

At a Meeting of the CABINET held in the COUNCIL CHAMBER on WEDNESDAY, 11TH APRIL, 2001 at 2.00 p.m.

PRESENT:-

Councillor C.R. Anderson in the Chair

Councillors Mrs. F. Anderson, Bainbridge, Bate, Bohill, Charlton, Mrs. Farthing, Mrs. M. Forbes, Galbraith, Greenfield, Mrs. Handy, R. Heron, Holt, Howe, Mawston, O'Connor, W. Scott, Stephenson, Stewart, Symonds, Timmins and Trueman.

PART I

MINUTES

The minutes of the last meeting of the Cabinet held on 14th March, 2001, Part I, (copy circulated) were submitted.

(For copy thereof – see original minutes)

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

PRESENTATION OF PETITION

Councillor Mrs. Farthing presented a petition from parents and carers of children attending Fence Houses and District YMCA requesting finance from the Children's Fund to support youth work with under 13s.

2. RESOLVED that the petition be referred to the appropriate Director for consideration.

REPORT OF THE EMERGENCY SUB-COMMITTEE

The report of the meeting of the Emergency Sub-Committee held on 21st March, 2001 (copy circulated) was submitted.

(For copy report – see original minutes).

3. RESOLVED that the report be noted.

REPORT OF THE EDUCATION SUB-COMMITTEE

The report of the meeting of the Education Sub-Committee held on 27th March, 2001 (copy circulated) was submitted.

(For copy report – see original minutes).

4. RESOLVED that the report be approved and adopted.

RESULTS OF THE CONSULTATION PROGRAMME ON A NEW POLITICAL STRUCTURE FOR THE COUNCIL

The Chief Executive and the Director of Administration submitted a joint report (copy circulated) providing the Cabinet with the results of the extensive consultation process undertaken in line with the requirements of the Local Government Act 2000 on the development of new political structures.

(For copy report – see original minutes).

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

5. RESOLVED that:-

- (i) the outcome of the consultation exercise, as set out in the report, be noted,
- (ii) the preferred model for executive arrangements for the Council be the Elected Mayor and Cabinet model,
- (iii) a referendum on the matter be held,
- (iv) the composition of the New Constitutional Arrangements Committee be 10 Members comprising 7 from the Majority Group, 2 from the Majority Group in Opposition and 1 from the Minority Group in Opposition,
- (v) the undermentioned Members be appointed to serve on the Constitutional Arrangements Committee for the remainder of the Municipal Year:-

Councillors Allan
C.R. Anderson
Charlton
Mrs. M. Forbes
Gibson

Councillors Greenfield
Mrs. J. Heron
Mrs. M. Smith
Symonds
Wood

- (vi) appropriate Officers be authorised to take the steps necessary to implement the above decisions.

NEIGHBOURHOOD RENEWAL FUND

The Chief Executive submitted a report updating Members on the Government's latest major regeneration initiative, the Neighbourhood Renewal Fund, and requesting consideration of essential next steps proposals.

(For copy report – see original minutes).

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

6. RESOLVED that:-

- (i) approval be given for the development of a Local Strategic Partnership for the City as outlined in the report and based upon the current City of Sunderland Partnership,
- (ii) the development of a Neighbourhood Renewal Strategy for the City in conjunction with the Local Strategic Partnership be supported, and
- (iii) the development of an initial programme of action based upon achievement of relevant PSA targets and national flow targets as described in Annex I of the report be endorsed.

SUNDERLAND MUSEUM AND WINTER GARDENS: RE-LAUNCH PROPOSALS

The Chief Executive, the Director of Contracting Services and the Director of Education and Community Services submitted a joint report (copy circulated) highlighting the current phased completion programme for the Sunderland Museum and Winter Gardens Project and considering proposals for the funding of cross departmental marketing and hospitality budgets to be associated with the re-launch and official opening of the Museum and Winter Gardens.

(For copy report – see original minutes).

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

7. RESOLVED that:-

- (i) the content of the report be noted, and
- (ii) approval be given for the transfer of £50,000 from contingencies to meet the costs of an enhanced marketing campaign and the re-launch of the Mowbray Gardens Project as outlined in the report.

THE PROPOSED MEMBERSHIP OF SUNDERLAND'S LOCAL MANAGEMENT COMMITTEE FOR THE CONNEXIONS SERVICE AND NOMINATIONS FOR THE TYNE AND WEAR CONNEXIONS BOARD

The Chief Executive and the Director of Education and Community Services submitted a joint report (copy circulated) advising of recent developments in relation to the Connexions Service for Tyne and Wear and advising of nominations by the Tyne and Wear CONNEXIONS Management Group to the Tyne and Wear CONNEXIONS Board.

(For copy report – see original minutes).

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

8. RESOLVED that:-

- (i) the content of the report be noted, and
- (ii) the undermentioned nominations of the Tyne and Wear CONNEXIONS Management Group for the Tyne and Wear CONNEXIONS Board be endorsed:-

The Chairman of the Local Management Committee
Mr. David Snaith (Head Teacher)
Steve Barna (Voluntary Sector)

FREEDOM OF INFORMATION ACT

The Director of Administration submitted a report (copy circulated) updating the Cabinet on the introduction of the Freedom of Information Act 2000.

(For copy report – see original minutes).

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

9. RESOLVED that the present position regarding the Freedom of Information Act 2000, as outlined in the report, be noted and that further reports be submitted in due course.

APPROVAL OF HIGHWAY WORKS IN CONNECTION WITH THE PROPOSED B & Q STORE AT ARMSTRONG ROAD, ARMSTRONG INDUSTRIAL ESTATE, WASHINGTON

The Director of Environment submitted a report (copy circulated) seeking approval for the construction of a roundabout on Armstrong Road, Armstrong Industrial Estate, Washington, to provide a junction for a new access road to the proposed store, and the construction of a footpath to replace the footpath to be stopped-up to allow the development to proceed.

(For copy report – see original minutes).

Consideration having been given to the matter and Members having noted that the cost of the highway works, estimated in the order of £400,000, were to be funded by the developer, it was:-

10. RESOLVED that approval be given for the implementation of the works as described in the report.

APPROVAL OF HIGHWAY WORKS IN CONNECTION WITH HOUSING DEVELOPMENT LAND ADJACENT TO RUSHFORD, RYHOPE

The Director of Environment submitted a report (copy circulated) seeking approval for the construction of a new access road associated with a development adjacent to Rushford, Ryhope.

(For copy report – see original minutes).

Consideration having been given to the matter and Members having noted that the costs of the works, estimated at £2 million, were to be funded by the Developers, it was:-

11. RESOLVED that approval be given for the implementation of the works as described in the report.

TREASURY MANAGEMENT POLICY – APPROVED ORGANISATIONS FOR INVESTMENTS – INVESTMENT LIMITS

The City Treasurer submitted a report (copy circulated) reviewing the arrangements for the investment of Council funds, following the Housing Transfer receipt, to enable efficient management of the investment.

(For copy report – see original minutes).

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

12. RESOLVED that it be recommended to the Council that the lending list criteria detailed in Appendix A of the report be agreed and that it be adopted as part of the Treasury Management Policy.

THE CODE OF PRACTICE FOR INTERNAL AUDIT IN LOCAL GOVERNMENT (REVISED 2000) AND ITS APPLICATION WITHIN THE CITY OF SUNDERLAND

The City Treasurer submitted a report (copy circulated) summarising the main points arising from the revised Code of Practice and setting out how internal audit services within the City of Sunderland were aiming to meet the Code's requirements.

(For copy report – see original minutes).

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

13. RESOLVED that:-

- (i) the revised Internal Audit Charter as set out at Appendix B of the report be agreed and be reflected in the next revision of Standing Orders and/or Financial Regulations,
- (ii) the ongoing steps being taken by the Internal Audit Service to meet the requirements of the Code as set out in Section 6 of the report be noted,
- (iii) it be noted that a review of progress will be presented to Members as part of the Internal Audit Service Annual Report in June, and
- (iv) the action, as outlined in the report, needed to address longer term staffing needs be noted and a further report be presented to the Personnel Sub-Committee in due course.

REPORT OF THE PERSONNEL SUB-COMMITTEE

The report of the meeting of the Personnel Sub-Committee held on 4th April, 2001, Part I, (copy circulated) was submitted.

(For copy report – see original minutes).

14. RESOLVED that the report be noted.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

At the instance of the Chairman, it was:-

15. RESOLVED that in accordance with Section 100A(4) of the Local Government Act 1972 the public be excluded during consideration of the remaining business as it contains exempt information relating to particular employees of the Authority, to particular applicants for financial assistance provided by the Authority, to information relating to the financial or business affairs of particular persons, the terms proposed or to be proposed to be incurred by the Authority under a particular contract for the acquisition or disposal of property or the supply of goods or services or to consultations in connection with labour relations matters arising between the Authority and employees of the Authority (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 1, 5, 7, 8, 9 and 11).

(Signed) C.R. ANDERSON,
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 business are included in Part II.

CABINET MEETING – 11TH APRIL, 2001

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

RESULTS OF THE CONSULTATION PROGRAMME ON A NEW POLITICAL STRUCTURE FOR THE COUNCIL

Author(s):

REPORT OF THE CHIEF EXECUTIVE AND DIRECTOR OF ADMINISTRATION

Purpose of Report:

This report provides the Cabinet with the results of the extensive consultation programme, undertaken in line with the requirements of the Local Government Act 2000, on the development of new political structures.

Action Required:

Cabinet is recommended to consider the outcome of the consultation exercise and determine;

- a) the preferred model for executive arrangements, and
- b) whether to hold a referendum.

Cabinet is requested to determine the size of the new Constitutional Arrangements Committee and ask Group Leaders to supply appropriate names.

Officers be authorised to take the steps necessary to implement the above.

