

At a meeting of the MANAGEMENT SCRUTINY COMMITTEE held in the CIVIC CENTRE on THURSDAY, 22ND OCTOBER, 2009 at 5.30 p.m.

Present:-

Councillor Tate in the Chair

Councillors Barkess, Copeland, M. Forbes, Mordey, J. Scott and Walker.

Apologies for Absence

Apologies for absence were submitted on behalf of Councillors P. Gibson, L. Martin and T. Wright.

Also in Attendance

Councillor Heron, Chairman of the Community and Safer City Scrutiny Committee.

Minutes of the Last Meeting of the Committee held on 24th September, 2009

1. RESOLVED that the minutes of the last meeting of the Scrutiny Committee held on 24th September, 2009, Part I (copy circulated), be confirmed and signed as a correct record.

Matters Arising

(i) Reference from Cabinet – 9th September, 2009 – Proposals for Budget Consultation 2010-2011

Ms. Charlotte Burnham, Head of Overview and Scrutiny reported that a process was in place in the Authority to feed back the views of community groups on the budget consultation and she confirmed that the report would be shared with this Scrutiny Committee.

With regard to the suggestion made by Councillor T. Wright to make the Metro newspaper available in Council buildings and use the publication to publicise Council activity, Ms. Burnham advised that this had been raised with the Communications Team and Officers were exploring the proposal with a view to including future articles in the newspaper.

(ii) Attendance Management

Councillor M. Forbes referred to the statement made by Mr. Rippon “that employees were contacted by some departments in less than two days” and queried whether the Council had a policy in relation to contacting staff and why this was not followed consistently across the Authority.

Ms. Burnham undertook to clarify the point with colleagues from the Personnel Department and to write out to Members of the Committee with the information under separate cover.

Declarations of Interest (Including Whipping Declarations)

Item 4 – Reference from Cabinet – 7th October, 2009 – Budget Planning Framework 2010/2011

Councillor Tate declared personal interests in the above report as Chair of Hetton Home Care, a Member of the Tyne and Wear Superannuation Fund, a Member of the GMB Union and as his wife works for the Authority.

Councillor J. Scott declared a personal interest in the report as a Member of the GMB Union and also as his daughters work in schools.

Councillor Walker declared a personal interest as a Member of the Local Government Pension Scheme.

Reference from Cabinet – 7th October, 2009 – Budget Planning Framework 2010/2011

The Chief Solicitor submitted a report attaching a copy of a joint report of the Chief Executive and Director of Financial Resources (copies circulated), seeking the views of the Committee on the proposed budget planning framework which will guide the preparation of the Revenue Budget for 2010/2011 and inform the setting of cash limits within which Directors are required to prepare draft budgets.

(For copy reports – see original minutes).

Mr. George Blyth, Deputy Director of Financial Resources briefed the Committee on the report. Mr. Blyth highlighted the National Financial Outlook detailed at Section 3 of the report commenting that the country was experiencing the most extraordinary economic circumstances in decades and that inflation was forecast to go negative.

Mr. Blyth highlighted the following issues:-

- a longer term approach to realising efficiency savings was required;
- Directors and Portfolio Holders had been asked to explore and bring forward options for savings; and

- the emerging improvement agenda, the Sunderland Way of Working was seeking to address customer needs and generate savings to re-invest in services/balance the budget.

Mr. Blyth stated that the report showed the environment in which the budget was being developed. There were significant uncertainties and due to the volatile nature of the economic climate, the Council was looking to firm up its views. A number of spending priorities had been identified as detailed in Section 6 of the report. A summary of the Budget Planning Framework was detailed at Section 9.3.

Councillor Walker enquired about the progress of Phases 1 and 2 of the Single Status Agreement.

Mr. Blyth advised that Phase 2 had not been addressed in the same way as Phase 1. There was some interconnectivity between the Phases, however the Sunderland Way of Working needed to be born in mind and how the Council was looking to redesign services. He reported that a report would be submitted to the Personnel Committee on how this was to be adopted.

The Chairman remarked that there were difficult times ahead whichever Government was elected at the next parliamentary elections and enquired what financial safeguards the Council had already due the Government having committed resources.

Mr. Blyth advised that 2010/11 was the third year of the first three year settlement and it remained intact. However there had been some announcements about reductions to certain specific and special grants which would reduce as the Government reviewed its funding and spending plans and it was thought likely that after 2010/11, there would be one year settlements due to the volatility of the economic climate.

In response to the Chairman, Mr. Blyth advised that 4% efficiency savings represented £7.8m approximately. The intention was that this would not affect frontline services. Currently the target for 2 years was £18m. There was a culture within the management of the Council about getting more for each pound and doing things more efficiently.

Councillor M. Forbes stated that she would like to explore the detail around the efficiency savings identified by departments such as vacant posts etc.

Mr. Blyth advised that there was sufficient rigour around the whole process to ensure that where posts were not required and not filled that savings emerged. Each Directorate was being asked to make 4% savings without loss to frontline services and to achieve this, issues such as this, would be squeezed out when the Director of Financial Resources and his staff looked at the proposals.

The Chairman asked that the Scrutiny Committee receive the information on how savings had been achieved by Directorates.

Mr. Blyth stated that 4% efficiency savings applied to all Directorates. There would be a need to look at timetabling as to when and where the information could be provided as it was a continuous process leading up to the key reports going forward to Cabinet in January and February. He would take this back to look at how the information could be given to the Scrutiny Committee.

Councillor Copeland suggested that the Council have a pay freeze for staff,

The Chairman advised Councillor Copeland that there was a national negotiating body which decided on pay and terms and conditions of service.

Ms. Charlotte Burnham, Head of Overview and Scrutiny suggested that Mr. Blyth take back the Committee's request for discussion as to appropriateness and to explore the comments of individual Members. She commented that she hoped the Committee was not duplicating any processes that were happening anyway.

Mr. Blyth pointed out that the Portfolio Holders would be attending the Committee's February meeting and so this avenue to explore how the efficiencies were to be delivered was already there. He added, however, that the practicalities of how the Committee's request could be done would be looked at.

Councillor Mordey suggested that when the budget was in its final phases and the efficiencies were decided upon that a report be submitted to the Scrutiny Committee.

Full consideration having been given to the report; it was:-

2. RESOLVED that the Cabinet be advised that the Scrutiny Committee recognised that given the national economic position, the budget setting process for 2010/11 would be even more challenging and welcomed the longer term approach to improve and change services to address customer needs by working differently and looked forward to receiving information in due course on what is known as the Sunderland Way of Working.

Reference from Cabinet – 7th October, 2009 – Second Capital Programme Review 2009/2010

The Chief Solicitor submitted a report (copy circulated) seeking the advice and consideration of the Scrutiny Committee on a report considered by Cabinet on 7th October, 2009 on the Second Capital Programme Review 2009/2010.

(For copy report – see original minutes).

Mr. George Blyth, Deputy Director of Financial Resources referred Members to Appendix A which detailed the scheme variations since the First Capital Review 2009/2010. He advised that both schemes were to be funded from specific grants.

3. RESOLVED that the Cabinet be advised that the Scrutiny Committee noted and supported the proposed additional schemes and revisions to scheme costs for 2009/2010 as set out in Appendix A.

Developing the Work of Scrutiny and the Community Leadership Role of Elected Members

The Chief Executive submitted a report (copy circulated) informing Members of a series of workshops to be facilitated by Professor Tony Bovaird of Birmingham University to further develop the work of Scrutiny and the Community Leadership role of Elected Members.

(For copy report – see original minutes).

Ms. Charlotte Burnham, Head of Overview and Scrutiny encouraged Members to attend the workshops and advised that feedback and evaluation of the workshops would be provided to Members and discussed at the Informal Meeting of the Scrutiny Chairs and Vice-Chairs.

4. RESOLVED that the series of workshops be supported and Elected Members be encouraged to attend.

Review of the Councillor Call for Action Mechanism and Proposal for the Introduction of a Selection Criteria for Dealing with Issues of Local Concern

The Chief Executive submitted a report (copy circulated) to review the current Councillor Call for Action mechanism and suggest the introduction of a selection criteria for dealing with non-mandatory referrals for use by the Sunderland Partnership, Scrutiny Committees and Area Committees to address issues of local concern.

(For copy report – see original minutes).

Ms. Charlotte Burnham, Head of Overview and Scrutiny referred Members to the proposed new procedure for the consideration of non-mandatory/Councillor Call for Action referrals to Overview and Scrutiny detailed at Appendix B. She stated that the new procedure would make the process more clearer showing the relevant bodies the Committee can refer Councillor Calls for Action to such as Area Committees, the Sunderland Partnership and Scrutiny Committees.

Councillor Mordey commented that he felt the procedure would add an extra layer of bureaucracy and mean that the issue would be delayed by a month if it needed to go to the Management Committee to consider what action to be taken. He suggested that the Scrutiny Officers should be given the authority to identify which Scrutiny Committee to refer the issue to and that subsequently a report be submitted to the Management Committee to inform the Members of any referrals and which Scrutiny Committee was dealing with them.

Ms. Burnham stated that she appreciated there would be a time delay but the role of the Management Committee was to co-ordinate and re-direct issues to the appropriate Scrutiny Committee. She reminded Members that there had been two

Calls for Action submitted, one in relation to Houghton Quarry and the second concerning public toilets at Houghton and she enquired whether the Committee felt they should be subject to the new procedure.

Councillors Mordey and J. Scott were both concerned that consideration of the issues would be delayed if this was to happen and did not see the need to change how they were handled now.

Ms. Burnham stated that the general feeling was that things were not moving quickly enough and they would have more weight if they were brought into the new procedure to be re-directed.

Councillor Mordey suggested that the two Councillors who had submitted the Calls for Action be asked what they wanted to do.

Councillor M. Forbes enquired how other Authorities were handling Councillor Calls for Action.

Ms. Burnham advised that similar procedures were in place as the one the Committee was asked to revise at the meeting to make it more simplistic and that in comparison with neighbouring local authorities, Sunderland was only one of a handful of local authorities to receive two Councillor Call for Action since the introduction of the mechanism back in April 2009.

5. RESOLVED that:-

- (i) further revisions be made to the proposed new procedure for the consideration of non-mandatory/Councillor Call for Action Referrals to Overview and Scrutiny to include provision for such requests to be considered by the relevant Scrutiny Committee (in consultation with the Head of Overview and Scrutiny) in replace of the Management Scrutiny Committee as suggested; and
- (ii) the Head of Overview and Scrutiny contact the Members who have submitted the Councillor Call for Action referrals on Houghton Quarry and Houghton toilets to determine whether they would like the issues to be subject to the new procedure once the further revisions have been re-considered by both this Committee and the six other Scrutiny Committees in due course.

At this juncture, the Chairman welcomed Councillor Heron to the meeting who was attending in order to submit his views as Chairman of the Community and Safer City Scrutiny Committee in relation to the draft Protocol on the Appointment of Co-opted Members to the Council's Scrutiny Committees.

Overview and Scrutiny Handbook – Draft Protocol – Appointment of Co-opted Members to the Council’s Scrutiny Committees

The Chief Executive submitted a report (copy circulated) inviting verbal feedback from the six Scrutiny Committees on the draft Protocol for the Appointment of Co-opted Members to the Council’s Scrutiny Committee prior to its endorsement.

(For copy report – see original minutes).

Councillor Heron stated that from a personal point of view that he was delighted that the Community and Safer City Scrutiny Committee could now co-opt experts to give impartial advice. He hoped it brought scrutiny more to the fore and gave the Council a better public press. He advised that the Committee had accepted the report without comment.

Ms. Charlotte Burnham, Head of Overview and Scrutiny advised that each Scrutiny Committee had the opportunity to co-opt as they felt appropriate and in respect of the Children, Young People and Learning Scrutiny Committee a report would be submitted to Council at the November meeting to recommend the appointment of the non-voting co-opted Members to the Scrutiny Committee.

Councillor Mordey commented that co-option might suit some Scrutiny Committees more than others. He stated that he had slight concerns due to the timescale needed to co-opt, pointing out that it would be the November or December meeting before Members could be co-opted in any one year.

Ms. Burnham advised that Members of the Sustainable Communities Scrutiny Committee had also expressed concerns about co-opting Members as they were not democratically elected and accountable as Elected Members were and also about the timescale in relation to co-opting Members.

In response to Councillor M. Forbes, Ms. Burnham highlighted the general principles for co-opted members detailed at paragraphs 4.1 and 4.2 concerning observation of the Code of Conduct and declaration of interests.

6. RESOLVED that the Protocol be endorsed and included in the Scrutiny Handbook.

Overview and Scrutiny Handbook – Scrutiny Chairs and Vice-Chairs Role Descriptors

The Chief Executive submitted a report (copy circulated) providing the Scrutiny Committee with a progress report on the refresh of the Council’s Handbook for Overview and Scrutiny specifically in relation to role descriptors for Scrutiny Chairs and Vice-Chairs.

(For copy report – see original minutes).

7. RESOLVED that the draft role descriptions be approved and incorporated into the Scrutiny Handbook as part of its refresh.

Request to Attend a Seminar – North East Regional Employers Organisation Seminar on Performance Management

The Chief Executive submitted a report (copy circulated) asking the Committee to consider nominating delegates to the North East Regional Employers Organisation Seminar on Performance Management for Members to be held on 19th November 2009.

(For copy report – see original minutes).

8. RESOLVED that the Chairman and Vice-Chairman of the Scrutiny Committee be authorised to attend the above Conference, accompanied by the Head of Overview and Scrutiny at Durham County Cricket Club, Chester-le-Street at a cost of £120 + VAT per delegate to be funded from this Scrutiny Committee's budget.

