

PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE

AGENDA

**Meeting to be held in the Civic Centre (Committee Room No. 1) on
Wednesday, 14th October, 2011 at 5.30 p.m.**

Membership

Cllrs Ball, Bell, Ellis, S.Foster, Gallagher, P. Gibson, Howe, Mordey, Snowdon, Walton and Wilson.

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E. WAUGH,
Head of Law and Governance.

Civic Centre,
SUNDERLAND.

6th December, 2011.

At a meeting of the PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE held in the CIVIC CENTRE on WEDNESDAY, 26TH OCTOBER, 2011 at 5.30 p.m.

Present:-

Councillor Mordey in the Chair

Councillors Ball, Bell, Ellis, Gallagher, P. Gibson, Howe, Snowdon, Walton and Wilson.

Apologies for Absence

Apologies were submitted on behalf of Councillor S. Foster.

Declarations of Interest

Councillor Mordey declared a personal interest in item 7 – ‘Visit to the Port of Sunderland – Feedback’ as a Council appointed member of the Port Board.

Minutes of the Last Meeting of the Committee held on 12th September, 2011

1. RESOLVED that the minutes of the last meeting of the Committee held on 12th September, 2011 be confirmed and signed as a correct record subject to the inclusion of Councillor Snowdon as Chairman in the list of attendees, replacing Councillor Mordey whose apologies had been correctly recorded.

University City Policy Review 2011/12 – Role of the University

The Chief Executive submitted a report (copy circulated) which provided background information to a visit to the Committee from David Donkin of the University of Sunderland regarding the role and relationships that the University had developed with local businesses.

(For copy report – see original minutes).

Andrew Perkin, Lead Policy Officer – Economy, presented the report and advised that unfortunately Mr. Donkin had been unable to attend the meeting.

Members were briefed on Aim 1 of the Economic Masterplan which sought to develop a new kind of University City, together with the role played by the University in the City's future economic development. This included the Business Gateway, the Sunderland Science Park, the Software Hatchery and the Knowledge Transfer Partnership.

Members welcomed the report however felt it had been remiss in not including the nationally recognised role undertaken by the University in field on pharmacology.

The Chairman having thanked Mr. Perkin for his presentation, it was:-

2. RESOLVED that the report provided by Mr. Perkin be included as part of the evidence for the Committee's Policy Review and Final Report into 'University City'.

University City Policy Review 2011/12 – Chamber of Commerce

The Chief Executive submitted a report (copy circulated) which provided background information in relation to a presentation to the Committee from Jonathan Walker, Head of Member Relations, North East Chamber of Commerce (NECC) on the role of the Chamber and its views on Aim 1 of the Economic Masterplan.

(For copy report – see original minutes).

Mr. Walker provided the Committee with a briefing note which outlined the work of the North East Chamber of Commerce, the north east perspective on the role of the area's universities within the regional economy and the development of Sunderland as a university city.

In response to an enquiry from Councillor P. Gibson, Mr. Walker confirmed that the Chamber actively signposted businesses towards the services provided by the University. In this regard the Chamber championed the Business Gateway as a one stop shop for businesses and organisations requiring specialist support from the University.

The Chairman having thanked Mr. Walker for his presentation, it was:-

3. RESOLVED that the report and presentation be included as part of the evidence for the Committee's Policy Review and Final Report into 'University City'.

Policy Review – Monitoring of Recommendations

The Chief Executive submitted a report (copy circulated) which provided the Committee with details of the progress made with regard to the implementation of the recommendations contained in its policy review final report into Tourism and Marketing in Sunderland.

(For copy report – see original minutes).

Karen Marshall, Tourism Development Manager, presented the report and in response to an enquiry from Councillor P. Gibson, advised that the decision on whether to defer World Heritage Status on Wearmouth/Jarrow was expected some time during July 2012. Officers from UNESCO had undertaken a further three day visit the previous month. They would produce a final report and recommendation. The Council would have an opportunity to view the report prior to its submission to the judging panel.

4. RESOLVED that the report be received and noted.

Visit to the Port of Sunderland

The Chief Executive submitted a report (copy circulated) which provided the Committee with feedback following their visit to the Port of Sunderland on 21st September, 2011.

(For copy report – see original minutes).

Members having welcomed and praised the work being undertaken by Matthew Hunt, the Port Manager, to revitalise business at the Port of Sunderland, placed on record their thanks to Mr. Hunt for taking time out of his busy schedule to host the visit.

5. RESOLVED that the report be received and noted.

Work Programme 2011-2012

The Chief Executive submitted a report (copy circulated) appending the current work programme for the Committee's information.

(For copy report – see original minutes).

6. RESOLVED that the information contained within the Work Programme be received and noted.

Forward Plan – Key Decisions for the Period 1st October, 2011 – 31st January, 2012

The Chief Executive submitted a report (copy circulated) to provide Members with an opportunity to consider those items on the Executive's Forward Plan for the period 1st October, 2011 to 31st January, 2012 which related to the Prosperity and Economic Development Committee.

(For copy report – see original minutes).

7. RESOLVED that the contents of the Executive's Forward Plan for the period 1st October, 2011 to 31st January, 2012 be received and noted.

Urgent Item

In accordance with Section 100(B) of the Local Government Act 1972 the Chairman stated that the following item was to be considered at this meeting as a matter of urgent business as the proposed visit was to be undertaken prior to the next meeting of the Committee.