RESULTS OF THE CONSULTATION PROGRAMME ON A NEW POLITICAL STRUCTURE FOR THE COUNCIL

Report of the Chief Executive and Director of Administration

1.0 PURPOSE OF REPORT

- 1.1 This report provides the Cabinet with the results of the extensive consultation process, undertaken in line with the requirements of the Local Government Act 2000, on the development of new political structures.

2.0 INTRODUCTION

- 2.1 A report to Cabinet on the 17th January 2001 outlined the steps that needed to be taken before introducing a new Constitution and structure for the Council, as required by the Local Government Act 2000.
- 2.2 A key component of this was the requirement for the Council to undertake a consultation programme, with electors and other interested parties to determine their preferences, before making a decision on which of the three available options to adopt. (Leader and Cabinet, Mayor and Cabinet, Mayor and Council Manager). Cabinet therefore gave approval for a comprehensive consultation programme to be undertaken to achieve this. This report summarises the findings.

3.0 GOVERNMENT REQUIREMENTS

- 3.1 The Local Government Act 2000 places a duty on all local authorities to draw up proposals, following consultation, for executive arrangements and authorities are requested to send a copy of these to the Secretary of State before the end of June 2001. When consulting, the Act requires the Council to present the options in a fair and balanced way and collect consultation preferences through qualitative and quantitative methods.

4.0 CONSULTATION PROGRAMME

- 4.1 A comprehensive, integrated, consultation programme was delivered during the period late January to the beginning of March 2001 covering the public, partner, commercial and voluntary organisations and Council staff. This was carried out via four surveys (see 4.ii below). It attracted good take up by local TV, radio, and the press, which all helped to generate publicity and encourage people to respond. This has met the Governments requirements and received an excellent public response. For example, over 8,500 people responded to the household survey and 154 organisations responded to the partner organisations survey.

4.2 The range of information giving and consultation methods used is summarised below:-

i) Informing/Publicising

- An information and marketing campaign - this included radio advertising, press advertising, adshel posters at bus stops, press releases, proactive media briefing, articles in the Council Newspaper and staff newsletter and a website.
- Provision of a telephone helpline for queries, information, completion of forms etc. Provision for questions and answers via a commissioned website.
- Presentations to 6 Area Committees, Chamber of Commerce, City Business Groups, Trade Unions.
- Roadshow and use of a Vox Pop booth at four main centres across the City to promote interest, answer queries, encourage return of questionnaires, encourage alternative means of expressing a preference.

ii) Obtaining Views

- Household Survey - Distribution of public information leaflet and questionnaire seeking views on the three preferences to all households in the City.
- Provision of the above public information leaflet and questionnaire on a special website, including an opportunity to give a preference on-line.
- Provision of the public information leaflet and questionnaire on audiotape, distributed to 500 visually impaired persons across the City.
- Translation of the public information leaflet and questionnaire into Cantonese, Punjabi, Hindi, Urdu, Bengali, and distribution to community organisations and individuals.
- Focus group meetings/presentations with hard to reach groups (young people, Bangladeshi, and visually impaired residents).
- Staff Survey - Distribution of an information leaflet and questionnaire as above to all Council Staff.
- Partner Survey - Distribution of an information leaflet and longer questionnaire, exploring the reasons for choices and other aspects of change to over 1,200 organisations across the City.
- Residents Survey - Distribution of an information leaflet and a longer questionnaire to a random sample survey of 4,000 residents. This was similar to the partner agency questionnaire. It was designed to produce a statistically reliable sample for analysis purposes.

5.0 RESULTS OF CONSULTATION

Overall Preferences

- 5.1 Consultees were asked to indicate which of the three models would be their first choice and the level of support for each model can be found in Appendix 1.
- 5.2 The figures in Appendix 1 show that the Leader and Cabinet model is the preferred option, followed by Mayor and Cabinet and then Mayor and Council Manager. It should be noted, however, that the Leader and Cabinet model does not have a clear overall majority.
- 5.3 It can be argued that those preferring either of the mayoral models are demonstrating support for an elected Mayor, in which case it is appropriate to combine the results for these two models. These results are also found in Appendix 1.
- 5.4 The figures in Appendix 1 show that a higher percentage of consultees prefer a model which incorporates an elected Mayor. This is reinforced in Appendix 2 when consultees second choices are taken into account.

Other Features

- 5.5 The partner organisation questionnaire and the random sample residents survey also asked a series of other questions. The selected results from these show that:-
- 72% of partners and 81% of residents thought that the Cabinet should be chosen by Council rather than the Leader (in the Leader and Cabinet model).
 - 92% of partners and 85% of residents thought that the new political structure should include Area Committees.
 - 71% of partners and 66% of residents thought that Area Committees should have their own budgets
 - 54% of partners and 48% of residents thought that there should be multiple Scrutiny Committees rather than a single Committee for the whole Council.
 - 79% of partners and 74% of residents thought there should be a figurehead to carry out the civic duties currently undertaken by the Mayor.

6.0 GOVERNMENT GUIDELINES

- 6.1 The Government has issued advice to local authorities on coming to a judgement where opinion is split (p.47 'Local Leadership, Local Choice – New Council Constitutions, Guidance for Local Authorities' DETR and LGA, October 2000). It states:-

“Assessing public opinion when it is evenly split: -

This circumstance is likely to be quite commonplace after a period of consultation. In many localities, there is likely to be a spread of support for a range of options (with

perhaps also a significant proportion of people undecided). In the reporting of opinion in such circumstances it is important to be fair and accurate. Where opinion is evenly split there is a case for pushing ahead with a commitment to a binding referendum on the issue. Similarly, if there is significant minority support for either or both of the mayoral options then opinion should be tested by holding a binding referendum for one of the mayoral options, with the leader and cabinet as the fall back option. This may require a further stage of consultation to determine which mayoral option should be put to the people in a referendum and what the fall-back option (to be adopted if the mayoral referendum results in a no vote) should be.”

7.0 NEXT STEPS

- 7.1 Under the guidance on New Council Constitutions, the Council is requested to draw up its proposals for executive arrangements in accordance with regulations and submit them to the Secretary of State by the end of June.
- 7.2 In order to fulfil this requirement and allow sufficient time to develop an appropriate constitution Cabinet needs to select one of the options available as its preferred model. Cabinet must also decide, in the light of section 6.0 above, whether to hold a referendum.
- 7.3 Members should note that, even though the Council's chosen model might be Leader and Cabinet, if a decision is taken to hold a referendum, then the Council must, as a technicality, submit one of the 'Mayoral' options as its formal 'preferred model'
- 7.4 If the formal 'preferred model' to be submitted to Government is one of the Mayoral models further consultation must be undertaken on what the outline fall-back arrangements are to be in the event of a mayoral referendum producing a no vote. This consultation would need to be carried out now as it must be done before the Council submits its proposals at the end of June.
- 7.5 In the event of the preferred model being one of the mayoral options a referendum will need to be held not less than 2 months after submission of the Council's proposals to the Secretary of State. The referendum and possible Mayoral Elections would be organised by the Council's Returning Officer and conducted in accordance with the statutory regulations and procedures, some of which are still to be made and in line with normal practice for local elections. As no separate budget provision has been made, the cost of such elections will need to be met from contingencies. The diagram in Appendix 3 sets out an indicative programme that will follow depending on the chosen preferred model.

8.0 NEW CONSTITUTIONAL ARRANGEMENTS COMMITTEE

- 8.1 Council at its meeting on 21st March agreed to set up a politically balanced Committee to consider the new arrangements. Cabinet needs to determine the representation. It is suggested that the Committee comprises 7 majority party members, 2 Conservative Group members and 1 Liberal Democrat Group member. The Committee would meet as and when required. Group Leaders are requested to provide names of their representatives.

9. **RECOMMENDATIONS**

9.1 Cabinet is recommended to consider the outcome of the consultation exercise and determine;

- a) the preferred model for executive arrangements, and
- b) whether to hold a referendum.

9.2 Cabinet is requested to determine the size of the new Constitutional Arrangements Committee and ask Group Leaders to supply appropriate names.