Urgent Item

At this juncture the Chairman agreed that the Committee consider a further report requesting Member attendance at a Seminar in order to allow time for the necessary arrangements to be made.

Request to Attend Seminar – Centre for Public Scrutiny's Parliamentary Seminar Series – 1st December 2009, House of Commons

The Chief Executive submitted a report (copy circulated) to endorse the attendance of the Vice-Chairman to the Centre for Public Scrutiny's Parliamentary Seminar to be held on 1st December 2009.

(For copy report – see original minutes).

Ms. Charlotte Burnham, Head of Overview and Scrutiny highlighted that the Council had secured one place on 1st December 2009 seminar and had been added to the reserve list should any places become available on the remainder of the series. She would keep Members informed and seek nominations if spaces became available.

9. RESOLVED that the attendance of the Vice-Chairman of the Committee to the Parliamentary Seminar being held on 1st December 2009 be endorsed and that the cost of rail travel be funded from the dedicated budget of this Scrutiny Committee.

Forward Plan – Key Decisions for the Period 1st November 2009 – 28th February 2010

The Chief Executive submitted a report (copy circulated) providing Members with an opportunity to consider those items on the Executive's Forward Plan for the period 1st November 2009 – 28th February 2010 which relate to the Management Scrutiny Committee.

(For copy report – see original minutes).

10. RESOLVED that the Forward Plan for the above period be received and noted.

Work Programme 2009-10

The Chief Executive submitted a report (copy circulated) attaching for Member's information the current Work Programme for the Committee's work during the 2009-10 Municipal Year.

(For copy report – see original minutes).

The Chairman requested that the Committee receive a copy of the Work Programmes of the other six Scrutiny Committees in future together with its own Work Programme.

11. RESOLVED that the information contained in the Work Programme be noted and that the Work Programmes of the other six Scrutiny Committees be submitted to each meeting of the Management Committee in future in line with the Chairman's request.

The Chairman having thanked Members for their attendance then closed the meeting.

(Signed) R.D. TATE,
Chairman.

Report of the Director of Financial Resources

Gentoo - Derivative Transactions

1. Purpose of Report

- 1.1. To set out and consider the request for the Council to agree to a widening of the borrowing powers of Gentoo, which includes the use of derivative transactions.
- 1.2 As this is a technical issue, and does not involve expenditure by the Council amounting to over £250,000 or has any direct impact on two or more Wards of the Council, this is not considered to be a key decision and as such can be taken using delegated powers.
- 1.3 However, given the level of political interest in the relationship between Gentoo and the Council, and the activities of Gentoo, it was considered appropriate that the proposal should be the subject of review by this Committee prior to the Council taking the decision under the proposed use of delegated powers.

2. Background Information

- 2.1 The Council received a request from Gentoo Sunderland on 21st October 2008 to make changes to its Memorandum of Association in respect of a clause relating to widening its borrowing powers in line with Circular 01/07 from the Tenants Services Authority (TSA) - (previously known as the Housing Corporation). The existing clause is set out in Appendix 1 with the amended clause set out in Appendix 2 for the Council to consider and approve, if in agreement.
- 2.2 The Gentoo Housing Group, advised by Hugo Stephens of Cobbetts, have been in discussions with the TSA about adopting the 'wider' rules and have been given permission to change the Memorandum of Association of both Gentoo Housing Group and Gentoo Sunderland.
- 2.3 The reasons for this change, according to Gentoo, is that the changes will provide:
 - flexibility in seeking funding;
 - better value for money;
 - the ability to use new financial products; and
 - place the Group in a stronger position should they wish to re-finance.
- 2.4 Gentoo requires the Council's agreement to changing the Memorandum of Association of Gentoo Sunderland before it can formally receive approval from the TSA.

3. Due Diligence

- 3.1 The request from Gentoo is very technical and complex in nature. As a result the Council has had to carry a long and in depth review of their proposal to satisfy itself that the 'wider' powers are appropriate, beneficial to the company and ultimately to its tenants and that the additional risks involved by using the new 'wider' borrowing powers are suitably identified and will be managed effectively by Gentoo. With this in mind, advice and guidance has been sought from a number of different sources and due diligence has been carried out by:
- 3.1.1 Corresponding directly with Gentoo on a number of occasions in order to:
- clarify information;
 - establish their intentions and appetite for risk;
 - establish the actions they have taken and have put in place, now and in the future, to manage the risks should their proposals be acceptable to the Council.
- 3.1.2 Receiving legal opinion from the Chief Solicitor and following up specific issues with specialist, independent legal advisors, Trowers and Hamblins LLP.
- 3.1.3 Obtaining advice and views from the Council's independent Treasury Management Advisors (Sector Treasury Services Limited).

4. Findings

- 4.1 A significant number of RSL's have adopted the wider borrowing powers in terms set out by the Tenant Services Authority (TSA) which were introduced in 2007. Many other RSL's have been using the wider powers as permitted by the Housing Corporation (now replaced by the TSA) prior to 2007. The requested powers from Gentoo are the standard conventional paragraphs approved by the Tenant Services Authority for the purposes of borrowing and the request from Gentoo is therefore not seen as unreasonable.
- 4.2 Some of the wider powers available to an RSL, particularly the use of derivatives, means that there is more risk involved in managing these arrangements. To mitigate these risks, adherence to TSA regulations will be necessary and will require specialist advice. The regulations specify that the wider powers, particularly the use of derivatives, must not be used for speculative purposes and that a RSL can only use a derivative where it is exposed to a risk against which the derivative instrument can be matched. The use of derivatives should therefore be set out clearly in the RSL's Treasury Management policy detailing the specific risk that the derivative is being used for or 'hedged' against.
- 4.3 Legal advice received is that the Council should not be seen to be exerting undue influence or control over Gentoo in this area of its operations and should therefore act carefully to avoid to be seen to becoming too involved in its operations. The Council does have a duty to consider the request to ensure that it is reasonable and is in the best interests of the company and its tenants but if the Council acts unreasonably or is seen to be influencing Gentoo policy and operations then it could run the risk that it could be treated as a shadow director.

One of the major implications of this status is that the Council could be held liable for the wrongful trading of Gentoo in the event that Gentoo became insolvent. In this worst case scenario this could mean that the Council and / or its officers could incur liabilities which would otherwise be restricted to Gentoo and its officers alone. This possible shift in liabilities in certain circumstances, although remote, is a position the Council would clearly wish to avoid.

- 4.4 The Council does not want to obstruct access to cheaper financing transactions available to Gentoo from using these wider powers that would ultimately benefit the company and its tenants.
- 4.5 Assurances have been obtained from Gentoo that it has the necessary expertise both in-house (Officers and Board members) and externally (Traderisks - Treasury Management Advisers) to manage the risks involved in negotiating, acquiring and using the wider borrowing powers. Gentoo has also taken several actions, at the request of the TSA, to ensure that the TSA will grant their approval to using the wider borrowing powers, subject to the Council giving its consent. The feedback and assurance received from Gentoo on this issue is set out below for information:

"In general all requirements for new derivative transactions will be assessed, analysed and proposed through the annual treasury plan. Where circumstances dictate, a separate report containing this information may be submitted to the Board for approval. All proposals will be drafted and independently assessed by our external treasury advisors. Following Board approval our treasury advisors will be responsible for obtaining prices and transacting the approved instrument."

- 4.6 As this area of treasury management is complex there is a recognition that access to independent specialist treasury advice is key to ensuring Board members are sufficiently and independently informed about all treasury risks and specifically those associated with derivative transactions. Independent training has been arranged for Board members in addition to in-house training provided by suitably qualified officers. The officers responsible for monitoring, reviewing and assessing treasury operations are qualified accountants with either specialist treasury qualifications or are experienced in treasury management operations.

Taking these issues into account the Board considered and confirmed on 20th July 2007 that:

"the Group has the skills, knowledge and experience, at both Board and officer levels, as well as the systems and access to independent advice, necessary to identify and manage the treasury risks to which the association is exposed, in terms of both its actual and proposed treasury activities, including the use of derivatives".

This confirmation was made following the assessment of evidence submitted to the TSA demonstrating compliance to eight specific criteria in relation to the wider rule application.

- 4.7 The Gentoo Board receive and approve the Treasury Management policy and plan each year and are, as such, made aware of the type and limits of loan

instruments used by Gentoo each year. Separate Treasury Management reports are also provided to the Board when circumstances dictate. Gentoo has also indicated that their appetite for risk has not and will not change should the wider powers be granted.

- 4.8 The TSA, as the regulatory body, has a role in these arrangements by requiring that Gentoo has proper arrangements in place to manage the risks appropriately and they also have to be satisfied that Gentoo has the appropriate processes and skills in place to manage the wider borrowing powers. They stipulate, for instance, that the wider borrowing powers can not be used for speculative purposes and that derivatives are used solely for the purposes of 'hedging' arrangements. They have also required Gentoo to carry out certain measures in advance before they were willing to consider to recommend their approval. Gentoo has confirmed that all of the issues raised by the TSA have now been fully addressed in line with their requirements, as detailed below:

"I can confirm all actions set out by the TSA (email of 22 May 2008) have now been taken. The latest treasury policy was approved by the Board on 13 March 2009. This was drafted in conjunction with our external treasury advisors, Traderisks and conforms with all best practice guidance issued by both CIPFA and the TSA. As mentioned above, the policy sets out the mechanism by which the Board approve the hedging policy. This is done through the approval of a target mix for fixed, variable and index-linked debt within the annual treasury plan. The treasury procedures have been updated and the treasury management reporting regime has been reviewed. Should the Council provide their consent the TSA will review the latest treasury policy and assess its suitability in making its final determination."

- 4.9 The TSA also exercises regular scrutiny over the finances of RSL's. It has a regulatory code against which RSL's are periodically assessed and as part of that assessment the TSA will look at the RSL's use of its wider borrowing powers and check that the RSL maintains its internal expertise and reporting arrangements. If the TSA finds that a RSL has used its 'wider' powers inappropriately then it has a wide range of sanctions it can impose. In extreme cases it could ultimately involve stepping in and appointing people to run the RSL at board or executive level.

In practice however there should be appropriate checks and balances in place within the RSL itself to ensure that the powers are used properly and are in accordance with TSA regulations. Also, funding providers would not enter into a transaction with an RSL if it thought the RSL would exceed its powers by doing so. They are well aware of the regulations placed on RSL's and as such they would want to satisfy themselves that the necessary power is expressly included within the RSL's constitution.

- 4.10 There is also no known incidence or allegation of any RSL misusing or abusing their wider borrowing powers.

5. Conclusions

- 5.1 The above findings and information indicates that all of the necessary checks and balances are in place in accordance with the regulations set out by the TSA and that the Council can take added assurance by the fact that Gentoo has indicated that their appetite for risk will not change with the adoption of the new wider powers.
- 5.2 Expert professional advice has been taken which states that no other RSL has been denied these powers. In fact not to grant the powers could be construed as undue influence over Gentoo's policy and operations and could in certain circumstances compromise the Council, (as a shadow director), which is a risk that the Council would not wish to take.
- 5.3 The advice received shows that no RSL has abused the wider powers. The TSA role is clear in this area and it can, if need be, enforce appropriate controls if the RSL exceeds its powers.
- 5.4 The Council does not want to deny Gentoo access to more cost effective funding arrangements which could benefit the company and ultimately its tenants.
- 5.5 The Council has sought and received assurances from Gentoo that it has the appropriate arrangements in place and that it also has the necessary expertise and knowledge at both officer and board level to operate and manage the new wider powers in accordance with the regulations.

6. Reason for the Decision

- 6.1 To allow Gentoo more flexibility and scope in their financial arrangements and to enable them to secure the optimum arrangements in compliance with the Tenants Support Authority (TSA) regulatory framework for the benefit of the company and ultimately its tenants.

7. Recommendation

- 7.1 Committee having reviewed the proposal agrees that the Director of Financial Resources can grant the request from Gentoo and thereby changing the Memorandum of Association of Gentoo Sunderland as outlined in Appendix 2 * (including a slight amendment detailed below) of the report by making this decision under the use of delegated powers.

*In Appendix 2 - the word "**financial**" is to be inserted in the first sentence of the document as follows:

Subject to this Clause 6 the Company may enter into and perform any **financial** derivative transaction on such terms as the Company thinks fit for the purpose of hedging or otherwise managing any treasury risk or other exposure of the Company.

