

POLICY DEVELOPMENT & REVIEW 2011/12: PROGRESS ON REVIEWS

Report of the Chief Executive

1. Purpose of Report

- 1.1 The purpose of this report is to provide Members with an update on the progress in relation to the two policy reviews being undertaken by the Management Scrutiny Committee into self regulation and illegal money lending respectively.

2. Background

- 2.1 Initial scoping documents were presented to the Committee on the 14th July 2011 which set out proposed terms of reference for each of the reviews. At its meeting on 15th September, 2011 the Committee considered scene setting reports for both reviews into self regulation (now titled Demonstrating Local Accountability: A look at the emerging national Self Regulation Framework and implications for the Council) and illegal money lending (now titled At What Cost: The Effects of High-Cost Credit and Illegal Loan Sharks on Local Communities).

3. Demonstrating Local Accountability: Policy Review - Update

- 3.1 The second workshop into Self Regulation took place on Tuesday 13th December 2011 and was aimed at focusing on the peer challenge strand of self regulation through looking at a number of examples from within the authority. The scrutiny function peer review and the recent peer challenge of Children's Safeguarding were used as illustrations.

Overview of the Peer Review/Challenge Process

- 3.2 A major aspect of self regulation is the peer challenge and the Local Government Association (LGA) is keen to promote this tool through the offer to councils of a free peer challenge between now and March 2014.
- 3.3 Peer challenges are not similar to previous inspection regimes like CAA in that they are less prescriptive and are aimed at improvement not judgement.
- 3.4 Peer challenge teams are made of a mix of officers and members that best reflect the main focus of the peer challenge and these team compositions are agreed with councils in advance. In fact the selection of the peer challenge team can be as important as the peer challenge itself.

Scrutiny Peer Review

- 3.5 The Scrutiny Peer Review was undertaken in 2008 and was based upon the 4 principles of good scrutiny:
- Critical Friend Challenge;
 - Reflect the voice and concerns of local communities;
 - Take and lead the scrutiny process;
 - Impact on service delivery.

- 3.6 The team for the review was Robin Stonebridge (ex-Rotherham MBC), Jill Rouse (IDeA) and David Armin (IDeA).
- 3.7 The review team first carried out a survey via questionnaire to get the views of Members and Senior Officers. Following this a workshop was held for Members (14 attended). The team was on site for 3 days in September 2008 where they reviewed documentation, held a number of interviews and focus groups and observed 2 scrutiny committee meetings.
- 3.8 The key points of a peer review from the scrutiny experience were as follows:
- Provided an independent view;
 - Driver for change and improvement;
 - Provided a reality check;
 - Tailor the review to suit the service/organisation.
- 3.9 It was noted that Cabinet, at the time, were not involved in the peer review. It was recognised that the view of Cabinet would be just as relevant in such a review and it was worth bearing this in mind for the future.
- 3.10 It was highlighted by the group that there can be a tendency to say an objective has been achieved when this may not be the case. It was seen as important that any recommendation arising from a peer review/challenge was signed off only when completely achieved.

Children's Services: Safeguarding – Peer Challenge

- 3.11 Meg Boustead, Head of Safeguarding – Children's Services, attended the focus group to provide some informative feedback from the very recent peer review undertaken in the Safeguarding Service.
- 3.12 It was noted that the peer challenge was useful in that it provided a different perspective on the service from peers. It was also highlighted that the peer challenge was not a one-way street and that the reviewers also took learning back with them. One of the key advantages of the peer challenge was the high degree of honesty that takes place during discussions and the less guarded approach than during a formal Ofsted inspection visit.
- 3.13 The group discussed the accountability issues around the action plan resulting from a peer challenge and how it was important to share this and the learning from the peer challenge with the scrutiny function. It was noted that scrutiny would be the appropriate place to be to hold the action plan to account and demonstrate progress on the actions within it.
- 3.14 It was recognised that self regulation would not work without the requisite peer challenge and perhaps a more regional arrangement would be required. It was also noted that even if a council was recognised as doing better than everyone else, if that actually meant being the least worst was this the ideal?