9.3 Officers be authorised to take the steps necessary to implement the above.

10. **BACKGROUND PAPERS**

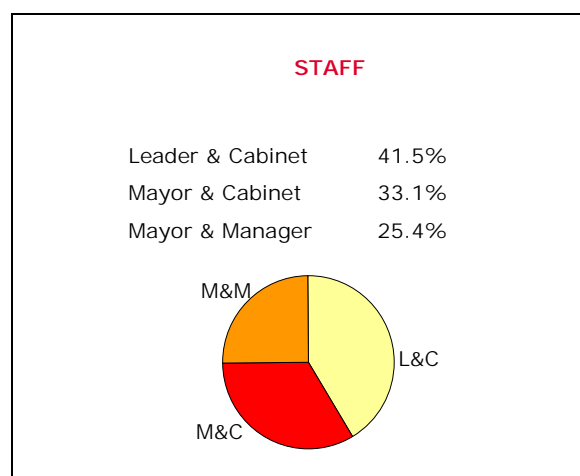
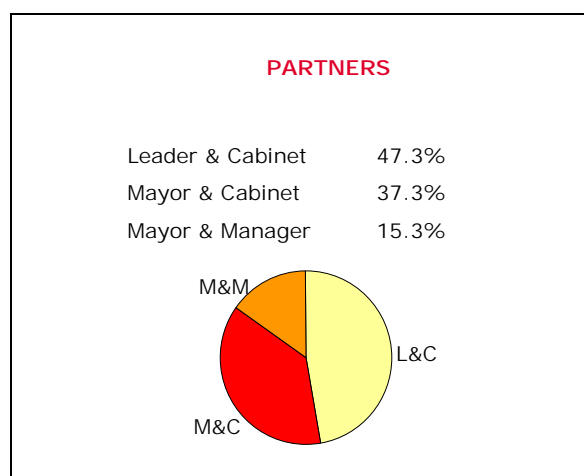
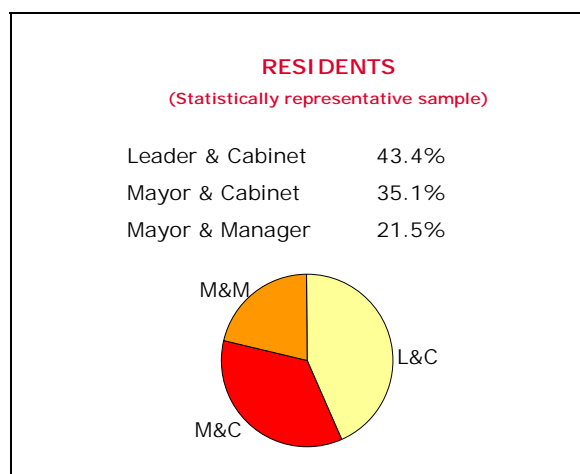
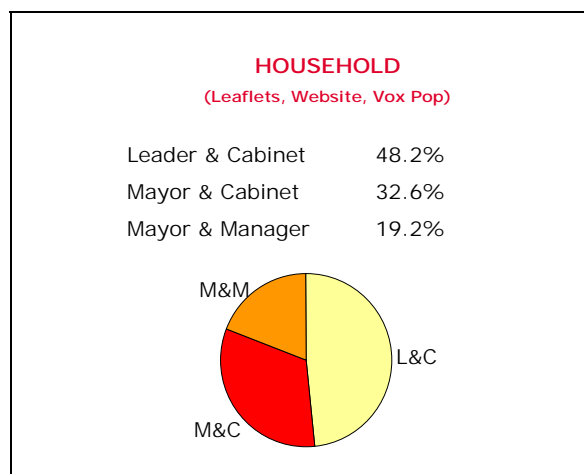
New Council Constitutions, Guidance for Local Authorities, DETR & LGA October 2000.

APPENDIX 1

Summary of First Choices for Each Model

Results are presented in terms of the findings of each group consulted showing the proportion selecting each model as first choice. Opinion was sought from both stakeholders and the public and the public is represented in two ways:-

- Household: Based on over 8,500 responses to the household leaflet, the website and the Vox Pop video booth.
- Residents: Based on a statistically controlled survey of residents. Almost 1000 responses were received.



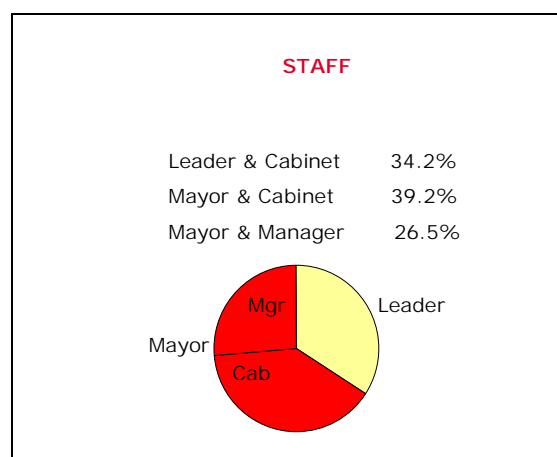
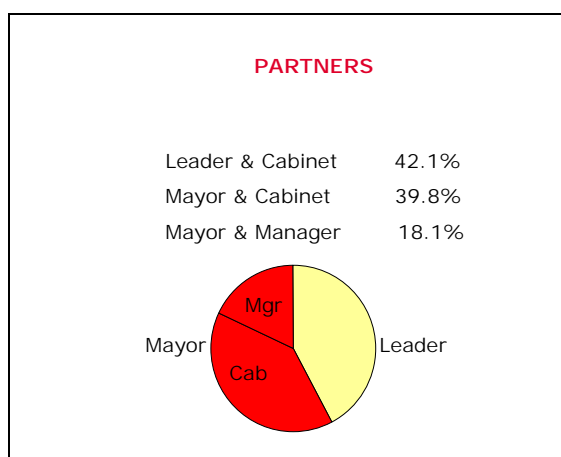
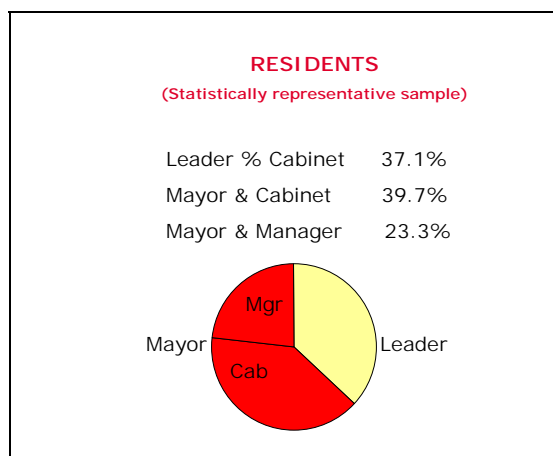
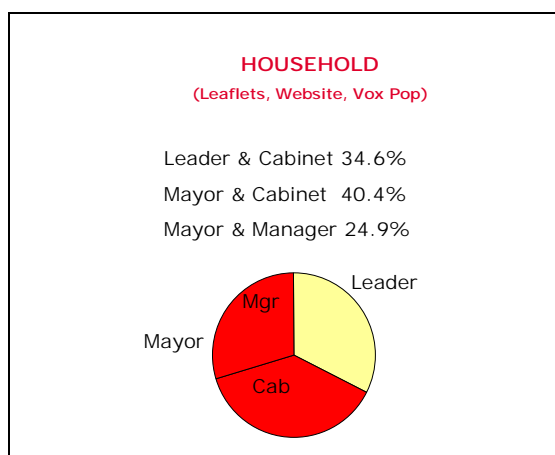
SUMMARY – 1 st Choice					
SURVEY	Leader and Cabinet 1	Mayor and Cabinet 2	Mayor and Council Manager 3		Mayoral Total 2+3
Household	48.2%	32.6%	19.2%		51.8%
Residents	43.4%	35.1%	21.5%		56.6%
Partners	47.3%	37.3%	15.3%		52.7%
Staff	41.5%	33.1%	25.4%		58.5%
Average	47.5%	32.9%	19.6%		52.5%

APPENDIX 2

Summary of Each Model by 1st and 2nd Choices

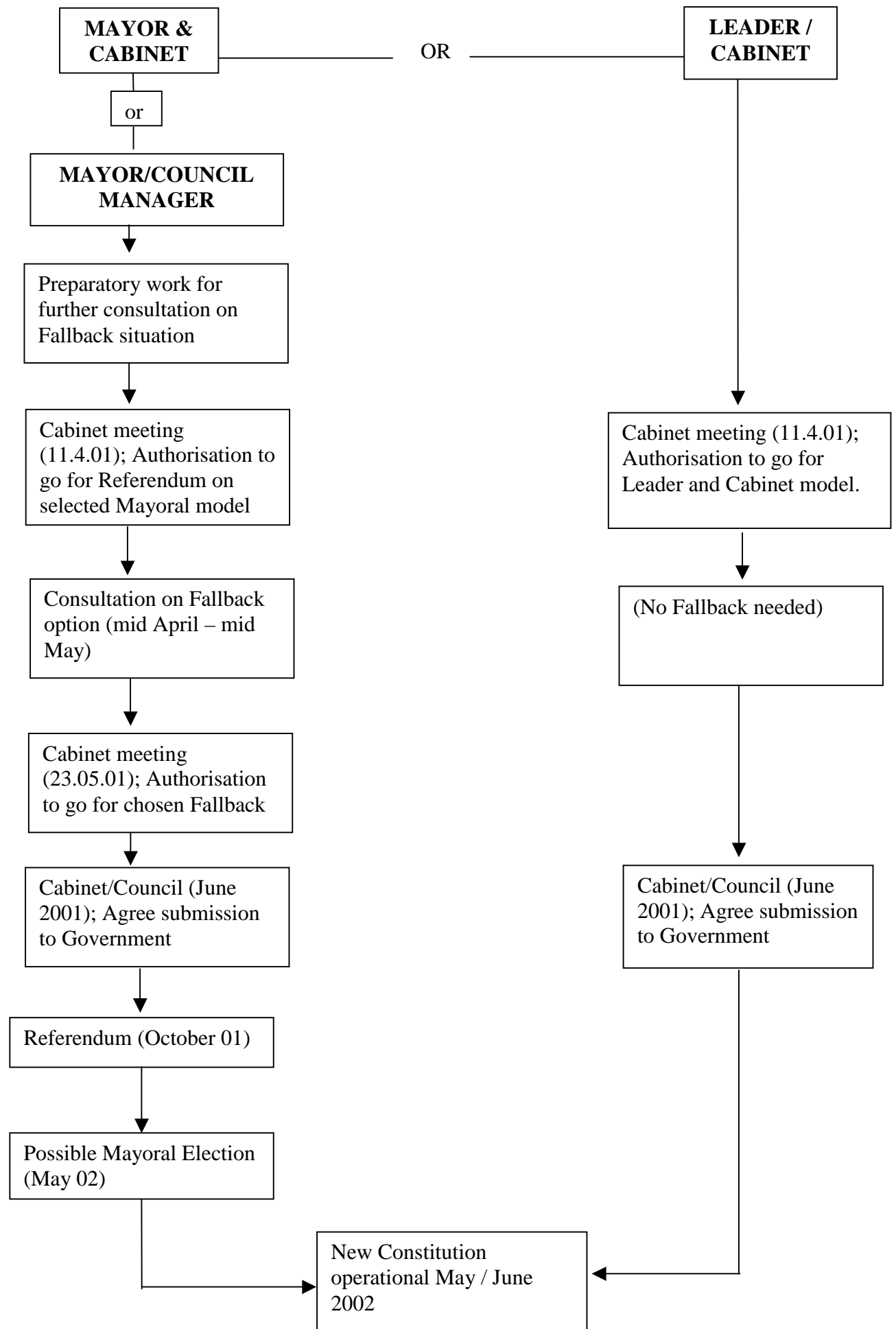
Results are presented in terms of the findings of each group consulted, showing the proportion selecting each model as first or second choice. Opinion was sought from both stakeholders and the public and the public is represented in two ways:-

- Household: Based on over 8,500 responses to the household leaflet, the website and the Vox Pop video booth.
- Residents: Based on a statistically controlled survey of residents. Almost 1000 responses were received.