8. Background Papers

Memorandum of Association of Gentoo Sunderland – Clause 6

Tenants Support Authority – Circular 01/07

Trowers Hamlins LLP – advice

Sector Treasury Limited – advice

Traderisks correspondence (Gentoo's Treasury Management advisors)

Gentoo correspondence

GENTOO SUNDERLAND LIMITED

Company Number 4039199

Existing Clause from the Memorandum of Association

Rate Cap Transactions

6. The Company shall have power to enter into and perform a Rate Cap Transaction, or series of Rate Cap Transactions, where the Board (or a duly authorised sub-committee established under the Articles) considers entry by the Company into such transaction(s) to be in the best interest of the Company provided that at the time of entry into any such transaction(s) the sum of the Calculation Amount of any Rate Cap Transaction previously entered into and remaining in effect and the Calculation Amount of the proposed Rate Cap Transaction(s) shall not exceed the lower of:-
 - 6.1 any limit imposed on the borrowing powers of the Company; or
 - 6.2 the aggregate amount of the Company's Variable Rate Borrowing then drawn down plus the amount of any existing contractually committed loan facilities not yet drawn down in respect of amounts which the Company intends at the Effective Date when drawn will become Variable Rate Borrowings; and
 - 6.3 the counterparty to each Rate Cap Transaction is the Floating Rate Payer;
 - 6.4 prior to exercising its power under clause 6, the Company shall obtain and consider proper advice on the question of whether the Rate Cap Transaction is satisfactory having regard to:-
 - 6.4.1 the possible fluctuations in the rate of interest payable by the Company under its Variable Rate Borrowings during the term of the Rate Cap Transaction(s);
 - 6.4.2 the Company's ability to meet its payment obligations under the Variable Rate Borrowings during the term of the Rate Cap Transaction(s) if that transaction was not entered into;
 - 6.4.3 the payment obligations under the Rate Cap Transaction(s); and
 - 6.4.4 the Company's actual and projected annual income and expenditure position.
- 6.5 For the purposes of clause 6.4 proper advice is the advice of a person who is reasonably believed by the Board to be qualified by their ability in and practical experience of financial matters and Rate Cap Transactions and is properly authorised to give such advice under the provisions of the Financial Services and Markets Act 2000, such advice may be given by a person notwithstanding that they give it in the course of their employment as an Officer.
- 6.6 A person entering into a Rate Cap Transaction as Floating Rate Payer with the Company who has received a written certificate signed by the Secretary confirming the Company's compliance with clauses 6.3 and 6.4 shall not be concerned to enquire further whether or not the Company has complied with the provisions of clauses 6.3 and 6.4 and such Rate Cap Transaction shall be valid at the date it is entered into and throughout its term in favour of such person (or any assignee or successor in title) whether or not the provisions of clauses 6.3 and 6.4 have been complied with.

6.7 For the purpose of this clause 6:-

"Calculation Amount", "Effective Date", "Floating Rate Payer", "Term" and "Termination Date" have the respective meanings given in the 2000 ISDA Definitions as amended from time to time;

"Variable Rate Borrowing" means any borrowing by the Company pursuant to clause 5.13 in respect of which the rate of interest has not been fixed and shall exclude any borrowing where the rate of interest is indexed in accordance with a retail prices index or other published index; and

"Rate Cap Transaction" means a cap transaction within the meaning of **"swap transaction"** as defined in the 2000 ISDA Definitions as amended from time to time.

GENTOO SUNDERLAND LIMITED

Company Number 4039199

Amendment to the Memorandum of Association

By a written resolution dated [] 2008, the following resolution was unanimously passed:

"That the memorandum of association of the Company be amended by deleting Clause 6 thereof and replacing it with the following:

Derivative Transactions

Subject to this Clause 6 the Company may enter into and perform any derivative transaction on such terms as the Company thinks fit for the purpose of hedging or otherwise managing any treasury risk or other exposure of the Company.

- 6.1 In exercising its power under this Clause 6 the Company shall comply with the Housing Corporation's regulatory requirements, or any other regulatory requirements applicable to the Company at the relevant time, relating to the use of derivative transactions by registered social landlords. A person entering into a derivative transaction with the Company who has received a written certificate signed by the secretary confirming that the Company is entering into such transaction for the purpose specified in Clause 6 and confirming the Company's compliance with such regulatory requirements shall not be concerned to enquire further as to the purpose for which the Company is entering into the transaction, nor as to whether the Company has complied with such requirements, and such transaction shall be valid at the date that it is entered into and throughout its term in favour of such person (or any assignee or successor in title) whether or not it was entered into for the purpose specified in Clause 6 and whether or not such regulatory requirements have been complied with.
- 6.2 For the purposes of this Clause 6 "derivative transaction" means any transaction which is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made, or any combination of these transactions."

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Board Member

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Board Member

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Company Secretary

Strategy for Surplus Assets

Report of Deputy Chief Executive

1.0 Why has this report come to Committee?

1.1 The Committee has previously scrutinised the Council's approach to the disposal of its assets, and the approach has been amended in accordance with the Committee's recommendations. This report completes the process and establishes a strategy for surplus assets. Cabinet will be requested to agree the strategy.

2.0 Description of Decision

2.1 Agree the strategy for the disposal or the retention of property that is surplus to Council requirements, as set out in this report.

3.0 Background

3.1 This report outlines a strategy for the disposal or retention of surplus land and property assets (which for convenience are referred to as property in the remainder of the report). The strategy sets out a number of criteria against which the Council will make a judgement on whether it is in its best interests to dispose of or retain property that is no longer required for service delivery purposes. Surplus property is likely to be:

- property that is no longer required for any Council operational purpose;
- vacant property that has development potential;
- tenanted property which does not contribute towards strategic priorities or help to meet performance targets.

3.2 The Council has an extensive property holding which can broadly be divided into two categories: -

- operational property, i.e. property used to deliver services; and
- non-operational property, which is all other property.

There is not a definitive guide to determine what property should be held in either category but the Council has followed the guidance agreed between the Royal Institute of Chartered Surveyors (RICS) and the Chartered Institute of Public Finance and Accountancy (CIPFA) for the valuation of local authority property assets and subsequently adopted by the Government in its guidance to local authorities for asset management. Examples are set out below.

- Operational – schools, leisure centres, libraries, plus offices and depots used to support service delivery.

- Non Operational – land awaiting development, investment property (e.g. industrial units), surplus property.

It should be noted that as part of this categorization certain operational assets, such as parks and historic buildings, are defined as community assets, which the Council holds in perpetuity, and may have restrictions on their disposal.

A more detailed analysis of the categorisation of land and property assets is shown in **Appendix 1**.

- 3.2 The Council's property portfolio is managed as a corporate resource allowing decisions on the use, acquisition and disposal of assets to be taken to address and deliver the Council's strategic priorities.
- 3.3 In 2008 the Department for Communities and Local Government published "Building on Strong Foundations – A Framework for Local Authority Asset Management". This document defines strategic asset management as:

'... the activity that seeks to align the asset base with the organisation's corporate goals and objectives. It ensures that the land and buildings asset base of an organisation is optimally structured in the best corporate interests of the organisation concerned'.

- 3.4 It is important that the Council ensures that strategic property decisions are taken within the context of the above definition. This report therefore seeks approval to a strategy for surplus assets that will enable such decisions to be taken in the best interests of the Council.

4.0 Strategy for Surplus Assets

- 4.1 There will be a presumption that surplus property is disposed of other than where, after satisfaction of one or more of the following tests, it is concluded that there is a case to retain the property. These tests will be applied to operational property that has been declared surplus to requirements as follows:

4.1.1 Strategic Needs

Where it can be demonstrated that property, which has been declared to be surplus to operational requirements, is required to meet the strategic aims of the Local Area Agreement, the Sunderland Strategy 2008-2025, or the Corporate Improvement Objectives of the Council, the property may be retained.

4.1.2 Financial Risk

In circumstances where the Council is exposed to significant financial risks, the retention of surplus property may be required as a strategic response to the management of those financial risks.

4.1.3 Regeneration Requirements

Where it is anticipated that as part of a medium to longer term land assembly programme, surplus property may be retained, where it will ultimately lead to the delivery of regeneration objectives.

4.1.4 Partnership Working

Through the Head of Land and Property the Deputy Chief Executive will consult with partners on the Strategic Property Group. Property may be retained for use for partnership working with public or private sector partners, where it is anticipated that retention will lead to improved outcomes for service delivery, or where enhanced values can be realised through partnership working, or both.

4.1.5 Heritage

In some instances, the retention of heritage assets may be necessary to ensure that the property is maintained in good order, to prevent blight to the property and the surrounding area.

4.2 Following the application of the above tests, and where property is to be retained, temporary uses will be considered to minimise risks relating to security, rates, property maintenance, and loss of investment income.

4.3 Where property is to be disposed of, the Portfolio Holder for Resources will be consulted, together with the appropriate ward members. The property will be included in the disposal programme for release either when market conditions are optimum so as to secure the highest capital receipt, or when it is considered that the Council's funding requirements are such that a capital receipt should be realised. On becoming surplus to requirements, and whether the property is to be disposed of or retained, its management will be undertaken by Property Services. Where it is agreed that any capital receipt will revert to the service area, the costs of dilapidations and the management costs of holding the property will be borne by the service which previously occupied the building. These management arrangements will be subject to a detailed agreement between Property Services and the service area. Where it is agreed that the capital receipt will be held corporately, the costs will be met corporately.

5.0 Method of Disposal

5.1 Once a decision has been taken to dispose of a property, the method of disposal will need to be determined. The disposal could vary from the grant of a leasehold interest to a freehold disposal and the method could be by negotiation, auction or by marketing and tender process. These methods are detailed in **Appendix 2** and the preferred method for each disposal will be recommended by the Deputy Chief Executive, following consultation with the Capital Strategy Group, setting out the rationale for the business case.

- 5.2 In the main, significant disposals take place using an informal tender process, the procedure for which is set out in section 7.
- 5.3 In some instances, a leasehold disposal of a property may provide for rent concessions. The Council's rent concessions policy, agreed by Cabinet in October 2008, is set out in **Appendix 3**.

6.0 Best Consideration

- 6.1 The Local Government Act 1972 enables the Council to dispose of surplus property in any manner including the sale of freehold interests, granting of leases, assignment of any unexpired term of a lease and the granting of easements. Any disposal must be for the best consideration reasonably obtainable unless it is progressed under the provisions of the General Disposal Consent referred to in paragraph 6.5 and **Appendix 4**. A specific consent will be required for the disposal where land is held under powers derived from the Housing Act 1985 or the disposal of land under section 233 of the Town and Country Planning Act 1990. The provisions for disposal for best consideration do not apply to tenancies of a term of less than 7 years, or to the assignment of a lease with less than 7 years of its term remaining.
- 6.2 The Courts have considered the definition of best consideration and held that it is the highest price achievable without restrictions on use.
- 6.3 There is no statutory definition in respect of the method to be adopted to demonstrate best consideration has been obtained. It is generally held that providing an authority has acted reasonably it is entitled to form its own view as to whether a particular price is the best consideration which can be reasonably obtained.
- 6.4 In this respect, all local authorities are recommended to obtain a realistic valuation for disposals so that they can determine whether the proposed price is the best consideration reasonably obtainable. The realistic valuation to be the assessment of the likely sale price based on the RICS Valuation Standards definition of Market Value:

“ The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion”

but also taking into account the existence of any 'special purchaser' where the combination of one or more interests in property will create a new asset with a higher value than the sum of the individual interests.

The value will have regard to: -

- any restrictions on the use of the property in the title deeds;

- the planning allocation in the Unitary Development Plan or Local Development Framework and planning guidance on acceptable alternative uses;
- highway constraints;
- known property defects (the condition of the building, ground condition problems and the like);
- market conditions;
- relevant comparable evidence of recent market transactions for the type of property.

This should be done irrespective of the method of disposal. Disposal by tender, sealed bids or auction does not automatically mean that best consideration has been obtained. Indeed legal commentators have stated the converse, that there is no presumption that such methods are essential to establish best consideration. The Council is expected to act consistently, record evidence and be satisfied that its fiduciary duty has been discharged.

- 6.5 The Local Government Act 1972: General Disposal Consent (England) 2003 provides a general consent removing the requirement for the Council to seek specific approval from the Secretary of State for a wide range of disposals at less than best consideration to a maximum undervalue of £2,000,000.
- 6.6 The terms of the general consent means that specific consent is not required for the disposal for less than best consideration where the Council considers it will help to secure the promotion or improvement of the economic social or environmental wellbeing of its area as set out in **Appendix 4**. In these cases the advice of the Chief Solicitor will be sought to ensure that the legal basis of the disposal is sound.

7.0 Disposal Procedure for Surplus Land and Property

- 7.1 At its meeting on the 14th March 2007 Cabinet agreed a procedure for the disposal of surplus land and property. At its meeting on the 11th December 2008 the Policy and Co-ordination Review Committee agreed that improvements to the procedure be recommended for adoption by Cabinet. The disposal procedure, together with the proposed improvements shown in italics, is set out as follows: -

The main steps in the disposal procedure are as follows:

- Step 1: Following consultation with all Directorates, land is declared surplus to requirements and alternative uses evaluated.
- Step 2: Where a proposal is made to dispose, Ward Councillors are consulted and if appropriate, sales particulars and a design brief are prepared including guidance on the Council's expectations for planning, highway and open space/play requirements. *The design requirements and evaluation criteria are signed off by appropriate Heads of Service. The*

particulars will also contain a timeframe setting out the Council's requirements for various key stages to be achieved to seek to complete a disposal by a specific date.

- Step 3: The site is marketed with sales particulars and a design brief is sent to prospective purchasers, and initial design submissions, including layout plans are requested by a closing date. *A contract for the disposal will be incorporated into the particulars.*
- Step 4: Design submissions are evaluated against the objectives of the brief.
- Step 5: Developers submitting acceptable designs are invited to submit financial offers by a closing date. A supplement to the financial offer is requested to provide a breakdown of any deductions made by the developer relating to known development costs to enable the offers to be evaluated by the Council.
- Step 6: Financial offers are opened in the presence of the Mayor.
- Step 7: The highest acceptable offer is recommended to Cabinet. (The offer is generally conditional upon the developer obtaining planning consent, a satisfactory ground condition report and availability of service connections. Developers will only commit to carrying out costly and detailed work in these areas once they have the comfort of knowing that the Council has conditionally accepted their offer).
- Step 8: The conditional contract issued with the sales particulars will be refined to meet the requirements of the disposal – the Council to sell the land at the offered price subject to the developer obtaining planning consent and obtaining a satisfactory ground condition report within a specified timescale. It is the conditional contract that gives the developer the comfort to invest in further work and also provides the Council with comfort that should another offer be received it can be disregarded without the risk of a legal challenge.
- Step 9: Developer submits planning application and commissions ground investigations.
- Step 10: Where a developer identifies abnormal ground conditions an application may be submitted to reduce the previously accepted price; this is scrutinised and a revised price provisionally agreed:
- An abnormal development cost claim in excess of £100,000, is scrutinised by independent external advisors

appointed by the Council. In the case of a dispute regarding the value of any abnormal development costs, the Council's decision shall be final.

