet Members were advised that the Council severance scheme had addressed a projected £5m shortfall in the budget available to meet the transitional costs in respect of the SWITCH programme and savings on capital financing and additional income from investments were to be earmarked to support the overall position in 2012/2013 and future year's transitional costs.

Councillor Speding reported that in overall terms, it was anticipated that a positive outturn would be achieved.

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

10. RESOLVED that the contingency transfers proposed at Appendix A and budget transfers detailed in the report be approved.

## **Budget Planning Framework 2013/2014 and Medium Term Financial Strategy 2012/2013-2015/2016**

The Chief Executive and the Executive Director of Commercial and Corporate Services submitted a joint report (copy circulated) which set out the key factors influencing the development of the Council's financial plans into the medium term and the budget planning framework for the Council for 2013/2014. The report also sets out the headlines and context for the Medium Term Financial Strategy 2013/2014 to 2015/2016 which would be formally considered in due course.

(For copy report – see original minutes).

Councillor Speding highlighted the key issues which would impact on the Council's financial position over the next 4 years and the budget planning framework which would guide the preparation of the 2013/2014 Budget. He reported that at this stage there was significant uncertainty about the position because of major changes to the funding of local authorities which come into operation from April 2013 and also because of the worsening economic position. He added that it was clear the next three years would be much more challenging than the last three years given the compound impact of reductions over a prolonged period. He explained that however the position would not be clarified until December when the Local Government Settlement was due to be announced therefore the Council's budget planning for 2013/2014 would continue based on a number of assumptions outlined in the report.

Cabinet Members having been advised that the report set out proposals for refreshed approach to transformation and workforce planning to tackle the position, it was:-

11. RESOLVED that:-

- (i) the proposed Budget Planning Framework summarised at Section 11 of the report which will guide the preparation of the Revenue Budget for 2013/2014 be approved, and
- (ii) it be noted that the full Medium Term Financial Strategy 2013/2014 to 2015/2016 will be presented to Cabinet in February

## **Proposals for Budget Consultation 2013/2014**

The Chief Executive and the Executive Director of Commercial and Corporate Services submitted a report (copy circulated) setting out the proposed budget consultation strategy and framework to inform the preparation of the Budget for 2013/2014.

(For copy report – see original minutes).

Councillor Speding highlighted that it was proposed to build on the successful approach adopted in recent years which was in line with government guidance on budget consultation and would involve:-

- a survey exploring the views of Sunderland residents on the direction of travel of Council services in light of the reduction in resources available which will be made available to the Citizens' Panel and the wider community through the internet,
- a repeat of the successful focus group workshops held in recent years with the Citizens' Panel at venues across the city,
- consultation with a range of other stakeholders including Independent Advisory Groups, Community Voluntary Service, Trades Unions, Chamber of Commerce, Schools Forum and Governors and the Youth Parliament.

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

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

### **North Eastern Local Enterprise Partnership Accountable Body**

The Deputy Chief Executive and the Executive Director of Commercial and Corporate Services submitted a joint report (copy circulated) on an update on the activities of the NELEP and to seek agreement to the Council acting as the Accountable Body for the NELEP.

(For copy report – see original minutes).

In highlighting the report, the Chairman apprised Cabinet Members of the main priorities of the NELEP in terms of delivering economic activity which included:-

- Co-ordination of the NELEP Enterprise Zone, including sites within Sunderland,
- Implementation of the Growing Places Fund for which £25m had been allocated and from which some loan funding would be provided to support four projects within the City, and
- Developing further Regional Growth Fund and Manufacturing Bids.

The Chairman reported that as the NELEP was not a legal entity and therefore did not have the capacity to enter into contracts or incur legal rights and obligations, it was necessary for one of the partners to act as the Accountable Body. He explained that the Council had undertaken preliminary Accountable Body work to enable progress in establishing the NELEP and the delivery of the NELEP's priorities aligned to the Council's strategic priorities. He added that it was now appropriate to formalise this position and in fulfilling this role the Council would undertake a number of activities, as outlined in paragraph 6.2 of the report, funded through programme management allocations.

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

13. RESOLVED that:-

- (i) the progress made by the NELEP in respect of the delivery of its key activities be noted,
- (ii) it be confirmed that the Council act as the Accountable Body for the NELEP, and
- (iii) the Council be authorised to take all necessary actions and to exercise all powers and duties on behalf of the NE LEP as the Accountable Body, including without limitation the appointment of staff, the procurement and award of contracts, the provision of loans and grants and to otherwise incur obligations and liabilities on behalf of the NE LEP subject to appropriate indemnification arrangements with the other participating local authorities.

### **Hylton Red House Primary/ Bishop Harland CE Primary Schools – Outcomes of First Stage Consultation**

The Executive Director of Children's Services submitted a report and additional representations which had been received during the consultation process (copies circulated) on the outcomes of first stage consultation on future arrangements with regard to Bishop Harland CE and Hylton Red House Primary Schools.

(For copy report and attached – see original minutes).

Councillor Miller reminded Cabinet Members of the report which was considered at the July meeting on consideration of bringing together Bishop Harland and Hylton Red House schools on the Hylton Red House site. He drew attention to the challenges that both schools had been facing in terms of their performance as well as reducing numbers at both schools and described how both schools were now improving performance under the leadership of one Executive Headteacher.