SUMMARY – Combined 1 st & 2 nd Choice				
SURVEY	Leader and Cabinet	Mayor & Cabinet	Mayor & Council Manager	Mayoral Total
	1	2	3	2+3
Household	34.6%	40.4%	24.9%	65.4%
Residents	37.1%	39.7%	23.3%	62.9%
Partners	42.1%	39.8%	18.1%	57.9%
Staff	34.2%	39.2%	26.5%	65.8%
Average	34.9%	40.3%	24.8%	65.1%

APPENDIX 3 - NEXT STEPS



CABINET MEETING – 11th APRIL, 2001

EXECUTIVE SUMMARY SHEET- PART I

Title of Report:

Neighbourhood Renewal Fund

Author(s):

Chief Executive

Purpose of Report:

This report updates Cabinet on the Government's latest major regeneration initiative, the Neighbourhood Renewal Fund, and requests consideration of essential next steps.

Action Required:

- Development of a Local Strategic Partnership for the City based upon the current City of Sunderland Partnership;
- Development of a Neighbourhood Renewal Strategy for the City in conjunction with the Local Strategic Partnership;
- Development of an initial programme of action based upon achievement of relevant PSA targets and national floor targets as described in Annex I.

NEIGHBOURHOOD RENEWAL FUND

Report of the Chief Executive

1.0 Purpose of the Report

- 1.1** This report updates Cabinet on the Government's latest major regeneration initiative, the Neighbourhood Renewal Fund, and requests consideration of essential next steps proposals.

2.0 Background

- 2.1** First announced in general terms in October 2000, the Neighbourhood Renewal Fund (NRF) is the Government's main new local regeneration programme. The NRF will be managed by the DETR.

- 2.2** The NRF will provide resources to local authorities over, initially, the next three years to improve services in most deprived neighbourhoods in order to :

- Narrow the gap between social circumstances in such areas and those of the rest of the country;
- Contribute to the achievement of Government Public Service Agreement (PSA) targets.

The Fund can be used to strengthen mainstream services in most deprived areas including those of main service provider partners of the Council such as the Police and local health institutions.

3.0 Main Conditions Associated with NRF Support

- 3.1** Key conditions associated with use of the grant include that the Council must :

- Produce by 31st October 2001 a statement of use for how the grant has been and will be used in 2001/2002. This will be submitted to the Secretary of State;
- Set out the nature of the consultative process which it has used to decide upon the use of the grant;
- Achieve a satisfactory Best Value Performance Plan for 2001/2002, or have agreed a plan for improvement of an unsatisfactory report.

3.2 NRF Guidance also indicates that in allocating the Fund, the Council must;

- Develop a Local Strategic Partnership and work with it to determine priorities for action;
- Target action on the most deprived areas of the City, initially as indicated by the Indices of Deprivation 2000;
- Contribute to the achievement of Government ‘floor targets’, primarily those detailed in Annex I relating to;
 - educational attainment
 - unemployment
 - crime
 - health
 - social housing
- Set a local context for allocation of the NRF by working with the Local Strategic Partnership to agree a Neighbourhood Renewal Strategy by March 2002.

Fundamentally the Fund must be used to tackle root causes of deprivation rather than their symptoms.

4.0 Summary

4.1 The NRF mirrors the Government’s latest thinking on social regeneration. requiring Local Strategic Partnerships – with the Local Authority at the centre – to tackle root causes of social deprivation and contribute to the achievement of Government floor targets. NRF guidance gives maximum discretion to local partnerships as to precisely how remedial action should be formulated. There is a major emphasis upon the strengthening and development of mainstream activity and upon being able to measure progress and added value. Wherever appropriate the NRF should support the achievement of PSA targets.

4.2 In order to begin to allocate NRF in 2001/2002 and to continue to receive grant support in 2002/2003 and beyond, the Council must:

- a. Commit to work to develop a Local Strategic Partnership;
- b. Agree to develop, with the Local Strategic Partnership, a Statement of Use by 31st October, 2001 and a Neighbourhood Renewal Strategy by March 2002;
- c. Agree to contribute to the achievement of Government floor targets for the relief of deprivation.

5.0 Financial Details

5.1 Indices 2000 rankings have been used to determine eligibility for NRF support. Any Local Authority which appears in the top fifty most deprived districts on any of Indices 2000's six district level measures is eligible for support. 81 Authorities are therefore eligible for support.

5.2 The sum allocated to each Authority is based on standard amount per head of population in those Wards in the authority that are within the 10% most deprived Wards nationally. This relates a Local Authority's grant funding to the severity of deprivation within its area, measured by the number of residents living in particularly deprived areas.

5.3 On this basis Sunderland will receive £3.581m in 2001/02 and a total of £16.119m over the first three years of the initiative. This is the highest figure in the North East, reflecting the fact that approximately 118,500 of the City's population live within the eleven Wards in Sunderland which are eligible for NRF support, which are:

- | | |
|--------------------|-----------------|
| • Southwick | • Central |
| • Town End Farm | • Hendon |
| • Colliery | • South Hylton |
| • Castletown | • Grindon |
| • North Washington | • Thorney Close |
| • Hetton | |

6.0 Recommendations

6.1 Cabinet is requested to consider the above report and support:

- i. development of a Local Strategic Partnership for the City based upon the current City of Sunderland Partnership;
- ii. development of a Neighbourhood Renewal Strategy for the City in conjunction with the Local Strategic Partnership;
- iii. development of an initial programme of action based upon achievement of relevant PSA targets and national floor targets as described in Annex I.

Background Papers used:

- Special Grant Report 78
- Government Strategy for Neighbourhood Renewal : New Commitment for Neighbourhood Renewal

ANNEX 1

Key Public Service Agreement 'floor targets' – tackling deprivation

- In education, the Government will increase the percentage of pupils obtaining 5 or more GCSE's at grades A* to C (or equivalent) to at least 38 per cent in every LEA by 2004. A target to reduce the attainment gap at Key Stage 2 (age 11) in English and maths will be announced later in 2001.
- Over the three years to 2004, taking account of the economic cycle, the Government will ensure an increase in the employment rates of the 30 local authority districts with the poorest initial labour market position. It will ensure a reduction in the difference between employment rates in these areas and the overall rate.
- The Government will reduce the level of crime in deprived areas so that by 2005, no local authority area has a domestic burglary rate more than three times the national average – while at the same time reducing the national rate by 25 per cent.
- By 2010, the Government will reduce by at least 10 per cent the gap between the 20% of areas with the lowest life expectancy at birth and the population as a whole. The Government will also reduce, by at least 60 per cent by 2010, the conception rate among under 18's in the worst 20% of wards, thereby reducing the level of inequality between these areas and the average by at least 26% by 2010.
- The Government will ensure that all social housing is of a decent standard by 2010 with the number of families living in non-decent social housing falling by 33% by 2004, with most of the improvement taking place in the most deprived local authority areas.

CABINET MEETING: 11TH APRIL 2001

EXECUTIVE SUMMARY SHEET - PART I

Title of Report:

Sunderland Museum and Winter Gardens: Re-launch Proposals

Author(s):

Chief Executive
Director of Contracting Services
Director of Education and Community Services

Purpose of Report:

To highlight the current phased completion programme for the project.
Consider the funding of cross-departmental Marketing and Hospitality associated with the re-launch and official opening of the attractions.

Action Required:

1. Note the current schedule of completion dates for the project.
2. To agree the transfer of £50,000 from contingencies to meet the costs of an enhanced marketing campaign and the re-launch of the Mowbray Gardens project.

**SUNDERLAND MUSEUM AND WINTER GARDENS:
RELAUNCH PROPOSALS**

**JOINT REPORT OF THE CHIEF EXECUTIVE, DIRECTOR OF
CONTRACTING SERVICES AND DIRECTOR OF EDUCATION AND
COMMUNITY SERVICES**

1. PURPOSE OF THE PAPER

The purpose of the paper is to highlight the current phased completion programme for the project and to consider the funding of cross departmental marketing and hospitality budgets to be associated with the relaunch and official opening of the Museum and Winter Gardens.

2. BACKGROUND

- 2.1 Mowbray Park, was the first element of the Mowbray Gardens project to be officially re-opened by the Mayor, Councillor B Dodds on 25 May 2000. The re-opening benefited from funding provided through the Millennium Celebrations programme and from partner organisations involved in the BBC Music Live event held in the Park, over the period 25-29 May 2000.
- 2.2 Work to the Museum and Winter Gardens is currently running some seventeen weeks behind the original planned schedule because of additional unforeseen works encountered in opening up the existing Museum buildings necessitating extra structural strengthening works and asbestos removal. This delayed the link block to the Winter Gardens and resulted in significant temporary protection works and security measures being necessary. This delay is mirrored in each phase of the contract works despite the endeavours of the contractor to recover time by overtime and week-end working. This has resulted in the need to re-appraise the re-launch proposals for the project.

3. PHASED COMPLETION

- 3.1 The current schedule of completion dates for the project is as follows:

- Winter Gardens Planting	27 April 2001
- Signage/Sundry Fit Out Works	31 May 2001 (estimated)
- North Terrace Completion Works	3 June 2001
- Museum Exhibition Fit Out	8 June 2001
- Café/Restaurant Fit Out	30 June 2001 (estimated)

- 3.2 The period of fit outs will be followed by an intensive and rigorous commissioning of the integrated buildings, particularly in relation to the heating and building management systems within the Winter Gardens. This will ensure that the plants, many of which will defoliate after being planted, will recover prior to the relaunch/public opening.