- An abnormal development cost claim below £100,000 is scrutinised by the Deputy Chief Executive.
- The Deputy Chief Executive has delegated authority to agree abnormal development costs for all sites up to a maximum of 10% of the original highest offer.
- In the case of abnormal development costs exceeding 10% of the original highest price the matter is referred to Cabinet to decide whether to either re-market the site or accept the reduced offer.

Step 11: Developer obtains planning consent and purchases site.

7.2 **Appendix 5** details the milestones and indicative timescales to be achieved for each major disposal. The milestones will in the main be the same for less significant disposals, although the timescales will be reduced. The particulars of sale for each disposal will contain the milestones and timescales to be adhered to. The Capital Strategy Group will receive performance reports on disposals progress against the timescales. Failure on the part of the developer to adhere to the timescale could result in a report to Cabinet recommending an alternative course of action.

8.0 Non Operational Property

8.1 The Council has acquired an extensive non operational property holding over a long period of time. It includes industrial units, managed workspaces, shops and market, and also comprises miscellaneous land and property acquired for a variety of purposes, not used for service delivery and often leased to others to generate an income. This miscellaneous element includes the following:

- property let as a general investment;
- land used for agricultural purposes including horse grazing;
- land used for private car parking and garages;
- land used for allotments, storage and garden purposes;
- land and buildings used by community groups;
- land let on ground leases (leases for long terms eg 99 years or more where the tenant is responsible for constructing a building and maintaining it during the course of the lease eg The Bridges);
- buildings used for offices (other than Council offices), pubs, restaurants;
- dwellings;
- third party rights (wayleaves, easements, rights of way etc predominantly but not exclusively to companies providing services to the City).

The non operational portfolio, including industrial units and shops, will be reviewed using option appraisal techniques, and reports will be brought forward recommending retention or disposal as appropriate. The appraisals process will include criteria in relation to the retention of property, if appropriate, to meet the tests set out in paragraph 4.1.

9.0 Decision Making

- 9.1 The Council's Constitution provides for a delegation to the Deputy Chief Executive to dispose of freehold and leasehold interests in property where the freehold value is less than £100,000 and in the case of leaseholds, where the annual rental is less than £50,000 (Paragraph 9.62 of delegation Scheme in Part 3 of the Constitution) . All other decisions to accept or decline offers for surplus property will be referred to Cabinet.

10.0 Recommendations

- 10.1 To Committee is asked to note the Strategy for Surplus Assets, as amended in accordance with its previous recommendations.

11.0 Background Papers

- 11.1 Asset Disposal working papers held by the Deputy Chief Executive.

CATEGORIZATION OF LAND AND PROPERTY ASSETS

Annexe B to UK appendix 1.5 Examples of asset categories

Annexe B to UK appendix 1.5 Examples of asset categories

1. Operational assets

Land associated with operational *property*

Council dwellings

Other housing *properties*

Buildings

Office buildings

Schools

Libraries

Sports centres and pools

Golf courses/sports pitches (see note 1, below)

Residential homes/day centres

Museums and galleries

Depots and workshops (see note 2, below)

Cemeteries (buildings only)

Crematoria (buildings only)

Off-street car parks

Tenanted farms/smallholdings (see note 1, below)

Equipment

Vehicles

Mechanical plant

Computers

Fixtures and fittings

Other equipment

2. Non-operational assets

Land awaiting development

Commercial *property*Investment *property*

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Annexe B to UK appendix 1.5 Examples of asset categories

Surplus assets (see note 3, below)

Golf courses/sports pitches

Depots and workshops

Tenanted farms/smallholdings

Shops on housing estates (see note 1, below)

Markets

Mooring sites and rights/dockland/shipways (see note 1, below)

3. Infrastructure assets

Roads

Sea defences

Bridges

Permanent ways

Water drainage

Street furniture

4. Community assets

Parks

Historic buildings

Works of art

Museum exhibits

Civic regalia

Cemeteries (land only)

Crematoria (land only)

Note 1: If these *properties* are held for investment purposes, they are non-operational. However, if they are held with particular service objectives in mind, they are operational.

Note 2: The identification of the category of these *properties* will depend on the individual circumstances in each case. If a *third party* uses them to provide the authority's services, then they are operational.

Note 3: Includes *property* released by a service and awaiting alternative use, as well as land and buildings declared surplus.

UK practice statements

METHOD OF DISPOSAL

1.0 Definition

1.1 The disposal of property is defined as the transfer, in any manner or by any means whatsoever, of property title for a consideration.

2.0 Statutory and Constitutional Requirements

2.1 Local authorities are given power under Section 123 of the Local Government Act 1972 to dispose of property in any manner they wish. The only constraint is that generally a disposal must be for best consideration reasonably obtainable.

2.2 The disposal of property is also regulated in Part 4 of the Rules of Procedure FPR 20. Under these procedures the disposal of property by Chief Officers should have due consideration to the Councils Capital Strategy and be executed as part of their Revenue Budget or Capital Programme as appropriate. Cabinet approval is required for the disposal of freehold interests in land where the consideration is £100,000 or more. Beneath this figure a sale can progress via delegated authority given to the Director of Development and Regeneration.

3.0 Methods of Sale

3.1 A decision to declare a property surplus to requirements may be taken either by Cabinet or by the Service Director in consultation with the Cabinet Portfolio Holder.

Once a decision has been made to disposal of an asset, there are four principle methods which may be employed for the disposal. These are set out below.

4.0 General Principles

4.1 The Head of Land and Property should recommend the most effective way of disposing of that interest in order to secure the best terms reasonably obtainable. A written record should be kept of the reasons for such recommendations e.g. cost, timescales etc.

4.2 Disposals of Council land should be seen to be fair and transparent.

5.0 Private Treaty

5.1 Procedure

The majority of property in the UK is sold through private treaty e.g.

private home sales via Estate Agents. A sale by private treaty occurs where property is marketed, valued and negotiations are carried out between the vendor and prospective purchasers (or their respective agents) privately, normally without any limit on the time within which they must be completed before contracts are exchanged.

5.2 Advantages

The advantages of the private treaty method are that it allows a flexible approach; time pressures are seldom imposed on either the vendor or the purchaser, and it is widely understood and accepted by the general public.

5.3 Disadvantages

The major disadvantage is that the proceedings cannot always overcome suspicions of unfair dealings, and it is therefore a method that is used with caution in the public sector.

There is no current time limit on these negotiations within which they must be completed.

5.4 Suitability

Generally, wherever there is likely to be more than one potential purchaser then surplus land/property disposals should be completed through a competitive tendering process by open advertisement on the market.

The main area where best consideration should be achievable by private treaty negotiations is where there is a special purchaser, that is a purchaser who has an existing interest in the property or area and has an interest over and above a normal market purchaser in purchasing the Council's interest.

Examples of special purchasers are:

- A purchaser who already controls significant property holdings in the area and is consolidating its holdings.
- A specific, albeit commercial, development proposal.
- An existing tenant where the merger of the freehold and leasehold interests give rise to "marriage value" and a price over and above what an ordinary market purchaser could offer.
- A property owner who is the only likely party interested in purchasing the Council's interest, eg land being sold for garden extensions.
- Those occasions where the Council wishes to support a specific use or development; allowing key objectives of the Sunderland Strategy to be delivered. Examples may include:

- Sales to Housing Associations;
- Sales to developers or companies for commercial development that creates new employment opportunity or protects existing jobs;
- Sales to religious, community or voluntary groups that meet the local need;
- Sales to selected partners.
- Sales to developers that can show preferred developer status.

Where the Council does decide to progress a private treaty disposal and an acceptable price cannot be negotiated then it retains the ability to dispose of the property by tender, sealed bids or by auction.

An acceptable price will depend upon the individual circumstances of each transaction but will primarily be whether the proposed sale price equals or exceeds the Market Value assessed by the Head of Land and Property.

6.0 Public Auction

6.1 Procedure

Auction is the process by which a property is sold to the highest bidder at a public sale.

The chosen auctioneer will confirm their terms of appointment, all charges (including the commission rates for sale on the day, sale after auction or no sale at all), will liaise with the City Solicitor, gather together the necessary paperwork, liaise with others to get Searches, Planning Permissions, Specialist Reports, Tenancy agreements, Architectural Plans and get Special Conditions of Sale prepared for the property. This will all contribute towards the legal pack which potential buyers can inspect on or before the auction. Auctioneers may also provide services for putting up sale boards and showing potential bidders around the property. This may be done at set times before the auction. Some auction houses also provide the services of Internet and telephone bidding to complement the bidding in the auction room itself on the day.

The property is advertised by the auction house prior to the auction to gain maximum coverage for the property.

On the day of the auction, each lot is described prior to being offered. If bidding reaches the reserve price the property will be sold on the fall of the hammer, with contracts effectively being exchanged at that point. The clerk or auction administrator will require the buyer to sign the sale documentation and pay a 10% sale deposit on the day.

6.2 Advantages

- Certainty of sale. When the hammer comes down contracts are exchanged and the buyer is legally committed. The buyer must pay a deposit of the sale price before leaving the auction house and the remaining balance within a set period;
- interest from two or more prospective buyers will encourage them to bid against each other;
- the process of competitive bidding will help property to achieve 'best price' on the day. Where sales are required to achieve 'best price' and where auction is the chosen route then this is guaranteed and open to public scrutiny;
- With Private Treaty sales a price agreed may not be the price finally received eg a deduction for cost of repairs or abnormal costs not known at the time offers were received. With Auction there is no re-negotiation, no discounting to take account of survey findings. With Auction the buyer will have fully researched the property's condition prior to bidding and cannot reduce the sale price after the hammer has fallen.

6.3 Disadvantages

- To the extent that an auction is a 'sold as seen/buyer beware' deal, it requires buyers to accept higher risks than they would accept in a more conventional deal. Buyers will cope with this extra risk by bidding less than they otherwise would in a sale by private treaty/tender and the property may therefore sell for less than full market value.
- Not generally the accepted disposal method by general public bodies because of costs of preparatory works and unusual environment.
- The auctioneer will seek to enter into a sole agency agreement. This means they will advertise our property in brochures and catalogues on behalf of the vendor. The Council would be responsible for the cost of that advertising, as well as a portion of the room hire fee, regardless of whether the property sells. On top of this, the auctioneer generally charges the seller around 2.5% commission on the sale.
- Although auction houses will often state that one of the advantages of auction is the speed of the sale, by the time a property has been prepared for auction the process is often no quicker than conventional methods.
- There is no guarantee that the property will sell at auction and abortive costs will have been incurred.

6.4 Suitability

Selling property at auction is by no means suitable for every type of property. Auctions usually focus on unusual, hard-to-value premises such as churches and village halls, as well as properties in

need of renovation although in recent years the method has become more popular for selling job lots including ground rents and investment properties.

7.0 Formal Tender

7.1 Procedure

This is similar to an auction in that all the preparatory work is done prior to marketing and offers made are legally binding.

The formal tender document is the contract from sale so all of the relevant issues must as far as possible have been resolved before the tender procedure commences. The vendor then invites sealed bids to be received by a certain date, subject to the caveat that it will not be bound to accept the highest, or any tender.

7.2 Advantages

The period for identifying a proposed purchaser can be defined and controlled, and that the process can be demonstrated to be transparent. Prospective purchasers have sufficient time to consider all of the relevant issues before submitting an offer and will have the opportunity to contact the vendor for any further information they may want, so the offer is likely to be informed and reasonably represent the highest figure that particular purchaser would pay.

7.3 Disadvantages

The disadvantage is that some prospective purchasers will be deterred by the finality of the process whereby only one offer may be submitted and there is no subsequent chance to amend that offer in terms of price and timescale.

7.4 Suitability

This method of sale is rarely used in practice and is suitable only in limited circumstances.

8.0 Informal Tender

8.1 Procedure

The procedure is similar to that of formal tenders but the tender applicant may submit conditional offers that will only become binding once those conditions have been satisfied e.g. grant of planning permission and site investigations.

The method of quantifying abnormal development costs is set out in

this policy. These costs could occur on Greenfield or Brownfield sites.

In such circumstances it is usual for a developer to approach the Council with an application to reduce the original offer price by the amount of these costs. The costs would have been quantified following site investigations and would be challenged and verified by the Council's in house technical team. The policy therefore states that sales particulars include details of the areas of work that the Council would accept as qualifying as abnormal development costs. In addition where offers exceed £1m, any application for a price reduction over £100,000 will be scrutinised by external advisors appointed by the Council. The Director of Development and Regeneration is authorised to agree abnormal development costs up to a maximum of 10% of the original offer and any reduction exceeding 10% is to be referred to Cabinet. In any event the Council's decision would be final.

8.2 Advantages

The main advantage of this procedure is that it is well known and acceptable to the market place. This method has the advantage of allowing both vendor and purchaser more flexibility and scope to respond to matters which may emerge during the tender process. The timetable can therefore be managed from inception to completion.

8.3 Disadvantages

Conversely to the advantages, this method has the disadvantage of introducing an element of uncertainty.

8.4 Suitability

This method of disposal is suitable for a wide range of disposals, especially where significant demand is expected e.g. housing and mixed use sites.

9.0 Conclusions

- The Council has a statutory obligation to achieve best consideration in the disposal of its property
- There are a number of methods available for the disposal of property
- Officers should recommend the most effective method for each individual circumstance and this recommendation should be clearly reasoned in writing.
- All disposals should be seen to be fair and transparent.