Policy Review – Visit to Sheffield Hallam University

The Chief Executive submitted a report (copy tabled) which sought approval for the Committee to undertake a visit to Sheffield Hallam University as part of the evidence gathering process for its Policy Review into Aim 1 of the Economic Masterplan.

(For copy report – see original minutes).

Jim Diamond, Scrutiny Officer, presented the report advising that discussions were still taking place with the University as to the detailed arrangements for the visit. However, the programme was likely to include:-

- an overview of the University of its wider role in the City's economy/city region's economy. Any medium challenges and goals and their approach to collaboration;
- an overview of the University's role in economic leadership (City/LEP, etc);
- a discussion of any research undertaken into the local economic impact of the University;
- an overview of the process of engagement with business;
- visits to 2-3 departments/facilities with the most developed business interface and to any specific start-up of enterprise activity/programme/facilities;
- discussions with a small number of partners (e.g. Council, NHS, other) on the nature of University collaboration;
- a meeting with business people engaged in the University's governance and direction.

8. RESOLVED that approval be given to Committee attendance on a Policy Review visit to Sheffield Hallam University on a date to be arranged.

The Chairman then closed the meeting having thanked Members and officers for their attendance and contribution to the meeting.

(Signed) M. MORDEY,
Chairman.

**POLICY REVIEW – FEEDBACK FROM VISIT TO
SHEFFIELD HALLAM UNIVERSITY**

REPORT OF THE CHIEF EXECUTIVE

STRATEGIC PRIORITIES: SP3: PROSPEROUS CITY

**CORPORATE PRIORITIES: CIO1: Delivering Customer Focussed
Services, C102: Being ‘One Council’, C103: Efficient and Effective Council, C104:
Improving partnership working to deliver ‘One City’**

1. Purpose

- 1.1 To receive feedback following the visit of the Committee to Sheffield Hallam University as part of its policy review into Aim 1 (University City) of the Economic Masterplan.

2. Background

- 2.1 As part of the policy review into Aim 1 of the Economic Masterplan, the Committee agreed to undertake a visit to Sheffield Hallam University.
- 2.2 The purpose of the visit was to receive an overview of the work of the University and in particular its impact on the city and regional economy. The visit also set out to consider the links between the University and the business sector and its approach to supporting the local economy.
- 2.3 The programme of the visit was designed to provide:-
- an overview of the University's role in economic leadership (City/LEP, etc);
 - a discussion of any research undertaken into the local economic impact of the University;
 - an overview of the process of engagement with business;
 - visits to 2-3 departments/facilities with the most developed business interface and to any specific start-up or enterprise activity/programme/facilities;
 - discussions with partners on the nature of University collaboration;
- 2.4 The visit took place on 24-25 November 2011. Members of the Committee in attendance included Councillor Michael Mordey, Councillor Dianne Snowdon, Councillor Ellan Ball and Councillor Peter Gibson. Members were accompanied by Vince Taylor (Head of Strategy and Performance) and David Donkin (Assistant Director Business Development) University of Sunderland

3 Current Position

- 3.1 During the visit, Members met with a range of representatives from the University and viewed a number of projects and initiatives on offer. A summary of the issues raised is set out below.

Professor Mike Smith Pro Vice Chancellor - Introduction

- 3.2 Professor Mike Smith, Pro Vice Chancellor for Research and Knowledge Transfer set the backdrop for the visit and provided an overview of the University's role in economic leadership.
- 3.3 He noted that the University had established and maintained a positive working relationship with the City Council. This relationship was based on openness and trust and recognition of the strengths that each party can bring. The University had traditionally been an active player in the local and regional economy and in more recent years had also developed links with the city's other University (Sheffield University) in order to maximise their combined impact on the city economy.
- 3.4 Professor Smith emphasised the importance of joint working. The University also playing a very active role in the Local Enterprise Partnership (LEP) and had worked closely with the previous Regional Development Agency. Professor Smith did voice some concern's that the lack of any direct budget for the LEP would effectively hinder its work and constrain its ability to manage the process of economic change and development in the city.
- 3.5 The University had always sought to maximise its use of the European Regional Development Fund and this was now the principal source of funding for new projects and initiatives in terms of the promotion of skills and enterprise.
- 3.6 During the years, the Universities location in the heart of the city and its expenditure on new buildings had been a central engine for the regeneration of the city centre bringing in substantial income and spending into the city. Sheffield University and Sheffield Hallam University had jointly commissioned a detailed piece of research into the economic benefits the two institutions brought to the city. Prof Smith felt that this had been a highly useful piece of work. A copy of this document will be forwarded for the Committee in due course.
- 3.7 The city had been particularly commended on the improvements made to the public realm - much of which had been delivered by the University. He felt that this was a concrete example of the University using its physical assets to help regenerate the city centre and the local economy.
- 3.8 The presence of a high number of international students was of considerable economic benefit to the city. As well as the direct economic benefit that they contributed to the economy while studying at the University, there was also the potential contribution they made when they subsequently obtained employment and were in a position to choose to direct investment back into the city.
- 3.9 Great importance was attached to making the best use of the specialist skills held within the University. However, Professor Smith argued that it was important to focus on those areas where there were genuine examples of excellence. Another central feature was the need to develop and maintain trust between organisations. Prof Smith felt that this was something at which the University had excelled. This

trust was more than just the trust that can develop between individuals but one that existed between institutions themselves. This trust had allowed the University to develop links with the national headquarters of major public and private sector bodies such as Railtrack, Rolls Royce and Sainsburys.