4. RELAUNCH MARKETING CAMPAIGN

- 4.1 Current revenue budget provision for marketing of the three elements of the project is £10,000 per year. This will facilitate the production of ongoing promotional materials, advertising, the provision of school holiday activity programmes and the promotion of a programme of musical entertainment within the Park.
- 4.2 In addition to the recurring marketing spend for the project, pump prime funding for the production of corporate branding and visitor guide materials has been provided for within budget allocations of the main contract. However, no specific budget allocation is identified, or included, within the approved grant purposes for a high profile relaunch and official opening.

5. FUNDING OF AN ENHANCED MARKETING CAMPAIGN AND OFFICIAL OPENING CEREMONY

- 5.1 The Mowbray Gardens Project has been seen as the key cultural element of the City Centre Development currently underway and, as such, will be a major asset in attracting local people and visitors into the City Centre.
- 5.2 It is therefore proposed that in order to facilitate an enhanced marketing campaign an official opening a budget of £50,000 be transferred from contingencies to provide £10,000 across each of the following budgets:
- Civic Centre Hospitality
 - City Centre Marketing
 - Councils Marketing
 - City Contracting Services Marketing
 - Education and Community Services

6. CONCLUSION

- 6.1 The work associated with the marketing campaign and official opening will be overseen and co-ordinated by City Contracting Services in association with the City Marketing Team and Tyne and Wear Museums.

7. RECOMMENDATION

- 7.1 Cabinet is asked to agree to a transfer of £50,000 from contingencies to meet the costs of an enhanced marketing campaign and the relaunch of the Mowbray Gardens Project.

- Background Papers

Project Management Reports File

CABINET MEETING – 11th APRIL 2001

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

THE PROPOSED MEMBERSHIP OF SUNDERLAND'S LOCAL MANAGEMENT COMMITTEE FOR THE CONNEXIONS SERVICE AND NOMINATIONS FOR THE TYNE AND WEAR CONNEXIONS BOARD

Author(s):

THE CHIEF EXECUTIVE AND THE DIRECTOR OF EDUCATION AND COMMUNITY SERVICES

Purpose of Report:

To consider governance arrangements for the CONNEXIONS Service at a Tyne and Wear level and at a City level.

Action Required:

To note the report and approve the nominations for the Tyne and Wear Connexions Board.

CABINET MEETING: 11TH APRIL 2001

THE PROPOSED MEMBERSHIP OF SUNDERLAND'S LOCAL MANAGEMENT
COMMITTEE FOR THE CONNEXIONS SERVICE AND NOMINATIONS FOR THE
TYNE AND WEAR CONNEXIONS BOARD

JOINT REPORT BY THE CHIEF EXECUTIVE AND THE DIRECTOR OF EDUCATION
AND COMMUNITY SERVICES

Introduction

1. At the previous meetings of the Education Sub-Committee on 29th February 2000 and 30th January 2001, updates were given on developments in the CONNEXIONS service for Tyne and Wear.

Recent Developments

2. At the recent Tyne and Wear CONNEXIONS Management Group meeting of the 28 February 2001, a framework document was tabled. This has been the result of considerable discussions at both management group meetings and through the offices of an external consultancy agency, SWA. The overall framework is contained in Annex A.
3. Members will note that at a Tyne and Wear level, a non profit making company (Tyne and Wear CONNEXIONS) will contract with the CONNEXIONS Service National Unit for provision within the sub-region. This company will sub-contract with service providers, generally at a local authority or sub-regional level for the delivery of CONNEXIONS related activities. It is anticipated that the City of Sunderland Careers Service will be the significant provider on Wearside and collaborate with other potential providers in delivering CONNEXIONS Services.
4. The Board of the Sunderland Careers Service has recommended that as a result of the demise of Sunderland City TEC new arrangements will be put in place for the oversight of Careers Services activities with effect from 1 April 2001. The Board and the City Council is exploring the establishment of an advisory group made up of chief officers, elected members and stakeholders. It is envisaged that the Careers Service will need to change its name to include a wider guidance dimension as well as incorporating some CONNEXIONS branding. It is anticipated that the City Council will be the sub-contractor for most of the CONNEXIONS work in Sunderland with the City of Sunderland Careers Service acting as its agent. (This agent's role has been referred to as 'Local CONNEXIONS Unit').

5. Local Management Committees will be established in each of the five constituent local authorities. Each LMC will be supported by a manager appointed by the CONNEXIONS Board. This local committee will be responsible for consultation with stakeholders, including young people, on service delivery and making recommendations to the CONNEXIONS Board which may influence the scope of future contracts. To date the City Council has supported a Sunderland CONNEXIONS Development Group. This group has appointed a 'search' group to advise it on the membership of the LMC, against the criteria which has been laid down nationally. The search group has identified the following membership for ratification by the Development Group at its meeting of 5 April:

- Local Authority
- LEA

Key Services

- Youth Service
- Social Services
- Careers Service
- Youth Offending Service
- Education Social Work Service

Supporting Services

- EiC Partnership
- Further Education
- Health
- Housing
- Employer Organisation
- Church
- Voluntary Youth Sector Forum
- Voluntary Sector Partnership
- Youth Strategy Officer / Young People
- Employment Service

6. The work of the LMC will be supported by cross-cutting theme groups which will involve a wide range of partners. There is an expectation that local authorities will be represented on the LMCs by their Chief Executives. There is a further expectation that Chief Executives will chair these committees.
7. The Tyne and Wear CONNEXIONS Management Group is in the process of seeking nominations for the Tyne and Wear CONNEXIONS Board. In addition to the chair of the LMC, the Development Group would wish to nominate two of its members, David Snaith (headteacher) and Steve Barna (voluntary sector) to the board. It would also seek to contact the City of Sunderland College and the Employment Service to inform them of the current process in seeking nominations.

Recommendations

8. Members are requested to note the contents of this report and approve the nominations for the Tyne and Wear CONNEXIONS Board.

Background Papers:

- CONNEXIONS – Best Start in Life for Every Young Person (CSNU 1999)
- CONNEXIONS – Planning Guidance (CSNU 2000)
- Structural Models and Legal Entities (SWA Consultation Ltd 2001)

ANNEX A

TYNE WEAR CONNEXIONS PARTNERSHIP MANAGEMENT GROUP

26TH FEBRUARY 2001

PROPOSAL FOR GOVERNANCE ARRANGEMENTS

SEE HARD COPY

CABINET MEETING – 11TH APRIL 2001

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

FREEDOM OF INFORMATION ACT

Author(s):

DIRECTOR OF ADMINISTRATION

Purpose of Report:

To update the Cabinet on the introduction of the Freedom of Information Act 2000

Action Required:

To note the position and agree to accept further reports in due course.

CABINET – 11TH APRIL 2001

REPORT BY THE DIRECTOR OF ADMINISTRATION

FREEDOM OF INFORMATION ACT 2000

1. Introduction

The Freedom of Information Act 2000, received the Royal Assent on 30th November 2000.

2. Central Principle

The Act's central principle is that there will be a general right of access to information held by public authorities.

3. Timetable for Implementation

The Act will be implemented across public sector bodies in stages. Although the timetable has not been finalised, it is understood that the first stage of implementation will be June 2002, when it will apply to Central Government bodies. It will then be extended to local authorities in December 2002 and then further extended in six-monthly stages to the Police service in June 2003, the NHS in December 2003 and schools in June 2004.

4. Overseeing the Act

A new post of Information Commissioner has been created with responsibility for promoting compliance with the Act and good practice. This post will also cover the duties of the former Data Protection Commissioner and in fact the former Data Protection Officer, Mrs Elizabeth France has been appointed to the post.

5. The Right to Information

The Act gives a general right of access to information held by public authorities and under this, authorities will generally have to respond to requests for information within 20 working days. A fee may be charged calculated in accordance with Regulations.

There are a total of 23 exceptions to the right to access, generally similar to those relating to data protection such as information protected by legal professional privilege and information which if released would prejudice.

In connection with the right to information authorities have to prepare a 'Publication Scheme', which has to be submitted for approval by the Information Commissioner before the implementation of the Act. This scheme has to explain the type of information which the authority publishes, how it is made available to the public and details of any charges. The Information Commissioner will be producing guidance on what should be included in Publication Schemes.

6. Enforcement

A person who considers that he or she has been wrongly denied information under the Act has a right of appeal to the Information Commissioner. There is a further right of appeal to an Information Tribunal.

7. Future Developments

The Local Government Association is currently in discussion with the Information Commissioner about the scope of publication schemes and preparation of a model scheme for local authorities. Also a Code of Practice is to be produced by the Secretary of State on the discharge of functions under the Act.

Further reports will be submitted to the Cabinet as further information on these is received.

8. Recommendation

Cabinet is recommended to note the present position regarding the Freedom of Information Act 2000 and that further reports will be submitted in due course.

BACKGROUND PAPERS

The undermentioned background papers relate to the above report:-

The Freedom of Information Act 2000
Local Government Association Circular 149/01 on the Act.

CABINET MEETING – 11 April, 2001

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Approval of Highway Works in Connection with the Proposed B & Q Store at Armstrong Road, Armstrong Industrial Estate, Washington.

Author:

Director of Environment

Purpose of Report:

To seek approval for the construction of a roundabout on Armstrong Road, Armstrong Industrial Estate, Washington, to provide a junction for a new access road to the proposed store, and the construction of a footpath to replace the footpath to be stopped up to allow the development to proceed. The works are to be funded by the developer.

Action Required:

Cabinet is requested to:

Approve the construction of the roundabout and other works described above to be funded by the developer.