RENT CONCESSION POLICY

1.0 Policy for Rent Concessions – Agreed by Cabinet 8 October 2008 in respect of property leased by the Council.

1.1 The policy for rent concessions will be as follows:

- Manufacturing business already benefit from a 50% rent discount in the first year of occupancy as an incentive to create jobs. Further rent concessions will also be considered in circumstances whereby tenants can demonstrate that existing jobs will be protected or new jobs created as a result. In both cases consideration will be on the basis of consultation with the Council's Business and Investment Team and City Treasurer.
- Managed Workspace tenants may benefit from rent discounts of 75% for the first 6 months, 50% for a further 6 months, 25% for months 12 to 18 and a full rent thereafter. This provides an incentive to start new business and create new jobs. Eligibility criteria have been established which are attached at Appendix 2, and the process is administered by Property Services. Any further extended rent concessions will be on the basis of consultation with the Council's Business Investment Team and the City Treasurer, and subject to the limits contained in the recommendations of this report.
- Rent concessions for shop, industrial or vacant premises will be given consideration where the tenant undertakes remedial works which are the responsibility of the Council as follows: -
 - A concession equivalent to 100% of the costs of works undertaken will be considered where a tenant carries out works such as the removal of items belonging to a previous tenant, or the execution of dilapidation works that, in default, have not been attended to by the previous tenant or the Council as Landlord.
- Rent concessions may be given where the tenant proposes to undertake improvement works which will provide long term benefit to the property as follows:
 - A concession equivalent to 50% of the costs of improvement works undertaken will be considered where a tenant proposes to alter or improve the premises which will result in significant and lasting benefit to the Council, for example converting two shops into one which will improve the trading position of the unit and its longer term marketability.

- Rent concessions may be given where the tenant proposes to undertake works which are their responsibility but are high cost and will provide significant and long term benefit to the property as follows: -
 - A concession equivalent to 25% of the costs of works undertaken will be considered where a tenant proposes to carry out works which would normally be a tenants responsibility but are considered to be a long term benefit to the premises, for example re-wiring, installation of a new heating system.
- Rent concessions may be given for difficult to let property which has been vacant for some time and will lead to the property being brought back to beneficial use which will lead to new job creation, services to the community and a financial return for the Council. Although each case will need to be considered on its particular merits, a concession based on this criterion would normally be considered where a property has been vacant for at least 3 months.

In all cases lease terms will state that the works are to be timetabled and detailed as positive covenants, classed as Landlords improvement works and any attributable additional value will be included in future rent reviews throughout the lease term. Any departures from the policy will be reported to Cabinet for approval.

2.0 Procedure for Request of Rent Concession

The procedure for dealing with a request for a rent concession will form part of the adopted Letting Strategy and be included within internal Quality Assurance procedures. The procedure, which should be read in conjunction with the policy, is set out below.

- 2.1 A request for a rent concession is received, in writing from the tenant, providing full details of the proposal.
- 2.2 The property is then inspected by the Council's Surveying Services Manager and findings recorded to confirm works are reasonable and required for business purposes and satisfy the circumstances set out in section 6.1 above.
- 2.3 The tenant or prospective tenant provides three written quotes for works from suitable contractors.
- 2.4 The Council's Surveying Services Manager confirms within 20 working days, whether or not the quotes reflect value for money in terms of cost and specification, and a reasonable timescale for completion is provided.

2.5 Where a rent concession is agreed at officer level, or by Cabinet where necessary, this will be stated in the Heads of Lease Terms that are issued to prospective tenants in accordance with the lettings procedure.

2.6 Upon completion of the lease and the works, the Surveying Services Manager will ensure that the work has been carried out to a satisfactory standard, the tenant has paid for the works and the contractor engaged was one of those for whom a quote was provided earlier in the process.

3.0 Delegations

3.1 The Director of Development and Regeneration is authorised to agree rent concessions up to a value of £25,000 a year per property and up to a total value of £50,000 over the term of the lease. Cabinet approval will be required for amounts over these values.

The grant of any proposed rent concessions will be subject to the prior consultation and approval of the Resources Portfolio Holder.

3.2 In all cases the economic, social or environmental benefits will be identified as part of the supporting documentation.

4. Background

4.1 The Council's managed property portfolio consists of factory units, 5 managed workspace centres, the Place at Sunnyside, shops, and Jacky Whites Market, together with miscellaneous properties ranging from tenancies at the Port of Sunderland to offices and buildings for community use. The Bridges shopping development also provides the Council with an annual rental income. The portfolio is held to meet the Council's strategic objectives and for investment purposes, the revenue from which provides funding for Council services through the Council's financial planning processes.

The annual rental received from the portfolio fluctuates depending upon occupancy rates, but on average is in the region of £5.2m. Rent concessions have previously been granted to tenants in appropriate circumstances, for example for difficult to let property, or as an incentive to new business and to secure job creation. In the vast majority of cases concessions relate to the management of the shops and factories portfolio. Appendix 1 outlines the property to which concessions are most likely to apply based upon 2007/08 figures.

4.2 Rent concessions are an acknowledged part of property management practice as well as a tool to encourage investment and secure job creation. As a general rule a rent concession can be defined as a rent free period the length of which can reflect both the

cost of works proposed to be carried out to a property by a tenant in order to bring it into use, and the period of time that the property cannot be used by the tenant for business whilst the work is being undertaken. Concessions may be given for works that are either the responsibility of the Council as landlord, or which are required by the tenant to bring the property into operational use for their specific business. The grant of a rent concession will provide an incentive to the tenant and can make a crucial difference in being able to grant leases to start-up businesses, bring vacant property into use and to secure job creation in accordance with the Council's Prosperous City priority.

It should be noted that there may be circumstances where both a rent concession for fit out, and a separate concession supported by the Business Investment Team and justified by job creation, may be applicable for the same property.

- 4.3 The benefits to the Council that can result from a rent concession include the subsequent income from the letting of vacant property, the creation and or the retention of jobs, potential increase in value of the Council's property asset as a result of tenant investment and potentially a greater certainty of revenue income in the longer term.
- 4.4 The value of the rent concession will vary depending on individual circumstances and examples that can prompt the use of a rent concession can include capital works such as small extensions to property, remedial works that are normally the responsibility of the Council as landlord, fitting out works at the commencement of a lease such as installation of trade counters, display windows, floor coverings, plant and equipment.
- 4.5 The rent concession policy also needs to take into account competition from elsewhere, for example adjacent areas which can offer the benefits of Enterprise Zone status and other landlords offering particularly advantageous and lengthy rent concessions without conditions.
- 4.6 The Council has a general duty under Section 123 of the Local Government Act 1972, to dispose of land other than short tenancies for the best consideration that can be reasonably be obtained. Short tenancies are those involving the grant of a term not exceeding 7 years or an assignment where at the date of assignment the lease has not more than 7 years to run.

A circular issued in 2003 on general disposal consent enables Local Authorities to carry out the statutory duties and functions and fulfil other objectives they consider necessary or desirable, bearing in mind their fiduciary duties.

In summary, the Authority can dispose at less than best

consideration subject to the condition that the under value does not exceed 2 million pounds. The exercise of the power is linked to the Council's well-being powers under Section 2 of the Local Government Act 2000. There are also limitations regarding land held under certain powers and guidance as to how a valuation should be undertaken. Thus the Council does also have appropriate powers to grant rent concessions, for longer tenancies where it would be in the interests of the economic development of its area.

Property to which rent concessions are most likely to apply based upon 2007/2008 figures.

Type	No. of Units	Number Vacant	Approx. Full Rental £ per annum	Rent Received £ per annum	Approx Average Rent per Unit £ per annum
Shops	195	4	653,000	633,417	3,350
Factories	*1 112	8	1,795,000	1,750,515	16,000
Managed Workspace	148	*2 32	291,000	*3 181,149	1,228
Jacky Whites Market	85	3	385,000	357,855	4,500

*₁ - Does not include units at Salterfen and Rheims Court which are vacant and due to be demolished.

*₂ - 15 of which are vacant at Southwick Centre following recent refurbishment.

*₃ - Tenants of start up business benefit from discounted rent

Eligibility for Concession

Eligible applicants are defined as those:-

1. Being in the process of setting up a business in order to commence trading;
2. Having an established business, which is trading from a home address and has not previously held commercial premises for that particular business use;
3. Being in the process of creating a new franchise of an established business;
4. Being in the process of creating new satellite trading premises of an established business, with a clearly defined new project.

Retail and automotive repairs are considered to be ineligible activities.

DISPOSAL AT LESS THAN BEST CONSIDERATION

1.0 Background

- 1.1 The Council has power under The Local Government Act 1972 Section 123 to dispose of surplus property in any manner including the sale of freehold interests, granting of leases, assignment of any unexpired term of a lease and the granting of easements. With the exception of short tenancies with a term of less than 7 years or the assignment of a lease with less than 7 years of its term remaining the only constraint is that the disposal must be for the best consideration reasonably obtainable. Any other disposal at less than best consideration requires the approval of the Secretary of State.
- 1.1 Section 123 will apply to the majority of disposals by the Council however there are other provisions for disposals such as section 233 of the Town and Country Planning Act 1990.
- 1.2 The Government has emphasised that its policy is that local authorities should dispose of surplus property wherever possible and it is expected that disposals should be for the best consideration obtainable. However, it recognises there may be circumstances where local authorities may consider it appropriate to dispose of property at an undervalue and subject to the authority being satisfied that the circumstances warrant such action in line with its fiduciary duty has issued a General Consent for disposals.

2.0 General Disposal Consent (England) 2003

- 2.1 The Local Government Act 1972: General Disposal Consent (England) 2003 provides a general consent removing the requirement for the Council to seek specific approval from the Secretary of State for a wide range of disposals at less than best consideration. The Council is granted consent to dispose of property at less than best consideration where the undervalue does not exceed £2million and considers the disposal is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the whole or any part of the area or all or any persons resident or present in the area. It is for the Council to decide whether any particular disposal meets these criteria or continues to require specific consent under the 1972 Act.
- 2.2 Consent is still required for disposals for less than best consideration where the undervalue exceeds £2,000,000 or where the land is held under the Housing Act 1985 or for planning purposes.
- 2.3 The Consent and the Government guidance on well-being powers state the Council should have regard to its Community Strategy and whilst a

proposal need not be specifically referred to in the strategy the Government expects the Council to think very carefully before using the power in a way which ran counter to the aims and objectives of the strategy.

- 2.4 The Council must be able to demonstrate that it has acted reasonably in agreeing undervalue transactions, particularly as it is unlikely that aggrieved unsuccessful or potential purchasers or local residents will in all cases accept the decision. A fundamental issue will be the ability to demonstrate reasonableness having regard to applicable policy.
- 2.5 The decision to dispose of property at less than best consideration is to be made rationally and fairly.

3.0 State Aid

- 3.1 Where the Council disposes of property at less than best consideration it is providing a subsidy to the owner, developer and/or occupier of the property. Where this occurs the Council must ensure that the disposal complies with the European Commission's State Aid rules.

4.0 Proposals

- 4.1 Sales of property at an undervalue in Sunderland have only ever taken place on an exceptional basis and to ensure future requests are considered appropriately the following guidelines will apply.
- 4.2 Proposals to dispose of property for less than best consideration will be considered by the Capital Strategy Group with the following information:-
 - (i). A valuation report undertaken by a qualified valuer setting out the valuation of the interest to be disposed in accordance with the Consent's Technical Appendix and the requirements of the RICS's Valuation Standards UK Guidance Note 5. This requires valuations to be prepared to show:-
 - A). The unrestricted value, the best price reasonably obtainable if the Council's aim was to maximise the capital receipt.
 - B). The restricted value, the market value of the property having regard to the terms of the proposed transaction.
 - C). The value of voluntary conditions, the total capital value of conditions imposed voluntarily by the Council as terms of the disposal. These may include non property benefits including operational savings. This valuation will need to be prepared in conjunction with the Project Sponsor, see (ii) below.

If the difference between the values shows the undervalue and where this is less than £2million the Council has the ability to proceed with the disposal.

Where the assessment shows the undervalue to be in excess of £2million the Council will need to seek the approval of the Secretary of State. This application will require a valuation report as detailed above.

- (ii). The Project Sponsor will need to provide an assessment of the capital value to the Council of those benefits of the proposal which are capable of monetary assessment (e.g. operational savings or income generation, leveraging in of additional financial resources) together with an assessment with supporting evidence of the value of non-monetary benefits (economic benefits such as job creation, environmental improvements, health and safety benefits, etc and social benefits to the community).
- (iii). Confirmation from the Project Sponsor that the disposal will contribute positively towards an agreed Council priority and will not adversely affect any other priority project or area, together with a clear statement showing where the scheme fits within service priorities.
- (iv). A clear statement from the Project Sponsor that the benefits which the city or its residents will derive cannot be achieved unless the sale takes place at an undervalue and confirming that no alternative means of funding is available. In case where the proposed disposal is to an identified person/organisation without a tender process this will normally only be possible by provision of a robust business plan and analysis of the financial standing of the organisation.
- (v). Details (having taken advice from the Head of Land and Property) of the proposed terms of the transaction which will ensure (as far as possible) that the disposal will contribute to the achievement of well-being locally.
- (vi). Confirmation that the property is held for purposes to which the General Disposal Consent Order applies or if not whether the property can be appropriated to a purpose within the Consent Order.
- (vi). Any views of Members.
- (vii). A statement from the Chief Solicitor on whether he considers the disposal at an under value is within the provisions of the General Disposal Consent Order and complies with the European Commission State Aid rules.