- 3.10 In developing the local economy it was important not to focus unduly on high tech areas of the economy and that assistance was of importance to all sectors of the economy that can help generate employment.
- 3.11 The University had a history of working closely with businesses in order to develop the training courses that they need (by co creation) in order that they can help to equip the local workforce with the skills required by local business. However, it was important that such courses were of high quality and respected and that their value and status was secured.
- 3.12 The issue of student employability was central to the University. This was reflected in the high priority attached to student placements and the employment support provided to students. For example recent graduates were provided with on going support for 2 years after graduation. The University had also established a business incubator to help students set up their own businesses.
- 3.13 The University has also had a traditionally strong reputation for the quality of its teaching and its research. Very important in this respect was the close links established with the NHS and local hospital trusts which had brought in quite substantial revenue for the University in recent years. Prof Smith felt that in coming years the health sector was likely to emerge as an ever more important area for potential growth, together with advanced manufacturing such as emerging supply chain industries.
- 3.14 The University has traditionally enjoyed high rates of retention of students coming into the areas from outside and choosing to stay, live and work in the city. Prof Smith felt that it was often of benefit for the Colleges' students to spend time away from the city following their degrees. In many ways the important issue was to get students to return later in life and live in the area. High retention rates were only of benefit if jobs existed for students leaving the University. There was some discussion as to the effect of recent increases in fees and whether this will lead to more students opting to remain in their local area choosing the University of their choice. Prof Smith also suggested that while in the past the university has tried to cover as many courses as possible, in the future and as resources become tighter, it may need to take a more focused approach and manage expectations of what can be delivered.
- 3.15 Prof Smith recognised that for the University sector, as with most sectors of the economy, the future would be challenging and that it was important that expectations of what could be achieved were realistic.

Sheffield Business School – Knowledge Transfer

- 3.16 Stephanie Sturges, Senior Lecturer and Siobhan Newton, Knowledge Transfer Champion noted that one of the aims of the Sheffield Business School was to develop the entrepreneurial spirit of students and work with local businesses looking for help and assistance.

- 3.17 The School provided business expertise and practical applied research across commerce, industry and the public sector. The emphasis was on adopting a flexible approach and tailor student learning plans and business solutions to the needs of individuals and organisations. The School worked with both SME's and large organisations and an important feature was the level of collaboration between Sheffield University and Sheffield Hallam.
- 3.18 The School could identify a new graduate to carry out a one to three year project for a company. This could involve the development of new products, streamlining manufacturing processes, design marketing strategies and developing new systems. So far, the university had set up successful partnerships with over 100 businesses and helped them get funding to cover some of their costs.
- 3.19 In terms of the knowledge transfer programme, this scheme brought together participants from the public and private sector in order to tackle a particular issue – two examples being the approach taken to city centre management and the public/private benefit of holding major events. This provided a good opportunity for partnership working and provided an opportunity to challenge existing working practices and assumptions. At a time of constraints of funding the Programme also provided an opportunity for joint working and collaboration in fresh and innovative ways.

Innovation Futures – Materials and Engineering Research Institute

- 3.20 Alex Prince noted that the Materials and Engineering Research Institute (MERI) was established in 1990 to bring together a multi-disciplinary team of researchers to promote high standards in materials and engineering research.
- 3.21 The Innovations Futures Project was a three year programme involving knowledge transfer between businesses with the University offering its specialist expertise and knowledge. The project was made up of 10 staff but there was an opportunity to buy in expertise from academic experts across the University. There were over 200 projects for the industry each year, ranging from a few hundred pound companies to multi million pound research projects.
- 3.22 The project worked closely with local SME's though one of the lessons learnt has been the benefit of also engaging with the larger companies where one can often have more effect and a greater benefit by working with larger businesses.
- 3.23 The difficult economic climate had made it difficult to achieve targets in relation to jobs created. The project often found that work has helped to solve a particular problem of a firm but that this has not necessarily helped to create new jobs. In retrospect it was felt that there needed to be a clearer understanding of how you define the success of a project.

Design Futures

- 3.24 John Kirby, Creative Director noted that Design Futures work with industry on packaging and the design of products, bringing a wide range of expertise from the University to solve particular problems.

- 3.25 Staff members possessed a range of skills including those from the private sector which allowed the development of something that was unique but also manufacturable. The project had had considerable success with a number of private sector clients, including packaging for M&S, Twinning Tea, King meal Bread and Waitrose. The project concentrated on the use of renewables such as paper and cardboard as a basis for packaging and was able to keep costs down by using expertise available in house.
- 3.26 However, the project was not about maximising profits but providing links with local businesses and opportunities for students to gain design experience. The promotion of the project depended a lot on word of mouth from satisfied customer and referrals from business link.

Materials and Engineering Institute

- 3.27 Dr Nick Farmilo, Business Development Manager referred to the importance of ERDF as a source of potential funding. It was important to be sensitive to the real needs of local businesses and not simply what you feel their needs should be. He also suggested that the focus should not only be on high tech and software. There was also value in helping smaller firms in the more traditional sectors of the economy which can help to provide sizeable levels of employment.
- 3.28 One issue that needed to be considered was the amount of time spent on marketing the service as against providing help and advice. Often firms were unaware of where and from whom to seek advice. It was therefore important to actively identify the people who need it. Reference was made to the benefits of holding a large event or a forum in an accessible venue that can attract those firms who do not normally engage.