APPROVAL OF HIGHWAY WORKS IN CONNECTION WITH PROPOSED B & Q
STORE AT ARMSTRONG ROAD, ARMSTRONG INDUSTRIAL ESTATE,
WASHINGTON.

REPORT OF THE DIRECTOR OF ENVIRONMENT

1.0 PURPOSE OF REPORT

- 1.1. To seek approval for the construction of a roundabout on Armstrong Road, Armstrong Industrial Estate, Washington to provide a junction for a new access road to the proposed store, and the construction of a footpath to replace the footpath to be stopped up to allow the development to proceed. The works are to be funded by the developer.

2.0 BACKGROUND

- 2.1 At its meeting on 7 November 2000, the Development Control (Hetton, Houghton and Washington) Sub-Committee delegated the granting of planning permission for a non food retail warehouse with ancillary offices, garden centre with greenhouse, builders yard with canopy, customer car park with access road improvements including new internal roundabout and stopping up of highway to the Director of the Environment. Following consultation with the Government Office for the North East under the Town and Country Planning (Shopping Development) (England and Wales) (No 2) Direction 1993 the planning application was approved on 1 February 2001.
- 2.2 The Director of Environment, acting under delegated powers, approved on 6 February 2001 the stopping up of highway across land north of Armstrong Road, Armstrong Industrial Estate, Washington, in order for the development to proceed.

3.0 PROPOSALS

- 3.1 The proposed roundabout is to be constructed opposite to the present access road into Armstrong House, about 90m from the existing Havannah Road roundabout at the junction with A182. The length of Armstrong Road between the existing and proposed roundabout will be improved to dual carriageway. The roundabout will also connect with Armstrong Road to the west and with the access to Armstrong Road. The access road to be constructed from the proposed roundabout to the proposed store does not form part of the work to be carried out under this approval
- 3.2 The proposals also include for the construction of lengths of footpath to replace those stopped up to allow the development to be carried out.
- 3.3 The location of the proposed highway works are shown on the attached drawing SP 8438.
- 3.4 Details of the highway works will be agreed with the Director of Environment in accordance with the scheme of delegation. A legal agreement under Section 278 of the Highways Act 1980 will also be required, the approval of which is delegated to the Director of Environment.

- 3.5 The highway works, estimated to cost in the order of £400,000, are to be funded by B & Q as part of their development of their proposed store. It is anticipated that the work will commence in June 2001, subject to details of the highway works being agreed and the necessary legal agreements completed.

4.0 RECOMMENDATIONS

- 4.1 Cabinet is requested to approve the implementation of the works described above.

5.0 BACKGROUND PAPERS

- 5.1 Planning application 99/01820/FUL and approval thereof.
- 5.2 Delegated Decision dated 6 February 2001 approving stopping up.
- 5.3 Letter dated 2 March 2001 from B & Q

CABINET MEETING – 11TH APRIL 2001

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Approval of Highway works in connection with housing development
Land adjacent to Rushford, Ryhope

Author(s):

Director of Environment

Purpose of Report:

To seek approval for the construction of a new access road, estimated cost £2million, to be funded by the developers (Bellway and Persimmon Homes).

Action Required:

Cabinet is requested to:-

Approve the highway works to be funded by the developers.

APPROVAL OF HIGHWAY WORKS IN CONNECTION WITH HOUSING
DEVELOPMENT – LAND ADJACENT TO RUSHFORD, RYHOPE

REPORT BY THE DIRECTOR OF ENVIRONMENT

1.0 PURPOSE OF REPORT

- 1.1 To seek approval for the construction of a new access road associated with a development adjacent to Rushford, Ryhope. The works are to be funded by Persimmon Homes and Bellway Homes.

2.0 BACKGROUND

- 2.1 At its meeting on the 27th May 1999, the Development Control (Sunderland South) Sub-Committee approved a planning application to erect 197 dwellings and construct part of the Ryhope/Doxford Park Link Road.
- 2.2 Approval is required for the highway works at an estimated cost of £2million, to be funded by the developers.

3.0 PROPOSALS

- 3.1 The development site is situated to the east of the existing housing at Rushford, Ryhope. Access to the site is via part of the new link road, from a new roundabout situated on Tunstall Bank, as shown on Drawing no. SP 8440.
- 3.2 Details of the highway works will be agreed with the Director of Environment, in accordance with the scheme of delegation. Furthermore, a legal agreement under Section 278 of the Highways Act 1980 will be required, the approval of which is also delegated to the Director of Environment.

4.0 RECOMMENDATION

- 4.1 Cabinet is requested to approve the implementation of the works described above.

BACKGROUND PAPERS

Planning application numbers 99/00230/FUL and 01/00170/FUL.
Correspondence from Bellway Homes dated 20th December 2000 (ref C12/SS)
Ryhope Tunstall Periphery Planning Guidance
Correspondence with Government Offices for the North East regarding stopping-up

CABINET MEETING – 11TH APRIL

EXECUTIVE SUMMARY SHEET- PART I

Title of Report:

Treasury Management Policy– Approved Organisations for Investments - Investment Limits

Author(s):

City Treasurer

Purpose of Report:

The report sets out:

- Lending List Criteria
- Approved Organisations for Investments
- Investment Limits

Action Required:

Members are requested to agree the lending list criteria detailed in Appendix A and recommend to Council that it be adopted as part of the Treasury Management Policy.

Cabinet – 11th April 2001

Treasury Management Policy– Approved Organisations for Investments - Investment Limits

Report of the City Treasurer

1.Introduction

It was reported to Cabinet on 14th March 2001 that as part of the Treasury Management Policy Statement, it was appropriate to review the arrangements for investment of Council funds following the Housing Transfer receipt. The current investment limit is £5million with any one institution. Following the receipt of the housing transfer proceeds, this limit is too low to enable efficient management of the investment.

The proposals aim to establish criteria which will enable an increase in the limit whilst restricting the type of institution, the amount of investment, and the period of investment. The criteria also mirror those of the three appointed Fund Managers.

2. Lending Limits

The criteria have been drawn up with guidance from the Council's advisors Sector Treasury Services Ltd and with reference to their document "Establishing Credit Policies for Public Sector Organisations." The criteria proposed are detailed in Appendix A.

The investment limits have been based on published Credit Ratings and the highest investment levels have only been granted to highly credit rated organisations i.e. £20m maximum investment level for institutions with long-term credit ratings of AA or better. The maximum investment levels are then reduced to reflect organisations with long-term ratings lower than AA. Institutions with lower credit ratings, such as Building Societies, although considered secure have been given lower investment limits and have been limited as to their period of investment using short-term credit ratings.

Appendix B shows the current credit ratings of financial institutions and based upon the investment limits proposed, the maximum deposit and duration. As the Council is not a debt free Authority it cannot make deposits (either Fixed Deposits or Certificates of Deposit) for periods exceeding 364 days (i.e. investments must be less than 1 year).

The organisations included are all on the list published by the Bank of England and Financial Services Authority - "Institutions Authorised under the Banking Act 1987 to accept deposits in the United Kingdom". All transactions would be conducted in Sterling deposits only.

The criteria are aimed at ensuring that as far as possible the organisations included in the revised lending list are secure. Sector provides regular credit rating updates, which will be used to monitor and identify any possible reduction in credit rating and security. This will allow officers the flexibility to act promptly to revise the list and investment limits to reflect any market movements.

3. Recommendation

Members are asked to agree the lending list criteria detailed in Appendix A and recommend to Council that it be adopted as part of the Treasury Management Policy.

BACKGROUND PAPERS USED

Establishing Credit Policies for Public Sector Organisations - Sector Treasury Services Ltd

Institutions Authorised under the Banking Act 1987 to accept deposits in the United Kingdom -
Financial Services Authority

Investec Asset Management – Authorised Lending List

Dresdner RCM Global Investors – Authorised Lending List

Alliance Capital Limited – Authorised Lending List

LENDING LIST
CRITERIA**Fitch IBCA Long-term Credit Ratings**

Long-term Credit Ratings generally cover periods of investment up to a maximum of 5 years.

		<u>£m</u>
AAA, AA+ or AA	Maximum Investment Limit	20
AA-	Maximum Investment Limit	15
A+ or A	Maximum Investment Limit	10
Below A	see Maximum Investment Limit	5
short-term ratings		

Fitch IBCA / Moodys Short-term Ratings

Short-term Credit Ratings cover periods up to 1 year.

The City of Sunderland can only make deposits up to a maximum of 364 days.
Investment periods can be determined by Fitch IBCA/Moodys short-term ratings.