Timeframe for Disposal by Informal Tender

Start date	Site marketed by Property Services
+ 8 weeks	Closing date for layouts
+ 4 weeks	Evaluation of layouts by planning and engineering completed
+ 4 weeks	Developers requested by Property Services to revise layouts
+ 4 weeks	Layouts confirmed to be acceptable and financial offers sought by Property Services
	DfES consent sought if required
+ 4 weeks	Return of financial offers
+ 4 weeks	Offers reported by Property Services to Cabinet
1 day	Solicitors instructed by Property Services
within 2 weeks	Pre application meeting developer & Development Control
+ 6 weeks	Completion of conditional contract via Property Services and Legal and submission of planning application
	DfES consent obtained if necessary
+ 13 weeks	Planning consent granted (minimum)
	Referred to SoS if required
	Renegotiation of price by Property Services and external consultant if required
	by policy, due to changes in layout to secure planning consent/abnormal development costs*
	Revised price considered by Cabinet
	Highway stopping up order triggered by grant of planning consent (minimum)

+ 1 day Scheduled completion
(Minimum 49 weeks)

(a) CHILDREN, YOUNG PEOPLE AND LEARNING SCRUTINY COMMITTEE PROGRESS REPORT

REPORT OF CHAIR OF THE CHILDREN, YOUNG PEOPLE AND LEARNING SCRUTINY COMMITTEE

1. Purpose of report

- 1.1 To inform the Members of the Management Scrutiny Committee of the progress made to date by the Children, Young People and Learning Scrutiny Committee.

2. Progress of the Scrutiny Committee

- 2.1 Since the start of the Council year the Scrutiny Committee has :

- Scoped a review of changes to 16-19 and post 19 learning;
- Been consulted on workforce innovation in Children's Services;
- Taken a timely briefing on an outbreak of measles in Sunderland's schools;
- Kept close scrutiny of schools under Ofsted monitoring arrangements and agreed a new arrangement for the monitoring of schools causing concern;
- Been consulted on the Youth Justice Plan under the Council's policy framework;
- Kept abreast of the Council's Parenting Strategy;
- Monitored the action plan on a previous policy review of support for children in care;
- Taken a briefing on the Council's response to the Laming Report following the death of Baby Peter;
- Been consulted on the Council's Library Plan;
- Assessed the provisional Key Stage results in Sunderland's schools;
- Been briefed on the new Ofsted inspections arrangements for safeguarding within Children's Services;
- Received the statutory Children's Services Annual Complaints Report for complaints within children's social care;
- Been consulted on the strategy to support children and young people with Learning Difficulties and/or Disabilities;

- 2.2 The Scrutiny Committee has used its budget to fund member attendance at the Public Library Association annual library conference.

- 2.3 The Scrutiny Committee has set up a consultation working group to consider all Article 4 Plans and Strategies within its remit as they are developed so that by the time Cabinet consults formally with the Committee members will have had full input into the plans and strategies. To date, the working group has been consulted on the Behaviour and Attendance Strategy and the Children and Young People's Plan.

- 2.4 The policy review of 16-19 changes will require an additional meeting to be held at the end of December. As can be seen from the list of issues above, this Scrutiny

Committee has a particularly heavy agenda, and while efforts are taken to manage the business effectively, with short focused meetings, policy review work often has to be taken at additional scrutiny meetings, and this year is no exception.

3. Recommendation

- 3.1 It is recommended that the Management Scrutiny Committee notes the progress of the Scrutiny Committee.

4. Background Papers

Children, Young People and Learning Scrutiny Committee Work Programme
2009/10

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(b) COMMUNITY AND SAFER CITY SCRUTINY COMMITTEE PROGRESS REPORT

REPORT OF CHAIR OF THE COMMUNITY AND SAFER CITY SCRUTINY COMMITTEE

1. Purpose of report

- 1.1 To inform the Members of the Management Scrutiny Committee of the progress made to date by the Community and Safer City Scrutiny Committee.

2. Progress of the Scrutiny Committee

- 2.1 The Scrutiny Committee has a new remit and is building up its knowledge and information about the service areas covered by its scope. Since the start of the Council year the Scrutiny Committee has :

- Scoped a review of the progress being made in tackling issues of anti social behaviour in the city. Evidence has been received on a monthly basis;
- Considered the effectiveness of the pilot introduction of polycarbonate glasses and recommended to the Safer Sunderland Partnership Board that the programme be further developed;
- Examined the progress being made in relation to the National Drugs Strategy and its implications for Sunderland;
- Provided its views to Cabinet on changes to the provisions of the Gambling Act;
- Received a performance monitoring report in relation to services included within the Committee's remit;
- Participated in the Safer Sunderland Forum held at the Stadium of Light.

- 2.2 The Committee has also sent representatives to the Local Government Association Conference on the Future of Scrutiny and reported back their findings to the Committee.

3. Recommendation

- 3.1 It is recommended that the Management Scrutiny Committee notes the progress of the Scrutiny Committee.

4. Background Papers

Community and Safer City Work Programme 2009/10

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(c) ENVIRONMENT AND ATTRACTIVE CITY SCRUTINY COMMITTEE PROGRESS REPORT

REPORT OF CHAIR OF THE ENVIRONMENT AND ATTRACTIVE CITY SCRUTINY COMMITTEE

1. Purpose of report

- 1.1 To inform the Members of the Management Scrutiny Committee of the progress made to date by the Environment and Attractive City Scrutiny Committee.

2. Progress of the Scrutiny Committee

- 2.1 The Scrutiny Committee has a new remit and is building up its knowledge and information about the service areas covered by its scope. Since the start of the Council year the Scrutiny Committee has :

- Scoped a review of traffic issues in the city focusing on the introduction of 20mph zones and parking issues around schools. Evidence has been received on a monthly basis;
- Established a task and finish group to undertake detailed research on aspects of the review;
- Established a task and finish group on the provision of allotments in the city;
- Received an update report on issues relating to parking enforcement in the city;
- Been consulted on the use of the Highways Contingency budget;
- Received a performance monitoring report in relation to services included within the Committee's remit;
- Considered the draft planning documentation in relation to Lisburn Terrace and the Holmeside Triangle and submitted its views to the Cabinet; and
- Received a report from Nexus on public transport in the city and the consultation exercise on the accessibility of bus services.

3. Recommendation

- 3.1 It is recommended that the Management Scrutiny Committee notes the progress of the Scrutiny Committee.

4. Background Papers

Environment and Attractive City Work Programme 2009/10

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**(d) HEALTH AND WELLBEING SCRUTINY COMMITTEE –
PROGRESS REPORT**

**REPORT OF THE CHAIR OF HEALTH AND WELLBEING SCRUTINY
COMMITTEE**

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

1. Purpose of Report

- 1.1 To inform the Members of the Management Scrutiny Committee of the progress made to date by the Health and Wellbeing Scrutiny Committee.

2. Progress of the Scrutiny Committee

- 2.1 This is the first report to this committee on the progress of the Health and Wellbeing Scrutiny Committee. The report provides progress on the work of the committee since its first meeting on 17 June 2009 as follows:-

- (a) The Healthy Lives – Tackling Health Inequalities Policy Review has been scoped and work is ongoing in gathering evidence as part of the review process. Members have held an initial focus group with officers of the Health, Housing and Adult Services Directorate and development of the community event day is ongoing.
- (b) The Health and Wellbeing Scrutiny Committee held the October 2009 committee meeting at the Washington Multi-Purpose Centre.
- (c) The Committee also received an early briefing on the Swine Flu situation in Sunderland and continue to receive regular updates from Sunderland’s Teaching Primary Care Trust. If the situation was to deteriorate the committee would request a further briefing by the Director of Public Health.
- (d) The committee has also received the first update on the previous policy review – Dementia Care in Sunderland. The report outlined progress on the recommendations.
- (e) The Committee also received a presentation from Church View Medical Practice on an integrated care pilot scheme which would see the practice and the local acute trust working together. As a result of the presentation concerns were raised around the lack of consultation involving pilot schemes in general. As a result the committee

recommended that a letter be sent to the Secretary of State outlining these concerns.

- (f) Members continue to receive an update from Northumberland Tyne and Wear Trust on acute bed numbers. As the committee has been satisfied with the current reporting this is now received on a quarterly rather than monthly basis.

2.2 The Committee are also looking at the following:

- (a) Members of the Committee are to use some of their scrutiny budget to attend a networking event in Leeds which will provide an opportunity to discuss health issues with fellow scrutineers. The event will also provide information for the policy review around health inequalities
- (b) The Committee is also to hold a joint meeting with Durham and South Tyneside Health Scrutiny functions to receive a consultation on Mental Health and Learning Disability Environments in Sunderland and South Tyneside.

3. Recommendation

- 3.1 It is recommended that the Management Scrutiny Committee notes the progress of the Health and Wellbeing Scrutiny Committee.

4. Background Papers

Health and Wellbeing Scrutiny Committee Work Programme 2009/10

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(e) MANAGEMENT SCRUTINY COMMITTEE PROGRESS REPORT

REPORT OF CHAIR OF THE MANAGEMENT SCRUTINY COMMITTEE

1. Purpose of report

- 1.1 To inform the Members of the Management Scrutiny Committee of the progress made to date by this Scrutiny Committee, as part of a six months progress report pilot.

2. Progress of the Scrutiny Committee

- 2.1 Since the start of the Council year the Scrutiny Committee has:

- (a) Developed the Scrutiny Function's Links with External Partners - During recent months, significant work has been undertaken to develop the links between the City Council's scrutiny arrangements and its external partners, namely the Sunderland Partnership.

A protocol between the Sunderland Partnership and the Council's Scrutiny Committees was endorsed in September 2009. In line with good practice, the agreed protocol ensures that all partners and stakeholders share a common understanding of Scrutiny's aims by setting out the roles and responsibilities that relate to the parties concerned.

As a starting point to establishing an effective dialogue, **A 'Meet and Greet' Event** between partners of the Sunderland Partnership and Scrutiny Chairs/Vice Chairs is to be held on **2 December 2009, commencing at 6.00 pm to 8.00 pm the Mayor's Parlour**. Such event is being held in advance of the Annual Delivery Plans of the Delivery Partnerships being considered by the relevant Scrutiny Committee in February 2010, to ensure to ensure open and transparent accountability in the delivery of LAA targets etc.

- (b) Revisited the Councillor Call for Action Mechanism and considered proposals for the Introduction of a Selection Criteria for Dealing with Issues of Local Concern - Back in April 2009, the Councillor Call for Action (CCfA) mechanism came into force providing Members with the opportunity to ask for discussions on issues where local problems have arisen and where other methods of resolution have been exhausted.

In Sunderland, two local issues have been raised through the Councillor Call for Action (CCfA) mechanism and as a result of those referrals the procedure is currently be reviewed to ensure both current and future CCfAs are addressed in a timely, open and transparent way.

At the same time work is also being undertaken to develop the Scrutiny Committees' links with both the Sunderland Partnership and the Area arrangements, one of which is the signposting and escalation of local issues to the most appropriate body for resolution where appropriate.

Consideration was given to the initial proposals for the processing of non-mandatory referrals to Overview and Scrutiny through the introduction of an agreed selection criteria which also reflects / combines the CCfA mechanism at the last meeting of this Committee held on 22 October 2009. At the request of Members, further work is being undertaken to the revised process which will be brought back to this Committee for further consideration in due course.

- (c) Continued to Develop the Work of Scrutiny and the Community Leadership Role of Elected Members through a series of workshops held on 28 and 29 October 2009 facilitated by Professor Bovaird of Birmingham University, with Workshops 1, 2 and 4 being repeated over the coming months. To date the workshops have been well attended as outlined below:-

Title of Workshop / Date	No. in Attendance
Workshop 1 - How Scrutiny can support Community Leadership Activities in Sunderland: Wednesday 28 October 2009 – 2.00 pm to 3.30 pm Tuesday 24 November 2009 – 5.00 pm to 6.30 pm	15 -
Workshop 2 – Delivering Effective Scrutiny: Thursday 29 October 2009 – 5.00 pm to 8.00 pm Tuesday 24 November 2009 – 10.00 am to 1.00 pm	6 -
Workshop 3 – Maximising the Value of Scrutiny with Cabinet, the Council and the LSP: Wednesday 28 October 2009 – 5.30 pm to 7.30 pm	18
Workshop 4 – Understanding Scrutiny for Officers: Tuesday 24 November 2009 – 2.00 pm to 4.00 pm Thursday 5 February 2010 – 5.00 pm to 7.00 pm	- -

Members are encouraged to attend the forthcoming workshops facilitated by Professor Bovaird to ensure they are successful.

- (d) Endorsed various protocols / additional information for inclusion in Overview and Scrutiny Handbook to be issued in December 2009:-
- (i) Scrutiny Chair and Vice Chair Role Descriptors
 - (ii) External Scrutiny Protocol
 - (iii) Protocol for the Appointment of Co-opted Members to the Council's Scrutiny Committees

- (iv) Information on the Regional Scrutiny Network and the Centre for Public Scrutiny; and
- (v) Information on the new Overview and Scrutiny Committee structure, introduced in May 2009.
- (vi) Councillor Call for Action Procedure (pending as currently under review)

(e) Introduced the Forward Plan as a regular agenda item to its Work Programme, to consider the forthcoming decisions of the Executive (as outlined in the Forward Plan) and to determine whether Scrutiny can add value in advance of the decision being made. Such practice has also been adopted by the six other Scrutiny Committees.