The Hatchery Business Incubator

- 3.29 Sheila Quairney, Business and Enterprise Manager and Charmaine Myers, Director of Venture Matrix noted that the Hatchery Business Incubator was established in 2007/08 to provide support for people who were interested in starting a business. The scheme allowed students to set up mini projects and work with other students to support one another. The scheme was designed to develop useful and practical projects but also develop a person's employability skills and make them more attractive to potential employer.
- 3.30 There was also scope to offer start up grants, offer to one advice and guidance and offer space and facilities to allow students to develop ideas. Where a student had developed an idea for a product then further support was from a local engineering firm (Grapple) to provide advice for the student.
- 3.31 The scheme also provides support for students to run their own businesses in the college but it was important that students make the completion of their degree a priority. However, it was recognised that setting up a business or learning the process of setting up a business could be better work experience than many short term jobs in the retail sector.
- 3.32 However, it was recognised that the current economic situation was not favourable for setting up small businesses and that setting up a business was difficult and risky

move. Students were therefore made aware from the outset of the difficulties involved and it was recognised that self employment was not an option for everyone

- 3.33 Members undertook a brief tour of the Business Incubator and took the opportunity to speak to a number of students.

Tour of Sheffield Hallam University Campus

- 3.34 In conclusion, Dave Furniss, Deputy Head of Estates Operations provided members with a brief tour of the campus and an outline of its development since the 1990's.

4. Recommendation

- 4.1 The Scrutiny Committee is asked to consider the issues raised during visit of Sheffield Hallam University.

4. Background Papers

None

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Prosperity Scrutiny Committee

Wednesday 14th December 2011

Performance Report Quarters 1 & 2 (April – September 2011)

Report of the Chief Executive

1.0 Purpose of the report

The purpose of this report is to provide Prosperity Scrutiny Committee with a performance update for the period April to September 2011 and set out the direction of travel for the Council's Corporate Performance Framework in light of recent national government changes for performance reporting.

2.0 Background

Performance reports provided to Scrutiny Committee throughout 2010/11 as part of quarterly performance monitoring arrangements were closely linked to performance indicators from the previous government's national indicator list, with a particular focus on those prioritised within the Local Area Agreement.

In October 2010 the Coalition Government announced the deletion of the National Indicator set and also announced that from April 2011 there would no longer be a requirement for council's to produce an LAA. Both announcements signalled a move towards self regulation and improvement with more flexibility to report against local priorities using a set of locally determined measures for 2011/12.

The Council's aim is that, in future, performance reporting should be focused on the key priorities for the people, place and economy of Sunderland and should continue to be a robust appraisal of the situation resulting in actions. It should cover the main strengths, areas for improvement, outstanding risks and how these are being addressed. This is a move away from simply reporting all performance indicators with no weighting to reflect their relative importance to the Council. Instead, the aim is to draw attention to the areas that matter most and maximise improvement to deliver Value for Money.

It is envisaged that Scrutiny will continue to have an important role to play in the authority's revised performance management framework. This will include regular challenging of heads of service and senior officers on ongoing performance issues focussing on particular areas of concern.

Attached at Appendix 1 is an extract (produced by *Performance Plus*, the council's corporate performance management software system) of the performance indicators traditionally reported to this scrutiny committee.

The performance overview below sets out the current position in respect of these indicators and describes in more detail proposals for developing the performance monitoring framework in relation to the remit of this committee.

3.0 Performance Overview

Under the over arching theme of Prosperous and Learning City, the Local Area Agreement 2008 – 2011 included a key objective to *'support economic growth and participation in the economy by encouraging the development of an enterprising culture'*. This key priority was about increasing the number of jobs in the economy, increasing wage levels, increasing recorded business start ups and supporting business growth. It was about reducing the number of benefit claimants by enabling people to gain employment and it was about improving income levels to improve the quality of life of local people. As a result the below performance indicators were reported to this scrutiny committee:

- **The % of working age population aged 16 to 64 in employment (NI 151)**
- **The % of working age population aged 16 to 64 claiming out of work benefits (NI 152)**
- **The % of claimants within the worst performing neighbourhoods (NI 153)**
- **The average weekly wage of all full time employees employed within Sunderland (NI 166)**
- **The % of business registrations per 10,000 population aged 16 and over (NI 171)**
- **The % VAT registered businesses showing year on year employment growth.**

A report has previously been presented to scrutiny committee in relation to the year end performance for 2010/11. Since then there has been no further update the above indicators. Key messages from the 2010/11 scrutiny report are summarised below:-

The percentage of the working age population in employment had decreased from March 2010 – March 2011, however, it was highlighted that this was based on a small (1%) sample from a national survey. The report suggested an alternative measure of local performance is the percentage claiming out of work benefits for which the latest data was showing a decrease. However, unemployment can fall even when jobs are diminishing because individuals with little prospect of getting a job deregister. The latest data also showed a decrease for the worse performing neighbourhoods and an increase in the median gross weekly pay.