Fitch IBCA / Moodys		
F1 or F1+ / P-1	Max.Period	364 Days
Fitch IBCA / Moodys		
F2 or P-2	Max.Period	6 months

CITY OF SUNDERLAND

APPROVED LENDING LIST @ APRIL 2001

CREDIT RATING S

<u>Institution</u>	<u>Country</u>	<u>Fitch IBCA Long- term</u>	<u>Fitch IBCA Short- term</u>	<u>Moodys Long- term</u>	<u>Moodys Short- term</u>	<u>Total Limit £m</u>	<u>Max. Deposit Period (Days)</u>
Abbey National plc	UK	AA	F1+	Aa2	P-1	20	364
Alliance & Leicester plc	UK	AA-	F1+	A1	P-1	15	364
Bank of Scotland plc	UK	AA	F1+	Aa3	P-1	20	364
Barclays Bank plc / Woolwich	UK	AA+	F1+	Aa2	P-1	20	364
Bradford & Bingley	UK	A+	F1	A1	P-1	10	364
Halifax plc	UK	AA+	F1+	Aa1	P-1	20	364
HSBC Bank plc	UK	AA	F1+	Aa2	P-1	20	364
Lloyds TSB Bank plc	UK	AA+	F1+	Aaa	P-1	20	364
Natwest Bank/Royal Bank of Scotland	UK	AA	F1+	Aa2	P-1	20	364
Nationwide Building Society	UK	AA-	F1+	A1	P-1	15	364
Northern Rock plc	UK	A+	F1	A2	P-1	10	364
Bank Austria AG	Austria	AA	F1+	Aa2	P-1	20	364
Australia & New Zealand Banking Corp.	Australia	AA-	F1+	Aa3	P-1	15	364
National Australia Bank Ltd	Australia	AA	F1+	Aa3	P-1	20	364
Westpac Banking Corporation	Australia	AA-	F1+	Aa3	P-1	15	364
Commonwealth Bank of Australia	Australia	AA	F1+	Aa3	P-1	20	364
Fortis Bank NV	Belgium	AA-	F1+	Aa3	P-1	15	364
KBC Bank NV (Kredit Bank NV)	Belgium	AA-	F1+	Aa3	P-1	15	364
Bank of Montreal	Canada	AA-	F1+	Aa3	P-1	15	364
Bank of Nova Scotia (Scotiabank)	Canada	AA-	F1+	Aa3	P-1	15	364
Canadian Imperial Bank of Commerce	Canada	AA-	F1+	Aa3	P-1	15	364
Royal Bank of Canada	Canada	AA	F1+	Aa2	P-1	20	364
The Toronto-Dominion Bank	Canada	AA	F1+	Aa3	P-1	20	364
Danske Bank International SA	Denmark	AA-	F1+	Aa3	P-1	15	364
BNP Paribas (Banque Nationale de Paris)	France	AA-	F1+	Aa3	P-1	15	364
Caisse Nationale de Credit Agricole	France	AA+	F1+	Aa1	P-1	20	364
Credit Agricole-Indosuez	France	AA	F1+	Aa2	P-1	20	364
Societe Generale	France	AA	F1+	Aa3	P-1	20	364
Bayerische Hypotheken und Vereinsbank (Wechsel Bank AG)	Germany	AA-	F1+	Aa3	P-1	15	364
Bayerische Landesbank Girozentrale	Germany	AAA	F1+	Aaa	P-1	20	364
Commerzbank AG	Germany	A+	F1	Aa3	P-1	10	364
Deutsche Bank AG	Germany	AA	F1+	Aa3	P-1	20	364
Dresdner Bank AG	Germany	AA-	F1+	Aa3	P-1	15	364
Hamburgische Landesbank Girozentrale	Germany	AAA	F1+	Aa1	P-1	20	364
Landesbank Baden-Wuerttemberg	Germany	AAA	F1+	Aaa	P-1	20	364
Landesbank Hessen-Thuringen Giro (Heleba)	Germany	AAA	F1+	Aaa	P-1	20	364
Nordeutsche Landesbank Girozentrale	Germany	AAA	F1+	Aa1	P-1	20	364
Westdeutsche Landesbank Girozentrale	Germany	AAA	F1+	Aa1	P-1	20	364

Allied Irish Banks plc	Ireland	AA-	F1+	Aa3	P-1	15	364
Bank of Ireland	Ireland	AA-	F1+	Aa3	P-1	15	364
Banque Generale du Luxembourg SA	Luxembourg	AA-	F1+	Aa3	P-1	15	364
ABN Amro Bank NV	Netherlands	AA	F1+	Aa2	P-1	20	364
ING Bank NV	Netherlands	AA-	F1+	Aa2	P-1	15	364
Rabobank International	Netherlands	AAA	F1+	Aaa	P-1	20	364
Banco Santander Central Hispano	Spain	AA-	F1+	Aa3	P-1	15	364
Svenska Handelsbanken AB	Sweden	AA-	F1+	Aa2	P-1	15	364
Credit Suisse First Boston	Switzerland	AA	F1+	A1	P-1	20	364
UBS	Switzerland	AAA	F1+	Aa1	P-1	20	364
Bank of America NA	USA	AA	F1+	Aa1	P-1	20	364
The Chase Manhattan Bank	USA	AA	F1+	Aa2	P-1	20	364
Citibank NA	USA	AA	F1+	Aa2	P-1	20	364
Morgan Guaranty Trust Company of New York	USA	AA	F1+	Aa2	P-1	20	364

Building Societies

Nationwide Building Society (see main list)	UK	AA-	F1+	A1	P-1	15	364
Britannia Building Society	UK	A	F1	A2	P-1	10	364
Yorkshire Building Society	UK	A+	F1	A2	P-1	10	364
Portman Building Society	UK			A2	P-1	5	364
Coventry Building Society	UK	A	F1	A3	P-2	10	364
Skipton Building Society	UK	A	F1	A3	P-2	10	364
Chelsea Building Society	UK			A3	P-2	5	6 months
Leeds & Holbeck Building Society	UK			A3	P-2	5	6 months
Derbyshire Building Society	UK			A3	P-2	5	6 months

Direct Dealing Lines-Sunderland

Northern Rock plc (see main list)	UK	A+	F1	A2	P-1	10	364
Halifax plc (see main list)	UK	AA+	F1+	Aa1	P-1	20	364
Deutsche Bank AG (see main list)	Germany	AA	F1+	Aa3	P-1	20	364
Coutts & Co.	UK		F1			5	364

CABINET MEETING – 11TH APRIL 2001

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

The Code of Practice for Internal Audit in Local Government (Revised 2000) and its application within the City of Sunderland

Author(s):

City Treasurer

Purpose of Report:

Inform Members of the content of the code in outline and the steps to be taken by Internal Audit to ensure compliance with the code.

To set out a revised Charter for Internal Audit Services

Action Required:

Report and ongoing actions to be noted by Members

Revised Internal Audit Charter to be agreed by Members

CABINET MEETING 11th April 2001

The Code of Practice for Internal Audit in Local Government (Revised 2000) and its Application within the City of Sunderland

Report of the City Treasurer

1. Introduction and Background

- 1.1 The role and work of internal audit for the last decade has been governed by guidelines issued by the Auditing Practices Board (APB) in 1990. In 1993 the Chartered Institute of Public Finance and Accountancy (CIPFA) interpreted them for use in Local Government, drawing up the Code of Practice for Internal Audit in Local Government.
- 1.2 Whilst the APB guidelines still remain valid today the way they need to be interpreted for Local Government has changed, due to the substantial developments in the field (e.g. best value, corporate governance, modernisation agenda).
- 1.3 In the light of the above CIPFA has recently revised its Code of Practice to reflect developments and changes since 1993.
- 1.4 This report summarises the main points arising from the revised Code of Practice and sets out how Internal Audit Services within the City of Sunderland is aiming to meet the Code's requirements.

2. Defining Internal Audit and its Terms of Reference

- 2.1 Internal Audit is defined in the Code of Practice as follows:

"Internal Audit is an independent appraisal function established by the management of an organisation for the review of the internal control system as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources".

- 2.2 The Code then goes on to state the following:

"Internal Audit should have terms of reference, which are formally agreed between senior management, the Head of Internal Audit and the relevant member committee. The terms of reference should:

- (i) establish the responsibilities and objectives of internal audit
- (ii) establish the position of internal audit within the organisation
- (iii) define the scope of internal audit activity, and

- (iv) establish internal audit's right of access to all records (both electronic or otherwise), assets, personnel and premises, and its authority to obtain such information and explanations, as it considers necessary to fulfil its responsibilities. Where services are provided under contracts or partnership arrangements, relevant records should affirm a similar right of access for internal audit. Traditionally, the powers and responsibilities of internal audit have been reflected in an organisation's standing orders and financial regulations.

The objectives of internal audit must be agreed by, and shared with, the organisation and stated in clear terms. They should reflect the need to have a strong and respected internal audit function. The communication of the terms of reference to the whole organisation is of considerable importance in order to achieve a common understanding of the role of internal audit. This may take the form of a mission statement or audit charter."

3. Position / Status of Internal Audit Services within the Authority

- 3.1 Internal Audit Services (IAS) must be seen to have independent status if it is to carry out its role in a proper manner. The service should have no executive responsibilities and the Code of Practice advises that the Head of Internal Audit should have the statutory Responsible Finance Officer as his / her line manager, and should report and be accountable to an appropriate committee of members.
- 3.2 The Code also states that the Head of Internal Audit should have direct access to, and freedom to report to all senior management including the Chief Executive, and members, and should maintain good working relationships and channels of communication with elected members.

4. The Scope of IAS Activity

- 4.1 The necessary scope of internal audit activity is set out in some detail in the Code of Practice.
- 4.2 The Code states that Internal Audit should appraise and review:
 - (i) whether operations are being carried out as planned and objectives and goals are being met;
 - (ii) the systems established to ensure compliance with policies, plans, procedures, laws and regulations, i.e. rules established by the management of the organisation, or externally;
 - (iii) the completeness, reliability and integrity of information, both financial and operational;
 - (iv) the means of safeguarding assets; and
 - (v) the economy, efficiency and effectiveness with which resources are employed.

4.3 Only by doing so in all areas, both financial and non-financial, can IAS provide assurance (or otherwise) to management that appropriate controls are in place to :

- (i) minimise exposure to risk
- (ii) ensure adherence to management policies and directives aimed at achieving the Council's objectives

5. Effective Internal Auditing

5.1 The Code sets out a number of essentials to ensure effectiveness of Internal Audit:

- (i) appropriate staffing in terms of numbers, grades, qualifications and experience to ensure that audit can fulfil its responsibilities and objectives
- (ii) constructive working relationships with management and external auditors
- (iii) the exercise of due professional care in carrying out internal audit work
- (iv) properly planned audits controlled and recorded with sufficient evidence to be able to report to management on the adequacy and effectiveness of their internal controls in minimising risk and to make recommendations for improvement where necessary
- (v) a system of follow up to ensure that agreed management actions have been taken.