(f) Considered various corporate policies, performance and financial issues of the Council as part of our agreed work programme as summarised below:-

- (i) Regular performance reports on management of the Council's sickness absence for 2008/09 and 2009/10;
- (ii) Quarterly financial and performance monitoring reports;
- (iii) Strategy for the Disposal of Surplus Assets;
- (iv) Performance Report and Value for Money Assessment 2008/09;
- (v) On-going involvement in the City Council's budget setting process for 2010/11 Quarterly monitoring stuff

(g) Attended various conferences to maintain an awareness of scrutiny developments as summarised below:-

- (i) Enhancing Local Democracy Conference – 7 July 2009, Local Government House, London. Attendees: Councillor Tate and Wright
- (ii) North East Regional Employers Organisation's Performance Management for Members Seminar - 19 November 2009, Durham County Cricket Club, Chester-le-Street. Attendees: Councillors Tate and Wright
- (iii) Centre for Public Scrutiny's Parliamentary Seminar – 1 December 2009, House of Commons, London. Attendee – Councillor Wright

2.2 Over the coming months the Committee will continue to be heavily involved in the budget consultation process for 2010/11 along with the on-going development of the scrutiny arrangements.

2.3 In addition to the above, in my role as Chair of the Management Scrutiny Committee I continue to attend the monthly Four Way Meetings between the Chief Executive, Leader of the Council and the Head of Overview and Scrutiny to discuss the development / key challenges of our scrutiny arrangements and chair the bi-monthly informal meetings of Scrutiny Chairs and Vice Chairs.

3. Recommendation

3.1 It is recommended that Members note the progress of this Scrutiny Committee.

4. Background Papers

Management Scrutiny Committee Work Programme 2009/10

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(f) PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE PROGRESS REPORT

REPORT OF CHAIR OF THE PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE

1. Purpose of report

- 1.1 To inform the Members of the Management Scrutiny Committee of the progress made to date by the Prosperity and Economic Development Scrutiny Committee.

2. Progress of the Scrutiny Committee

- 2.1 The Scrutiny Committee has a new remit and is building up its knowledge and information about the service areas covered by its scope. Since the start of the Council year the Scrutiny Committee has :
- Scoped a review of a how Sunderland is coming out of the recession, focusing on physical regeneration and economic regeneration (through addressing worklessness);
 - Set up a working group to examine the implementation and use of the Working Neighbourhood Fund to meet the requirements of the policy review of addressing worklessness;
 - Set up a working group to consider the marketing and promotion of Sunderland as a tourist destination;
 - Scrutinised the development of the Economic Masterplan;
 - Taken a performance report on indicators around economic development and worklessness;
 - Considered the health of the retail sector across the city, including outlying areas;
 - Been consulted on the Council's review of industrial property in the city.
- 2.2 The Scrutiny Committee has also used its budget to fund member attendance at a national conference on the economic wellbeing of high streets and at the North East's first Grand Committee which debated the recession.

3. Recommendation

- 3.1 It is recommended that the Management Scrutiny Committee notes the progress of the Scrutiny Committee.

4. Background Papers

Prosperity and Economic Development Work Programme 2009/10

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**(g) SUSTAINABLE COMMUNITIES SCRUTINY COMMITTEE –
PROGRESS REPORT**

**REPORT OF THE CHAIR OF THE SUSTAINABLE COMMUNITIES
SCRUTINY COMMITTEE**

**Strategic Priorities: CIO1: Delivering Customer Focused Services, CIO4:
Improving partnership working to deliver 'One City'.**

1. Purpose of Report

- 1.1 To inform the Members of the Management Scrutiny Committee of the progress made to date by the Sustainable Communities Scrutiny Committee.

2. Progress of Scrutiny Committee

- 2.1 This is the first report to this committee on the progress of the Sustainable Communities Scrutiny Committee. The report provides progress on the work of the committee since its first meeting on 15 June 2009 as follows:-
- (a) The Access to Housing Policy Review has been scoped and work is ongoing in gathering evidence as part of the review process. Members have held focus groups with officers of the Health, Housing and Adult Services Directorate and social housing providers across Sunderland.
 - (b) The committee has also received the first of 3 reports around climate change in Sunderland. The purpose of these reports is to provide members of the committee with information relating to current initiatives and the sustainability of such initiatives in and around Sunderland.
 - (c) Members of the Committee have also developed, through consultation with council officers, a major projects report which will provide the committee with an overview of the current progress of some of the city's major projects. This report will be presented to committee on a quarterly basis and allow for members to pursue topics of interest in a greater detail if required.
 - (d) The committee has also received the first update on the previous Culture and Leisure Review Committee policy review – A Place to Play. The report outlined progress on the recommendations.

- (e) A member of the committee also attended a conference in London on the Fair and Flexible Housing Policy and this information has proved useful in developing themes within this years policy review.
- (f) The committee has received reports around supported housing and homelessness and these have proved informative and have provided further information for the policy review as well as detailing some of the current issues around the city.
- (g) The Committee is involved in the consultation process for the Football Investment Strategy and officers from City Services have presented information to members for comment.

2.2 The Committee are also looking at the following:

- (a) The committee are preparing to undertake a mini-review into Local Studies which will provide members with the opportunity to look at the current service available and how this can be improved. A scoping paper is expected to be presented to the committee in December 2009.
- (b) As part of the Access to Housing Policy Review arrangements are being finalised for representatives from Coventry Council to visit Sunderland and share their experiences of developing a single route into housing. This will provide important evidence for the policy review.
- (c) The committee are also looking into sustainability appraisals and have requested further information from officers on this issue and this is expected in January 2010.

3. Recommendation

- 3.1 It is recommended that the Management Scrutiny Committee notes the progress of the Sustainable Communities Scrutiny Committee.

4. Background Papers

Sustainable Communities Scrutiny Committee Work Programme 2009/10

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MANAGEMENT SCRUTINY COMMITTEE

PERFORMANCE MANAGEMENT FOR MEMBERS SEMINAR FEEDBACK – 19 NOVEMBER 2009

REPORT OF THE CHIEF EXECUTIVE

20 NOVEMBER 2009

1. Purpose of Report

- 1.1 To provide the Committee with verbal feedback from the North East Regional Employers Organisation's Performance Management Seminar held on 19 November 2009 attended by the Chair and Vice Chair of this Committee.

2. Background

- 2.1 The Council's Overview and Scrutiny Handbook contains a protocol for use of the Scrutiny Committees budget by Members to attend training and conferences (Protocol 5 refers). This allows Members to gain specialist knowledge and expertise within a particular area of scrutiny and is in addition to the list of standing conferences and corporate development programme.
- 2.2 The delegation to NEREO's Performance Management for Members Seminar held on Thursday 19 November 2009 at Durham County Cricket Club, Chester-le-Street included the Chair and Vice-Chair of the Management Scrutiny Committee who will provide verbal feedback at this meeting.

3. Seminar Programme and Facilitator

- 3.1 The programme for the one day seminar included:
- (a) Key principles of performance management;
 - (b) Links between performance management, business planning, LAAs and CAA;
 - (c) Defining goals using data –identifying a balanced set of performance indicators;
 - (d) Using performance management to deliver Members' goals;
 - (e) Principles of benchmarking and target setting;
 - (f) Details on the performance management framework;
 - (g) Dealing with barriers and developing a performance focused culture;
 - (h) Using performance information to improve services and quality; and

(i) The role of exception reporting as a performance management tool.

3.2 At the end of the workshop, it was envisaged that delegates would:-

- (a) Understand the essential principles of effective Performance Management;
- (b) Understand the links between performance management, planning, LAAs and CAA;
- (c) Be able to identify an appropriate and balanced set of performance indicators and set stretching but achievable targets;
- (d) Be better placed to assess the robustness of their Council's performance systems; and
- (e) Know how to use performance.

3.3 The seminar was facilitated by Chris Geyton from Excellence in Business – a provider of high quality management consultancy and training services. A specialist in procurement and supplier and contract management, as well as developing partnership arrangements.

4. Recommendation

4.1 The Committee is asked to receive verbal feedback from the conference delegates.

5. Background Papers

Seminar Programme

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MANAGEMENT SCRUTINY COMMITTEE

FORWARD PLAN – KEY DECISIONS FOR THE PERIOD 1 DECEMBER 2009 TO 31 MARCH 2010

REPORT OF THE CHIEF EXECUTIVE

20 NOVEMBER 2009

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 2009 – 31 March 2010 which relate to the Management Scrutiny Committee.

2. Background Information

- 2.1 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 the decision being made. This does not negate Non-Executive Members ability to call-in a decision after it has been made.
- 2.3 To this end, it has been agreed that the most recent version of the Executive's Forward Plan should be included on the agenda of this Committee. The Forward Plan for the period 1 December 2009 – 31 March 2010 will be despatched in advance of this meeting, due to its formal publication on 14 November 2009 which falls after the statutory requirements for the despatch of the Committee's agenda and supporting papers.

3. Current Position

- 3.1 In considering the Forward Plan, Members are asked to consider only those issues which are under the remit of the Management Scrutiny Committee. These are as follows:-

Corporate Improvement Plan; Sunderland Strategy; Partnerships (including relations with external bodies); enhancing the role and reputation of Sunderland regionally, nationally and internationally; co-ordination and development of the Scrutiny Function; Asset Management, Property Services and Building Maintenance; Area Frameworks; Corporate Communications; External Assessments; Public Protection and Trading Standards; Governance; Emergency Planning (to refer to appropriate Scrutiny Committee); Budget, financial resources and value for money; and to review any matter not falling within the remit of the other Scrutiny Committees.

3.3 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.

4. Recommendation

4.1 It is recommended that the Committee considers the Executive's Forward Plan for the period 1 December 2009 – 31 March 2010.

5. Background Papers

There were no background papers used in the preparation of this report.

Contact Officer : Charlotte Burnham, Head of Overview and Scrutiny
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MANAGEMENT SCRUTINY COMMITTEE

SCRUTINY COMMITTEES WORK PROGRAMMES FOR 2009-10

REPORT OF THE CHIEF EXECUTIVE

20 November 2009

Strategic Priority: ALL

Corporate Improvement Objective : ALL

1. Purpose of the Report

- 1.1 The report attaches, for Members' information, the variations to the Scrutiny Committees work programmes for 2009/10 and provides an opportunity to review the Committee's own work programme for the remainder of this Municipal Year.

2. Background

- 2.1 The role of the Management Scrutiny Committee is two-fold, firstly it has a role in co-ordinating efficient business across the seven Scrutiny Committees and manage the overall Scrutiny Work Programme and secondly to consider the Council's corporate policies, performance and financial issues.
- 2.2 The aim of its co-ordinating role is to avoid duplication, make best use of resources and to provide a corporate overview of the Overview and Scrutiny Function. As such the remainder of this report outlines the current work programmes of the Scrutiny Committees.

3. Scrutiny Committees Work Programmes

- 3.1 **Appendix 1** sets out the changes this month to the Scrutiny Committee work programmes from those endorsed at the start of the municipal year. Each Scrutiny Committee receives its own work programme in full each month in order to review progress.

4. Management Scrutiny Committee's Work Programme

- 4.1 **Appendix 2** outlines this Committee's full work programme for the year, updated to reflect new additions and amendments requested by Committee as the year has progressed.

5. Recommendation

5.1 That the Committee notes the variations to the Scrutiny Committees Work Programmes for 2009-10 and to its own work programme.

6. Background Papers

Scrutiny Committee Agendas – November 2009 cycle of meetings.

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CHILDREN, YOUNG PEOPLE & LEARNING SCRUTINY COMMITTEE WORK PROGRAMME 2009-10

	JUNE 18.6.09	JULY 9.7.09	SEPTEMBER 17.9.09	OCTOBER 15.10.09	NOVEMBER 12.11.09	DECEMBER 10.12.09	DECEMBER 18.12.09	JANUARY 14.1.10	FEBRUARY 11.2.10	MARCH 11.3.10	APRIL 22.4.10
Policy Review	Proposals for policy reviews (KB)	Scope of review – Commissioning 16-19 learning Looked After Children – Progress on recommendations			16-19 Learning – Setting the Scene (LB)	Achieving Educational Inclusion (MF)	Evidence Gathering Meeting	Youth Work Commissioning (AN) YOS Improvement Plan (JH)	Gender & Attainment – Progress on recommendations		Final Report
Scrutiny	Workforce Innovation & Reform Strategy consultation (PC/PT) Health Notice : Measles Outbreak (KM)	Laming Report Action Plan (KM) Health Notice : Swine Flu / Measles Outbreak (NC)	Library Plan (JH) HRH Primary – Improvement Plan (SM/MF)	Ofsted Inspection Framework / Schools Performance 2008/09 (LB)	Young Persons Supported Housing Project (PB)	Library Services Pricing Review (JH) Social Worker Roles & Responsibilities		Workforce Strategy Monitoring Schools Performance (LB)	Corporate Parenting Annual Report (MM)	Foster Carer Strategy – progress Initial Response Team Annual Report (MB)	Annual Report (KB) Workforce Strategy Q Monitoring Schools Performance (LB)
Scrutiny (Performance)	HRH Primary – Improvement Plan (SM/MF) Ofsted 12 months progress Plains Farm Primary	Castle View Monitoring Visit (MF)	Provisional KS Results (MF/AB) Performance & VfM Annual Report (SM)	Complaints Annual Report 08/09 (SM) LDD Strategy (SF)	Audit Commission School Survey 2009 (SM)			Performance Q2 April – Sept 09 HRH Primary Improvement Plan (MF/SM)	Attainment of C&YP (LB)	Tellus4survey (SM)	Performance Framework Q3
Cabinet	Article 4: Youth Justice Plan 09/10 (JH/GK)								Article 4: CYPP 2009-11		
Committee Business	Work Programme 2009/10 (KB) Children’s Homes Inspections Parenting Strategy	Libraries Conference	Ofsted Safeguarding Inspections Final Draft Work Programme	Co-opted Review (KB)	Libraries Conference Feedback (GH/TM)						
CCFA/Members items/Petitions											