The report also highlighted that the number of business registrations had decreased although performance in relation to the percentage of VAT registered businesses showing year on year growth was stable.

There is a significant time lag in the data used to report against these indicators and consequently there is no further update on the latest data provided to Prosperity Scrutiny Committee in the 2010/11 year end performance report.

However, the Council continues to monitor the state of the city economy using anecdotal evidence and other data sources which can provide more up to date information, although they can also be more sporadic and therefore provide less reliable information about long term trends.

Inevitably Sunderland's economy is heavily reliant on the recovery of the national and global economy and the increasing uncertainties in the eurozone over recent months will inevitably have consequences for the city. The Bank of England has warned that the eurozone debt crisis is the "single biggest risk" to the UK recovery and has forecast a dramatically increased threat of a double-dip recession next year. Furthermore the Bank has reduced its **central growth estimate** to no more than 1% in both 2011 and 2012 from previous forecasts of around 1.5% and 2.2% respectively.

This more pessimistic outlook appears to be reflected in local figures for this year. Indicative figures in the city suggest that businesses are still starting up in Sunderland, but at a reduced rate to that seen last year. The North East Region as a whole is also seeing lower business start up activity than over the same period last year, although activity is higher in other regions including London.

Up until the start of 2011 the proportion and number of residents receiving unemployment benefits (JSA) in Sunderland had been decreasing from its peak in May 2009. However, this decline levelled out at the start of 2011 and the numbers began to increase again to a rate of 5.6% in September of this year. Whilst October's figures showed a slight reduction to 5.4%, the overall number of people claiming JSA in the city is still higher now than at any point between March 2010 and August 2011. Furthermore, as in the rest of the UK, unemployment amongst people aged 18-24 is higher than amongst any other age group in the city.

There are several factors influencing this increase in unemployment. Firstly, the slow growth of the UK economy has reduced the demand for labour. Furthermore increasing uncertainty across Europe and slowing growth in other parts of the world are reducing business confidence. There are also ongoing job losses across the public sector in the region. Another factor is likely to be the transfer of individuals from Incapacity Benefit onto JSA as part of the reforms of the Welfare System. It is not possible yet to determine what proportion of the increase is due to this change.

Despite the current economic situation, Sunderland City Council continues to focus on attracting inward investment and supporting businesses in the city.

Sunderland has been awarded Enterprise Zone status for sites covering 42 hectares close to the Nissan site and including the area of land known as Turbine Business Park. Businesses that take occupation of a property in the Zone may benefit from Business Rate Discounts or Enhanced Capital Allowances for investment in plant and machinery. An Implementation Plan for the Enterprise Zone was submitted by NELEP to Government in November 2011 and we are awaiting a formal response. Work is progressing to develop

simplified planning arrangements and plans for site development. In his Autumn Statement, the Chancellor announced that the Government will expand the existing Enterprise Zone in the North East to include land around the Port of Blyth, encouraging business investment in the renewables industry. He will also make 100 per cent capital allowances available in 6 Enterprise Zones including North Eastern and Tees Valley. This will benefit the larger scale investments that are envisaged for the NELEP Zone which including the sites close to the Nissan plant in Sunderland. The Regional Growth Fund for England will also be expanded by £1 billion and extended into 2014-15 to provide ongoing support to grow the private sector in areas currently dependent on the public sector.

ERDF and remaining WNF funding is being used by the Sunderland Enterprise Consortium to continue the 'Talent Scout' programme of Business Advisors and enterprise support, albeit at a smaller scale, to try to encourage business start ups in the city. Efforts are also continuing, with the University, to give local businesses access to high quality support and skills. Whilst the primary source of support to the unemployed is through the national Work Programme, the Council continues to try and support unemployed individuals through running 'Work Clubs' to encourage peer support. The Council is also looking at options for encouraging businesses to take on apprentices, which will hopefully be supported by recent Government announcements of support for apprenticeships. In addition DWP has also recently announced a programme of funding to support families with multiple problems into work. SNCBC is delivering this programme in Sunderland and hopes to help over 1000 people over 3 years in the city. Furthermore Sunderland City Council continues to work with other organisations to put together proposals for economic tools that could do more to encourage investment and development in Cities like Sunderland.

4.0 Future Performance Reporting for Prosperity

During the first six months of 2011/12 Sunderland City Council has been reviewing its performance framework around prosperity and in future this will be structured around the agreed outcomes of the cities Economic Masterplan.

Below sets out the five aims of the Economic Masterplan and the approach to proposed outcomes / key performance indicators that will be used to measure progress against these aims.

Aim 1 A new kind of university city – Performance measures for this aim will look at the role of the University in developing the skill base within the city as well as the development of entrepreneurship in relation to new businesses.

Aim 2 A national hub of the low carbon economy – Performance measures for this aim will measure the extent of low carbon business development as well as Sunderland as a low carbon place.

Aim 3 A prosperous and well-connected waterfront city – Performance measures for this aim will measure the extent to which the city centre has a strong economic and employment role for the city.

Aim 4 An inclusive city economy for all ages – This aim particularly focuses on measuring participation in the economy for specific groups.

Aim 5 A one city approach to economic leadership – This is the overarching aim to develop prosperity and performance measures will focus on success in achieving more wealth, more business and a higher overall employment rate.

5.0 Recommendation

The Committee considers the findings within this report, including areas of good progress made by the Council and those areas of further improvement highlighted in the report.