Councillor Miller reported that despite these improvements, Bishop Harland School was still under scrutiny from the Department for Education (DfE) and so the two school governing bodies, the Diocese of Durham and Children's Services had developed proposals for a local solution which would see the two schools come together as a Church of England school on the Hylton Red House site. He added that the Cabinet had agreed to go to the first stage of informal consultation on this proposal but asked officers to include other options as part of this consultation and explained that these options were:-

- Option 1 - To close Bishop Harland and transfer all pupils to Hylton Red House Primary School,
- Option 2 - To close Bishop Harland and Hylton Red House Schools and to open a new voluntary aided C of E school on the Hylton Red House site, and
- Option 3 - To keep things as they are but this would mean further changes in the future.

Councillor Miller advised that the consultation began on 3 September with consultation information and an invite to meetings sent to all parents at both schools, the Hylton Red House nursery and local childcare providers. He added that separate meetings were then held in mid September to which all parents' staff and governors were invited and further leaflets were distributed at the request of local councillors together with a further meeting being set up on 17 September for the wider community. Approximately thirty to forty parents were at each of the parents meetings and thirty at the wider community meeting. Most of the attendees at the public meeting were parents, governors or staff.

Councillor Miller drew attention to appendix 2 of the report which included the minutes of the public meetings. He highlighted that these demonstrated that at each of the public meetings most attendees supported Option 2. He explained that there were also meetings held with the governors and staff of both schools where the preferred option was also Option 2.

Cabinet Members were advised that however, although there was clearly majority support for Option 2 at the Bishop Harland parents meeting, a petition was also presented with 71 signatures to 'Keep Bishop Harland Open', collected locally from residents.

The attention of Cabinet Members was then drawn to the written consultation responses which also showed strong support for Option 2 with 73 of the 79 who responded having this as their preferred option. Annex 2 showed a breakdown of the responses and the comments that respondents made to explain their preferences.

Councillor Miller then referred to Section 5 of the report which looked at the consultation in more detail. He added that as well as many comments which were in support of Option 2 there were also some concerns expressed about distance to the new school and access/parking arrangements at the Hylton Red House site. He explained that these would be looked at carefully, should Option 2 progress to the next stage. He added that there was also a clear concern expressed at the public meeting on 17 September about what would happen to the Bishop Harland site if Option 2 was progressed and again this would be looked at carefully in consultation with residents should Option 2 go ahead.

Councillor Miller then explained the next steps to move to statutory proposals on one proposal which would then be decided finally by the School Organisation Committee (SOC) of Cabinet in December 2012. He added that during that statutory process, any person would be able to make a statutory representation either to support or object to the proposal, which would then all be considered by the SOC in reaching a decision.

Councillor Miller having moved, on the basis of the consultation responses received during the first stage consultation, in which the majority of the respondents preferred Option 2, to proceed to statutory consultation on the proposal to close both of the existing Bishop Harland CE School and Hylton Red House Primary Schools and to open a new Church of England Primary School on the Hylton Red House site, it was:-

14. RESOLVED that:-

- (i) the responses received during the first stage of consultation on options to re-organise the existing Bishop Harland CE and Hylton Red House Primary Schools be noted, and
- (ii) as the majority of the consultation responses support Option 2, approval be given to the publish a statutory notice for the proposed discontinuance of Bishop Harland CE Primary School and Hylton Red House Primary School by the Local Authority, which will be related to the publication of a statutory notice by the Diocese of Durham for the proposed establishment of a new voluntary aided primary school on the Hylton Red House site with effect from 1<sup>st</sup> September 2013.

### **Washington Leisure Centre Replacement**

The Executive Director of Health Housing and Adult Services submitted a report (copy circulated) to:-

- (a) provide an update on progress to replace Washington Leisure Centre,

- (b) seek approval to commence the appropriate procurement processes to replace the Leisure Centre and relocate the wheeled sports park, and
- (c) provide an overview of the timescales associated with procurement and construction.

(For copy report – see original minutes).

Councillor Kelly reported that the current Washington Leisure Centre was an ageing facility which was coming to the end of its lifespan and would continue to be a drain on the asset management capital budget. He explained that having more high quality and modern sports facilities in the city played a key part in helping citizens live longer, be healthier and be more active. He also added that sport had a unique role in being able to make a positive impact on all of the City Council's Strategic Objectives including improving residents' health and wellbeing.

Cabinet Members were advised that the project feasibility study had found that the existing site would be the most cost effective solution for a replacement facility given it was an established leisure destination and provided good transport links for residents to Washington town centre. Councillor Kelly reported that consultation had been undertaken with a variety of groups to inform the design process and arrangements were in place to ensure local residents received regular updates on progress.

Councillor Kelly advised Cabinet Members that it was the intention that the new facility would be constructed adjacent to the existing centre therefore minimising the impact on existing customers. He reported that following the procurement process, construction was projected to start on site in November 2013 with an estimated completion date of December 2014 for the new leisure centre with demolition of the existing facility and establishment of the external pitches being programmed for completion by June 2015.

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

15. RESOLVED that approval be given to the:-
- (i) development of a sport and leisure facility to be constructed on Council land adjacent to the existing Washington Leisure Centre,
  - (ii) commencement of a procurement process, as set out in Sections 5.1 to 5.3 of the report, to appoint a contractor to design and build the centre, and

- (iii) undertaking of a separate procurement process to relocate the wheeled sports park to an alternative area on the same site.

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

At the instance of the Chairman, it was:-

16. 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) and in respect of which a claim to professional privilege could be maintained in legal proceedings (Local Government Act 1972, Schedule 12A, Part 1, Paragraphs 3 and 5).

(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.