To be scheduled: Academy Schools Vision & Future
Children’s Trust Annual Report
Teaching & Take up of MFL
Sure Start
Children in Transit
Total Place / Sandhill Scores

At every meeting: Forward Plan items within the remit of this committee
Work Programme update

COMMUNITY AND SAFER CITY SCRUTINY COMMITTEE WORK PROGRAMME 2009-10

	JUNE 15.6.09	JULY 7.7.09	SEPTEMBER 15.9.09	OCTOBER 13.10.09	NOVEMBER 10.11.09	DECEMBER 8.12.09	JANUARY 12.1.10	FEBRUARY 9.2.10	MARCH 9.3.10	APRIL 20.4.10
Policy Review	Proposals for policy review (Jim Diamond)	Scope of review – Anti Social Behaviour and Alcohol (Jim Diamond/Stuart Douglass)	Approach to review (JD) Impact of Deprivation – Visit)	Evidence Gathering	Evidence Gathering – Anti Social Behaviour and Housing (Stuart Douglass) Feedback from Conference (Members)	Evidence Gathering Feedback from Safer Sunderland Forum (J Diamond)	Evidence Gathering	Evidence Gathering	Draft report (JD)	Final Report
Scrutiny		Polycarbonate Drinking Vessels – City Centre Pilot (Stuart Douglass)		National Drug Strategy (Stuart Douglass) Poverty of Place – Visit (Sal Buckler)			Tackling Violent Crime (Stuart Douglass)	Reducing Reoffending (Stuart Douglass)	Scrutinising the Policing Pledge (Stuart Douglass) Powers of CSO's (Stuart Douglass)	Fear of Crime – Update report (Stuart Douglass)
Scrutiny (Performance)			Performance Q1 (Mike Lowe)			Performance Q2 (Mike Lowe) Fear of Crime Study – Update report (Stuart Douglass)				Performance Framework Q3 (Mike Lowe)
Ref Cabinet				Gambling Act – Amendments to Statement of Principles (Norma Johnston)						
Committee Business	Work Programme 2008/09 (JD)			Request to Attend Conference (J Diamond)						
CCFA/Members items/Petitions										
Information										

ENVIRONMENT AND ATTRACTIVE CITY WORK PROGRAMME 2009 -10

	JUNE 18.6.09	JULY 13.7.09	SEPTEMBER 21.9.09	OCTOBER 19.10.09	NOVEMBER 16.11.09	DECEMBER 14.12.09	JANUARY 18.1.10	FEBRUARY 15.2.10	MARCH 15.3.10	APRIL 26.4.10
Policy Review	Proposals for policy review (JD)	Scope of review – Highways and Network Management (Jim Diamond)	Baseline Report (JD)	Evidence Gathering	Evidence Gathering	Evidence Gathering	Evidence Gathering	Evidence Gathering	Draft report (JD)	Final Report
Scrutiny		Lisburn Terrace Triangle Development Framework – Cabinet Consultation (Keith Lowes) Highways Maintenance Contingency- Prioritisation (Burney Johnson)	Parking Enforcement (B Johnson) Stadium Village Development Framework – Cabinet Consultation (Keith Lowes)	Civil Parking Enforcement (B Johnson) Holmeside Triangle Development Framework (K Lowes) Sunniside Conservation Area (K Lowes)	Public Transport Issues (Nexus) Bus Network Redesign (NEXUS)	Stadium Development Village Development Framework (K Lowes)	Local Transport Plan – Progress on Action Plan (Burney Johnson) Public Toilets (Peter High)	Public Realm and Streetscene – Feedback from Review)	Cemeteries (Peter High) Cycling – Feedback from Review (Clive Greenwood) Legible City – Better Signposting of the Gateways (Chris Alexander)	
Scrutiny (Performance)			Performance Q1 (Mike Lowe)			Performance Q2 (Mike Lowe) Streetlighting (Aurora)	Waste Management and Recycling (Peter High)			Performance Framework Q3 (Mike Lowe)
Ref Cabinet										
Committee Business	Work Programme 2008/09 (JD)									
CCFA/Members items/Petitions										
Information										

HEALTH AND WELLBEING SCRUTINY COMMITTEE WORK PROGRAMME 2009-10

	JUNE 17.06.09	JULY 08.07.09	SEPTEMBER 16.09.09	OCTOBER 14.10.09	NOVEMBER 11.11.09	DECEMBER 9.12.09	JANUARY 13.01.10	FEBRUARY 10.02.10	MARCH 10.03.10	APRIL 21.04.10
Policy Review	Proposals for policy review (Review Coord)	Scope of review (Review Coord)	Approach to Review (Review Coord)	Progress on Review (Review Coord)	Progress on Review (Review Coord)	Progress on Review (Review Coord)	Progress on Review (Review Coord)	Progress on Review (Review Coord)	Draft report (Review Coord)	Final Report
Scrutiny	Proposed Restructuring of Community Nurse Teams in Sunderland (TQ) Workforce Development in the Independent Care Sector (TWCA) Health and Wellbeing Inequalities (NCx) Food Law Enforcement Safety Plan. (NJ)	Position Statement on Autism (SL) Pandemic Influenza & Measles – Update (NCx)	Beacon Award – Reducing Health Inequalities	NTW Crisis Resolution Team (RP) Intensive Rehabilitation & Recovery Services for Men & Women (CW/MW) Washington MPC (GK) Integrated Care Pilot Scheme (SL)	Annual Home Care Report including Home Care Services Progress Report (SL) Shop Mobility Scheme (PB) Barmston Medical Practice (LA) Ocular Oncology	Quality Standards for Residential and Nursing Homes for Older People (GK) Total Place (LC) Redesign of Drug and Alcohol Programmes (BS)				Annual Report (Review Coord)
Scrutiny (Performance)		Acute MH care – bed numbers	Performance & VfM Assessment (Paul Allen) Dementia Care in Sunderland Policy Review 08/09 – Progress (SL) Quality Commissioning Progress Monitor 07/08 Policy review SL	Acute MH care – bed numbers	Day Opportunities Update	Performance Framework Q2 (Paul Allen)	Dementia Care in Sunderland Policy Review 08/09 – Progress (SL) Acute MH care – bed numbers	Home Care Services Progress Report (SL)	Quality Commissioning Progress Monitor 07/08 Policy review SL Annual Health Check Acute MH care – bed numbers	Performance Framework Q3 (Paul Allen)
Ref Cabinet	Cabinet Response to the Policy Review-Dementia Care in Sunderland									
Committee business	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord) Cooption Report	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord)

CCFA/ Members items/Petitions										
Information		Forward Plan	Conference Attendance CfPS Bid Forward Plan	Forward Plan	Forward Plan					

Scrutiny Items – Carried Forward

Crisis Resolution Team Update – A further update to come back to committee (Sept 10)
 Intensive Rehabilitation & Recovery Services for Men & Women (Sept 10)

PROSPERITY & ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE WORK PROGRAMME 2009-10

REASON FOR INCLUSION	JUNE 17.6.09	JULY 15 .7.09	SEPTEMBER 23.9.09	OCTOBER 21.10.09	NOVEMBER 18.11.09	DECEMBER 16.12.09	JANUARY 20.1.10	FEBRUARY 17.2.10	MARCH 17.3.10	APRIL 28.4.10
Policy Review	Proposals for reviews (KJB)	Scope review (Cabinet Member Attendance) (KJB)			Major Projects Overview (JJ) WNS Use of Budget	City Centre Developments	Evidence Gathering Major Projects Overview	Evidence Gathering	Draft Final Report (KJB) Major Projects Overview	Final Report (KJB)
Scrutiny	Overview of the Working Neighbourhood Strategy (Cllr BC/VT)	Overview of Tourism & Marketing (KM)	Economic Masterplan (VT/CR) Tourism Submission to Select Committee (KM)	Sunderland Retail Needs Assessment (NC/GC) Industrial Property Review (CC)	Connexions – NEETs (AC) Future Jobs Fund (GB)		Progress Economic Masterplan SCVS Survey Results (GM) Seafront Regeneration Strategy & Marine Walk Masterplan (CJ)	Delivering and Resourcing Projects and Programmes Draft Final Economic Masterplan		
Scrutiny (Performance)			Performance Q1 & VfM (GR)			Performance Q2				Performance Q3
Ref Cabinet										
Committee business	Draft Work Programme 09/10 (KJB)		Work Programme (KB)	Grand Committee Feedback (KR) High Streets Feedback (KR) Coopted Member Protocol (KB)						
CCFA/Members items/Petitions										
Information		Forward Plan Pilot			LSP Delivery Group Report (JS)				LSP Delivery Group Report (JS)	

At every meeting Forward Plan items with the remit of this Scrutiny Committee and Work Programme Update

SUSTAINABLE COMMUNITIES SCRUTINY COMMITTEE WORK PROGRAMME 2009-10

	JUNE 15.06.09	JULY 14.07.09	SEPTEMBER 22.09.09	OCTOBER 20.10.09	NOVEMBER 17.11.09	DECEMBER 15.12.09	JANUARY 19.01.10	FEBRUARY 16.02.10	MARCH 16.03.10	APRIL 27.04.10
Policy Review	Proposals for policy review (Review Coord)	Scope of review (Review Coord)	Approach to review (Review Coord)	Progress on Review (Review Coord)	Progress on Review (Review Coord)	Progress on Review (Review Coord)	Progress on Review (Review Coord)	Progress on Review (Review Coord)	Draft report (Review Coord)	Final Report
Scrutiny		Empire Theatre Annual Report Forward Plan	Forward Plan	Climate Change (JG) Homelessness Report (PB/DS) Young Persons Supported Housing Project (PB/DS) Forward Plan	Major Projects Report (JB) Football Investment Strategy (JR) Britain in Bloom(IC/NA) Forward Plan	Review of History and Local Heritage of Sunderland (NC) Forward Plan	Climate Change (JG)	Major Projects Report (JB)		Annual Report (Review Coord) Climate Change (JG)
Scrutiny (Performance)			Performance & VfM Assessment Progress on Policy Review 08/09 – A Place to Play		Heritage Update (JH)	Performance Framework Q2 Progress on Policy Review 08/09 – A Place to Play			Progress on Policy Review 08/09 – A Place to Play	Performance Framework Q3
Ref Cabinet	Terms of Reference of the Review Committee	Cabinet Response to the Policy Review-A Place to Play								
Committee business	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord) Conference Attendance	Work Programme 2009/10 (Review Coord) Cooption Report	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord)	Work Programme 2009/10 (Review Coord)
CCFA/ Members items/Petitions										
Information										

MANAGEMENT SCRUTINY COMMITTEE WORK PROGRAMME 2009/10

REASON FOR INCLUSION	JUNE 23.6.09	JULY 16.7.09	SEPTEMBER 24.9.09	OCTOBER 22.10.09	NOVEMBER 20.11.09	DECEMBER 17.12.09	JANUARY 21.1.10	FEBRUARY 18.2.10	MARCH 18.3.010	APRIL 29.4.10
Scrutiny		Absence Management (SS) Asset Management Review (CC)	Absence Management – Additional Information (SS)		Gentoo – Request to Extend Borrowing Powers (KB) Strategy for Surplus Assets (CC)	Health & Safety Annual Report (SS)				
Scrutiny (Performance)			Performance & VfM Assessment (SR)				Performance Management Q2 (SR)			Performance Management (Q3) (SR) Annual Audit Letter
Ref Cabinet			Proposal for Budget Consultation 2010/11 (KB) Budget Variations 1 st Q (KB)	Budget Variations 2 nd Q (KB) Budget Planning Framework (KB)			Council Tax 2010/11 (KB) Budget Variations 3 rd Q (KB) CAA (?)	Budget & Service Reports - RSG 09/10 - Council Tax - CIP Ongoing CAA	Article 4: Sunderland Strategy LAA	Ongoing CAA
Committee business	Annual Work Programme & Policy Review 2009/10 (CB) Scrutiny Committee Work Programme 2009/10 (CB)	Feedback from conference (CB) Refresh of Scrutiny Handbook (CB) Relationship Building / INLOGOV (CB) Forward Plan Pilot (CB)	Draft Protocol – Scrutiny and External Partners (CB) Draft Protocol – Appointment of Co-opted Members to the Council's Scrutiny Committees (CB)	Tony Bovaird Workshops (CB) Draft Role Descriptors for Scrutiny Chair, Vice Chair and Scrutiny Member (CB) Finalised Protocol – appointment of Co-opted Members to the Council's Scrutiny Committees (CB) Review of CCfA Mechanism & Proposal for Introduction of Selection Criteria for Dealing with issues of Local Concern (CB)	Chairs Six Month Progress Reports Pilot (CB) Forward Plan (CB) Work Programmes of all Scrutiny Committees (CB) Feedback from Seminar: NEREO Seminar on Performance Management (Cllrs Tate and Wright) (CB)	Future Monitoring of Scrutiny Recommendations Pilot (CB) Forward Plan (CB) Work Programmes of all Scrutiny Committees (CB) Feedback from Parliamentary Seminar of 1 Dec 09 from Cllr Wright (CB) Further Revisions to the CCfA Mechanism / Proposal for Introduction of Selection Criteria for Dealing with issues of Local Concern (CB)	Forward Plan (CB) Work Programmes of all Scrutiny Committees (CB)	Forward Plan (CB) Work Programmes of all Scrutiny Committees (CB) Annual Scrutiny Conference 2010 – Draft Programme Outline (CB)	Forward Plan (CB) Work Programmes of all Scrutiny Committees (CB)	Draft Annual Report (CB) Forward Plan (CB) Work Programmes of all Scrutiny Committees (CB)