Report Key





This is the level of performance at 31st March 2010 or latest available during 2009/2010. A question mark means that information is not available

This is the level of performance at 31st March 2011 or latest available during 2010/2011. A Question mark means that information is not available





The target is what we want to achieve. A question mark means that a target has not been set
? = target not set

Performance Indicator	March 2010 Latest Data	March 2011 or Latest Data	Are we improving?	Target	Have we achieved the target?	Commentary
Total number of enquiries (libraries) (LPI010)	159,052.00	169,147.00	✓	155,000.00	★	Performance output above target at end of year
Number of active borrowers per 1,000 population (LPI013)	181.00	167.30	✗	180.00	▲	There is an ongoing programme to encourage active borrowing and reading including continued development of reading groups, author visits and promotions such as World Book Day and National Children's Book Week.

This is a comparison of March 2010 performance against March 2011 performance. The symbols mean:

- Performance has improved 
- Performance is stable 
- Performance has declined 
- Information is not available 

The traffic light is a comparison of performance at 31st March 2011 against the target. The symbols mean:

- The target has been achieved 
- Performance is within 5% of the target 
- The target has not been achieved 
- Not applicable due to no target being set 

Prosperity & Economic Development

Performance Indicator	March 2010 Latest Data	March 2011 or Latest Data	Are we improving?	Target	Have we achieved the target?	Commentary
The percentage of the working age population (16-59 for females and 16-64 for males) who are in employment (NI151).	67.00 %	63.90 %		70.60 %		Data relates to January 2010 to December 2010 time period. The negative shift is probably due to sampling issues (the Annual Population Survey is a very small sample, and so is particularly unreliable at the local level). By way of comparison, the trend in benefit claimants shows improvement over the corresponding period, suggesting that the worsening figures for NI151 do not point towards a real problem and should stabilise with the next release of data.
The percentage of the working age population who are claiming out of work benefits (NI152).	18.40 %	17.30 %		19.00 %		Data relates to November 2010
The percentage of the working age population who are claiming out of work benefits in the worst performing neighbourhoods (SOA's with over 25% claimant rate) (NI153)	32.90 %	31.10 %		31.20 %		Data taken from the Department for Work & Pensions quarter 4 return in 2010.
Median gross weekly pay of full-time employees on a workplace basis (NI166)	£406.60	£436.00		£406.60		The average weekly wage of full time employees in Sunderland has increased, 2009 into 2010.
The rate of business registrations per 10,000 resident population aged 16 and above (NI171).	36.60	27.10		37.50		A significant drop which is surprising since the period covered relates to the time when we were emerging from recession and VAT-registered business figures for both stock and registrations (which represent the biggest component of data for NI171) show improvement over the year. The authority will have to wait until the next dataset is released to see whether this is once again merely a statistical anomaly. Data relates to December 2008
The percentage of VAT registered businesses showing year-on-year employment growth (NI172).	15.90 %	15.92 %		15.90 %		Please note, there is a 2 year time lag on the data, which relates to 2009. An improvement over 2008 can be identified and slightly above target.

WELFARE BENEFITS UPDATE REPORT

REPORT OF THE CHIEF EXECUTIVE

STRATEGIC PRIORITIES: SP3: PROSPEROUS CITY

CORPORATE PRIORITIES: C101: Delivering Customer Focussed Services, C102: Being 'One Council', C103: Efficient and Effective Council, C104: Improving partnership working to deliver 'One City'

1. Purpose of Report

- 1.1 To receive a report from Fiona Brown (Head of Transactional Services) on the implications of proposals for welfare benefit reform on communities within the city.

2. Background

- 2.1 Fiona Brown has been invited to the meeting to provide a presentation on the potential implications of proposed changes to welfare benefits for the Council and the city.
- 2.2 Members are invited to receive the presentation and ask questions on the information provided.

3 Recommendation

- 3.1 That the report be noted.

Contact Officer : James Diamond 0191 561 1396
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WORK PROGRAMME 2011-12

REPORT OF THE CHIEF EXECUTIVE

Strategic Priorities: SP3 – Prosperous City

Corporate Priorities: CIO1: Delivering Customer Focused Services, CIO4: Improving partnership working to deliver ‘One City’.

1. Purpose of the report

- 1.1 The report attaches, for Members’ information, the current work programme for the Committee’s work during the 2011-12 Council year.
- 1.2 The work of the Committee in delivering its work programme will support the Council in achieving its Strategic Priorities of a Prosperous City, support delivery of the related themes of the Local Area Agreement, and, through monitoring the performance of the Council’s services, help the Council achieve its Corporate Improvement Objectives CIO1 (delivering customer focussed services) and CIO4 (improving partnership working to deliver ‘One City’).

2. Background

- 2.1 The work programme is a working document which the Committee can develop throughout the year. The work programme allows Members and officers to maintain an overview of work planned and undertaken during the Council year.

3. Current position

- 3.1 The work programme reflects discussions that have taken place at the 16 June 2011 Scrutiny Committee meeting. The current work programme is attached as an appendix to this report.

4. Conclusion

- 4.1 The work programme developed from the meeting will form a flexible mechanism for managing the work of the Committee in 2011-12.

5 Recommendation

- 5.1 That Members note the information contained in the work programme and consider the inclusion of proposals for the Committee into the work programme.

PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE WORK PROGRAMME 2011/2012

REASON FOR INCLUSION	JUNE .06.11	JULY 27.07.11	SEPTEMBER 12.9.11	OCTOBER 26.10.11	DECEMBER 14.12.11	JANUARY 18.01.12	FEBRUARY 29.02.12	APRIL 18.04.12
Cabinet-Referrals and Responses			Response to the 10/11 Policy Review – Low Carbon Economy					
Policy Review	Annual Work Programme and Policy Review 2011/2012 (JD)	Policy Review - Scoping Report - Aim 1 of Economic Masterplan – University City (JD) Policy Review – Scene Setting (JD)	Policy Review – Evidence Gathering (JD) Visit to Port (JD)	Policy Review - Evidence Gathering – Links with Business	Policy Review – Evidence Gathering (JD) Visit to example of best practice – Sheffield Hallam University (VT)	Policy Review – Evidence Gathering (JD)	Policy Review Progress Report (JD)	Policy Review: Final Report (JD)
Performance			Performance Q1 (Mike Lowe) Progress on Previous Policy Reviews (JD)		Performance Q2/ Policy Review Progress (Mike Lowe)			Performance Q3/ (Gillian Robinson)
Scrutiny	City Centre Improvement Programme – Support for Business(GF) Seaburn Masterplan (KL) Forward Plan (SA)	Work Programme (JD) Forward Plan (JD)	Work Programme (JD) Forward Plan (JD)	North East Chamber of Commerce (Jonathan Walker) Review into Tourism – Feedback (JH) Port of Sunderland – Feedback from Visit (JD) Work Programme (JD) Forward Plan (JD)	Welfare Benefits (Fiona Brown) Work Programme (JD) Forward Plan (JD)	Sub National Economic Development - LEP (Vince Taylor) Work Programme (JD) Forward Plan (JD)	Low Carbon Economy – Marketing and Communication Strategy (JP) Low Carbon Economy - Role of Small Businesses (JS) Work Programme (JD) Forward Plan (JD)	Work Programme (JD) Forward Plan (JD)
CCFA/Members items/Petitions								

PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE

FORWARD PLAN – KEY DECISIONS FOR THE PERIOD 1 December 2011 – 31 March 2012

REPORT OF THE CHIEF EXECUTIVE

14 December 2011

1. Purpose of the Report

- 1.1 To provide Members with an opportunity to consider those items on the Executive's Forward Plan for the period 1 December 2011 – 31 March 2012.

2. Background

- 2.1 The Council's Forward Plan contains matters which are likely to be the subject of a key decision to be taken by the Executive. The Plan covers a four month period and is prepared and updated on a monthly basis.
- 2.2 Holding the Executive to account is one of the main functions of Scrutiny. One of the ways that this can be achieved is by considering the forthcoming decisions of the Executive (as outlined in the Forward Plan) and deciding whether Scrutiny can add value in advance of a decision being made. This does not negate Non-Executive Members ability to call-in a decision after it has been made.
- 2.3 Members requested that only those items which are under the remit of the Committee be reported to this Committee. The remit of the Committee covers the following themes:-

Inward Investment and Business Support; Regeneration; Improving employability; Encouraging economic prosperity; Boosting the skills and knowledge level of the workforce; City Centre; and Marketing & Tourism.

- 2.4 In the event of Members having any queries that cannot be dealt with directly in the meeting, a response will be sought from the relevant Directorate.

3. Recommendation

- 3.1 It is recommended that the Committee considers the Executive's Forward Plan for the period 1 December 2011 to 31 March 2012.

4. Background Papers

- 4.1 Forward Plan for the period 1 December 2011 – 31 March 2012.

Contact Officer: Jim Diamond, Scrutiny Officer
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**Forward Plan -
Key Decisions
for the period
01/Dec/2011 to
31/Mar/2012**



**E Waugh,
Head of Law and Governance,
Commercial and Corporate Services,
Sunderland City Council.**

14 November 2011

Forward Plan: Key Decisions for the next four months - 01/Dec/2011 to 31/Mar/2012

No.	Description of Decision	Decision Taker	Anticipated Date of Decision	Principal Consultees	Means of Consultation	When and how to make representations and appropriate Scrutiny Committee	Documents to be considered	Contact Officer	Tel No
01552	To approve the procurement of specialist grass cutting and horticultural equipment.	Cabinet	07/Dec/2011	Corporate Procurement; Executive Director of Commercial and Corporate Services; Member with Portfolio for Attractive and Inclusive City	Report; Briefings	Via the Contact Officer by 21 November - Environment and Attractive City Scrutiny Committee	Report	Les Clark	5614501
01548	To agree Community Equipment Service (CES) - Tender for provision of Riser Recliner Chairs	Cabinet	07/Dec/2011	Cabinet, Service Users and Ward Members, Portfolio Holders	Briefings and/or meetings with interested parties	Via the Contact Officer by 21 November 2011 - Health and Wellbeing Scrutiny Committee	Report	Philip Foster	5662042
01553	To Agree appropriation of land for planning purposes at Sunderland Retail Park, Monkwearmouth, Sunderland	Cabinet	07/Dec/2011	None	N/A	Via the Contact Officer by 21 November 2011 - Prosperity and Economic Development Scrutiny Committee	Cabinet Report	Colin Clark	5611502