6. The Position of Internal Audit Services in Sunderland in relation to the Code of Practice Requirements

6.1 Defining Internal Audit and its Terms of Reference

6.1.1 IAS currently has an Audit Charter which was agreed by the City Treasurer in March 2000, and this is reproduced at Appendix A. However, this does not meet the requirements of the new Code of Practice.

6.1.2 The current Audit Charter has not been published Authority-wide, but IAS is mentioned in the Council's Financial Regulations (which were approved by members) setting out briefly its role, its independence and its right of access to all records of the Council.

6.1.3 It is apparent that IAS needs a more robust document, in the form of a revised Audit Charter, covering all the areas set out in Sections 2, 3 and 4 of this report.

6.1.4 An appropriate document has been drawn up and this is set out at Appendix B, for Members approval.

6.2 The Scope of IAS Activity

- 6.2.1 IAS already embraces the requirements of the revised Code to some extent and further developments are planned for 2001/02.
- 6.2.2 Audit work evaluates all systems of control within Departments, not just financial systems. This is an approach that was set in place at the beginning of 2000/01 financial year and is being further developed over time.
- 6.2.3 The Strategic Internal Audit Plan that has been drawn up includes work looking at systems in place to develop, carry out and monitor corporate arrangements in various areas, and how management ensures that corporate requirements are met at departmental level. Such areas include strategic resource management, best value, risk management, asset management, corporate governance, data protection and legality.
- 6.2.4 The extension of Internal Audit's role needs to be set in context, as clearly an increasing focus on non financial issues may be seen as diluting their "traditional" financial probity role. In response to this there are two important factors to consider. The first is that IAS resources will be directed in accordance with perceived risks. Finance will continue to be a key determinant of risk. Second, the Council already has well developed corporate planning procedures. IAS is intended to be complementary to the process by linking with policy officers to review the framework and arrangements in place for achieving corporate objectives.

6.3 Effective Internal Auditing

- 6.3.1 In March 2000 IAS introduced a holistic 'Quality System' which ensures that all audit work is carried out to a high and consistent standard in the manner set out in paragraphs 5.1(iii)-(v) above. The system was accredited with the award of ISO9002 status in June 2000.
- 6.3.2 During 2000/01 a formal and regular pattern of liaison meetings has been set up between IAS and District Audit to ensure there is no duplication of work. District Audit are aware of the IAS work plan, and regularly examine audit work to determine the extent to which they can rely on IAS coverage when carrying out the external audit.
- 6.3.3 IAS currently has an audit liaison officer in each Department through whom all aspects of audit planning, working and reporting feed. This ensures consistency of working procedures, standard and timely levels of feedback, and an initial contact for all audit queries.
- 6.3.4 One area where IAS needs to consider its longer-term future is staffing. As the Code makes clear there are much wider and higher level responsibilities for IAS, and the level of knowledge and expertise required by staff is growing.

6.3.5 This was reinforced in two recent documents produced for the Council by the District Auditor :

- In the Management Letter to Members (December 2000), the District Auditor stated that 'the new Code of Practice for Internal Audit in Local Government will require new ways of working and new skills for Internal Audit', and 'complying with the new Code will be a challenge for many internal auditors'. The DA did go on to state, however, that ' the improvements achieved by Internal Audit in recent years will stand it in good stead'.
- In a recent report (January 2001) on how well the Council supports schools resource management the District Auditor noted that the work that IAS is now programming into school audits on the links between resource allocation in school budgets and School Improvement Plans, whilst seen as good audit practice, will 'demand new judgement skills and knowledge that not all school auditors fully possess'.

6.3.6 IAS recognises the need to provide appropriate training for its current staff, and the Quality System referred to in 6.3.1 above is currently being updated to reflect the added requirements developing from the Code of Practice and the way in which IAS will need to work to ensure that they can be met.

6.3.7 Revising procedures and providing training to staff is by no means a panacea if IAS is to ensure that it meets and copes with the challenges ahead. The requirements of the Code and the increasing and more complex workload involving areas of work such as housing transfer, best value, resource management, risk management, corporate governance and PFI mean that IAS, whilst not necessarily needing additional staff, will need more high quality, suitably qualified and experienced staff to carry out this work.

7. Conclusion

7.1 The District Auditor in the recent Management Letter to Members identifies the new Code of Practice as one of four key issues arising from his audit, and recommends that 'Members should receive a report from the City Treasurer on how Internal Audit will meet the standards of the new Code'. This report has set out to achieve that requirement.

8. Recommendations

8.1 To ensure that progress continues, Members are asked to:

- (i) agree the revised Internal Audit Charter as set out at Appendix B, and that this is reflected in the next revision of Standing Orders and / or Financial Regulations.
- (ii) note the ongoing steps being taken by IAS to meet the requirements of the Code as set out in Section 6 above

- (iii) note that a review of progress will be presented to Members as part of the IAS Annual Report in June.
- (iv) note that action needs to be taken to address longer term staffing needs, and that a further report will be presented to the Personnel Sub-Committee in due course.

Background Papers

Code of Practice for Internal Audit in Local Government in the United Kingdom (CIPFA - 2000)

INTERNAL AUDIT SERVICES – AUDIT CHARTER

This audit charter sets out the role, authority and responsibilities of the internal audit function and was formally adopted by the City Treasurer on 1st March 2000.

1 Statutory Role / Responsibilities

Internal Audit Services (IAS) is an independent appraisal function established by the Council under the requirements of the Accounts & Audit Regulations 1996. Internal audit is concerned with the adequacy and effectiveness of systems of internal control which seek to minimise exposure to risk, and accounting records and whether they are managed, maintained, complied with and function effectively. To this end it is the responsibility of IAS to evaluate and report on the soundness and adequacy of controls that promote :

- reliability of records and production of effective management information;
- compliance with procedures / regulations;
- protection of Council assets and interests; and
- value for money through operational efficiency.

2 Other Responsibilities

Internal Audit Services is required to produce an annual Audit Plan, which is agreed by the City Treasurer, and to perform the systems audits that are contained within this plan to the standards set out in its Quality Manuals. The overall results of audit work will be reported quarterly to the City Treasurer and annually to Cabinet. In addition IAS will seek to respond to requests for investigation into matters of fraud, probity and compliance (that are client's responsibility). Furthermore, IAS shall have no responsibilities over the operations that it audits over and above the furnishing of recommendations and advice to management on systems and controls.

3 Reports

All findings will be communicated to the relevant departmental management and once agreed a final report will be sent to the Chief Officer and, where appropriate, the City Treasurer. Management is expected to implement all agreed audit recommendations within a reasonable timeframe and each audit will be followed up to assess the extent to which this has happened.

4 Access

Internal audit has access to all officers, buildings, information, explanations and documentation required to discharge the audit role. Any interference with this right to access will be investigated and if found to be unreasonable will be deemed to be a breach of organisational procedure and dealt with accordingly.

5 Independence

Internal audit is required to provide an objective audit service in line with professional auditing standards. To this end it is essential that sufficient independence is attached to this work through adequate scope, authority and objectivity.

INTERNAL AUDIT SERVICES – AUDIT CHARTER

1 Statutory Role / Objectives and Responsibilities

Internal Audit Services (IAS) is an independent appraisal function established by the Council under the requirements of the Accounts & Audit Regulations 1996. The prime objective of Internal Audit Services is to assist management in delivering the objectives of the Council and its associated bodies through assessing exposure to risk and recommending, where appropriate, practical improvements to the control environment. To this end it is the responsibility of IAS to review, appraise and report to management upon :

- whether operations are being carried out as planned and objectives and goals are being met;
- the adequacy of systems established to ensure compliance with policies, plans, procedures, laws and regulations, i.e. rules established by the management of the organisation, or externally;
- the completeness, reliability and integrity of information, both financial and operational;
- the extent to which the Council's assets, data and interests are properly accounted for and safeguarded from losses of all kinds, including fraud, corruption, waste, extravagance, abuse, ineffective management and poor value for money; and
- the economy, efficiency and effectiveness with which resources are employed.

2 Other Responsibilities

Internal Audit Services will produce a Strategic Internal Audit Plan, agreed by the City Treasurer. In producing the strategic plan the Assistant City Treasurer (Audit) will have the freedom to determine the priorities for Internal Audit in consultation with the City Treasurer and departmental heads, and will have an unrestricted range of coverage of the Council's operations. In general, but not exclusively, the priorities for Internal Audit will be determined by a process of risk assessment.

Each year an annual Operational Plan will be drawn up based upon the Strategic Plan and IAS will perform the audit work to the professional standards set out in its 'Quality System'. In addition IAS will seek to respond to requests for investigation into matters of fraud, probity and compliance that are client's responsibility. Furthermore, IAS shall have no responsibilities over the operations that it audits beyond the furnishing of recommendations and advice to management on risks and controls.

3 Reports

All material findings will be communicated to the relevant departmental management and once agreed a final report will be sent to the Chief Officer and, where appropriate, the City Treasurer. Management is expected to implement all agreed audit recommendations within a reasonable timeframe and each audit will be followed up to assess the extent to which this has happened. In addition, the overall results of audit work will be reported quarterly to the City Treasurer and annually to Cabinet or other appropriate body. The annual report will contain a view on the soundness of the Council's system of internal controls based on the work carried out by Internal Audit Services during the year.

4 Access

IAS shall have access to all officers, buildings, information, explanations and documentation required to discharge the audit role.

This includes :

- the records of organisations to whom the Council has given grants; and
- partner organisations in any schemes for which the Council has responsibility as lead body.

Such rights of access shall be written into the appropriate agreements with these organisations.

5 Independence

Internal audit is required to provide an objective audit service in line with professional auditing standards. To this end IAS will have no executive responsibilities and the Assistant City Treasurer (Audit) will report directly to the City Treasurer and have direct access to, and freedom to report to, all senior management including the Chief Executive and Members.