Summing Up from Workshop

- 3.15 It was noted that the 'old' model of peer challenge was very much providing a benchmark and did not have the flexibility of the new style challenge. The new peer challenge has identified new areas to work and also helped shape the community leadership programme.
- 3.16 In developing self regulation it will be important to develop products that are fit for purpose as the landscape is still very much populated by a regime of inspection. The LGA document 'Taking the Lead: The LGA peer challenge offer' reflects the new approach and it is important that peer challenge builds on the honesty angle that the approach brings. As the approach develops and increases in use it will most likely lead to a suite of peer challenges that can be tailored to each individual service or organisation.

4. At What Cost? : Policy Review - Update

- 4.1 A focus group was held on Thursday 15th December 2011 with Members of the Management Scrutiny Committee meeting with a number of service providers from across the city to discuss issues related to the policy review looking at high cost credit and illegal money lending.
- 4.2 Some of the key points arising from the discussions were as follows:
- Wearside First has now gained approval from FSA to change into a Community Bank and will be known in future as Bridges Community Bank. To further strengthen the credit unions position they have joined forces with South Tyneside's Credit Union, enabling them to enjoy savings on economies of scale e.g. a shared IT system.
 - The majority of loans that Credit Unions offer are from £1,000 to £5,000 but they can offer up to £10,000. The maximum % rate is 2% which is 26.2% APR. Whereas banks front load interest on a loan, community banks only charge interest on the length of term of the loan.
 - Credit unions can help with debt consolidation and enable their clients to reduce their monthly out goings. All clients are encouraged to open savings accounts, even if they only save £1 a week. Clients are offered advice and are encouraged to borrow less. It was also noted that the demand for Christmas loans had been phenomenal.
 - One major issue is that there are several generations of families that for a variety of reasons have never saved. This directly impacts on encouraging young people to save. South Tyneside has approximately 17 schools in South Tyneside in a savings programme, and it would be something to encourage and promote in Sunderland too.
 - It was also highlighted that currently churches and similar organisations are unable to hold accounts with credit unions. However legislation is changing and soon organisations such as sports halls and churches will be able to use credit unions, thus creating new business opportunities.

- Christians Against Poverty (CAP) started 15 years ago and now have 190 centres around the country, with a head office in Bradford. CAP work in partnership with the church offering free debt advice. Initially they make a home visit, set a manageable budget and negotiate with the clients creditors. Often due to their relationship with creditors they can reduce or eliminate further interest charges. CAP also encourages people to save.
- It was highlighted that they give out leaflets and have advertised articles in the echo, but generally it is by word of mouth. CAP also has a free phone number to book in appointments; however it was pointed out that they may not be able to take the client on if loan sharks are involved or if the person is in too much debt.

4.3 The full note of this workshop is attached at **Appendix 1** of this report.

4.4 The timetable for this policy review is attached as **Appendix 2** of this report.

5. Next Steps

5.1 The third workshop in the series of four is set to take place on Thursday 2nd February at 4 pm in Committee Room 1. This workshop aims to look at the LG Inform and Knowledge Hub resources that are available to Councils. The final workshop will be arranged to take place in late February/ early March 2012.

5.2 The North East Joint Member / Officer Scrutiny Network will take place on Friday 27th January 2012, and will consider self-regulation and improvement in local government. Mark Edgell, Regional Associate, LGG will be in attendance at the meeting to talk to members about the opportunities and challenges of self-regulation and regarding the LG Group programme and key proposals. The Network will also consider the role of scrutiny in the new framework. The Centre for Public Scrutiny (CfPS) has been continuing to work with the LG Group and others to promote the importance of overview and scrutiny in holding local authority decision-makers and services to account in the new environment of less central regulation and inspection. The meeting takes place on 27th January 2012 at 10am in committee room 6.

5.3 A working group is take place in relation to the review into Illegal Money Lending and High Cost Credit on Monday 23rd January at 5pm, in Committee Room 3.

6. Recommendations

6.1 That the information in the report is noted.

Background Papers

Management Scrutiny Committee Papers - Minutes

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