Forward Plan: Key Decisions for the next four months - 01/Dec/2011 to 31/Mar/2012

No.	Description of Decision	Decision Taker	Anticipated Date of Decision	Principal Consultees	Means of Consultation	When and how to make representations and appropriate Scrutiny Committee	Documents to be considered	Contact Officer	Tel No
01536	To recommend to Council the level of Council Tax Base to be included in the 2012/2013 Budget	Cabinet	11/Jan/2012	None	N/A	Via the Contact Officer by 18 November 2011 - Management Scrutiny Committee	Cabinet Report	Fiona Brown	5611811
01534	To consider any key decisions arising from the Capital Programme and Treasury Management Third Quarterly Review	Cabinet	11/Jan/2012	Directors and third parties affected by the virement proposals	Report will be made available on the Intranet and emailed to Directors	Via the Contact Officer by 16 December 2011 - Management Scrutiny Committee	None	Sonia Tognarelli	5611851
01526	To consider budget proposals for the 2012/2013 Revenue Budget for the Council	Cabinet	11/Jan/2012	Directors, Relevant Portfolio Holders, EMT, Chamber of Commerce, Trade Unions, Citizens Panel and Education Stakeholders	Briefings, Meetings, Presentations	To Contact Officer by 19 December 2011 - Management Scrutiny Committee	Report and Supporting Papers	Sonia Tognarelli	5611851

Forward Plan: Key Decisions for the next four months - 01/Dec/2011 to 31/Mar/2012

No.	Description of Decision	Decision Taker	Anticipated Date of Decision	Principal Consultees	Means of Consultation	When and how to make representations and appropriate Scrutiny Committee	Documents to be considered	Contact Officer	Tel No
01547	To agree the Strategy for Telecare.	Cabinet	11/Jan/2012	Cabinet, Service Users and Ward Members, Portfolio Holders	Briefings and/or meetings with interested parties	Via the Contact Officer by 21 November 2011 - Health and Scrutiny Committee	Full Report	Philip Foster	5662042
01438	To agree the Social Care Contributions Policy for Personalisation	Cabinet	11/Jan/2012	Cabinet, Service Users and Ward Members, Portfolio Holders	Briefings and/or meetings with interested parties	via the Contact Officer by 19 September - Health and Wellbeing Scrutiny Committee	Report	Neil Revely	5661880
01524	To consider any key decisions arising from the Revenue Budget Third Quarterly Review	Cabinet	11/Jan/2012	Directors and third parties affected by the virement proposals	Report will be made available on the Intranet and e-mailed to Directors	Via the Contact Officer by 18 November 2011 - Management Scrutiny Committee	None	Sonia Tognarelli	5611851

Forward Plan: Key Decisions for the next four months - 01/Dec/2011 to 31/Mar/2012

No.	Description of Decision	Decision Taker	Anticipated Date of Decision	Principal Consultees	Means of Consultation	When and how to make representations and appropriate Scrutiny Committee	Documents to be considered	Contact Officer	Tel No
01525	To consider any key decisions arising from the Capital Programme and Treasury Management Third Quarterly Review	Cabinet	11/Jan/2012	Directors and third parties affected by the virement proposals	Report will be made available on the Intranet and e-mailed to Directors	Via the Contact Officer by 16 December 2011 - Management Scrutiny Committee	None	Sonia Tognarelli	5611851
01527	To recommend to Council the level of Council Tax Base to be included in the 2012/2013 Budget	Cabinet	11/Jan/2012	None	N/A	Via the Contact Officer by 18 November 2011 - Management Scrutiny Committee	Cabinet Report	Fiona Brown	5611811
01537	To recommend the Revenue Budget and Proposed Council Tax 2012/2013 to Council	Cabinet	15/Feb/2012	Reps. of Business Ratepayers, Unions, Headteachers, Governors, Youth Parliament, Citizens Panel	Presentations, Meetings, Surveys	At meetings arranged and otherwise in writing to the Contact Officer by the end of January 2012 Management Scrutiny Committee	Cabinet Report	Sonia Tognarelli	5611851

Forward Plan: Key Decisions for the next four months - 01/Dec/2011 to 31/Mar/2012

No.	Description of Decision	Decision Taker	Anticipated Date of Decision	Principal Consultees	Means of Consultation	When and how to make representations and appropriate Scrutiny Committee	Documents to be considered	Contact Officer	Tel No
01538	To recommend the level of Council Tax Collection Fund 2012/2013	Cabinet	15/Feb/2012	None	N/A	In writing to the Contact Officer by the end of January 2012 - Management Scrutiny Committee	Cabinet Report	Sonia Tognarelli	5611851
01540	To recommend the Capital Programme, Prudential Indicators and Treasury Management and Investment Strategy for 2012/2013 to the Council	Cabinet	15/Feb/2012	Representatives of Business Ratepayers and Unions	At Special Meeting in February	At Special Meeting and otherwise in writing to the Contact Officer by end of January 2012 Management Scrutiny Committee	Cabinet Report	Sonia Tognarelli	5611851
01539	To recommend the level of Council Tax to Council	Cabinet	15/Feb/2012	Representatives of Business Ratepayers and Unions	At Special Meeting in February	At Special Meeting and otherwise in writing to the Contact Officer by the end of January 2012 Management Scrutiny Committee	Cabinet Report	Sonia Tognarelli	5611811

