

**At a meeting of the MANAGEMENT SCRUTINY COMMITTEE held in the CIVIC CENTRE on THURSDAY, 18<sup>TH</sup> MARCH, 2010 at 5.30 p.m.**

**Present:-**

Councillor Tate in the Chair

Councillors Barkess, D. Forbes, M. Forbes, P. Gibson, L. Martin, Mordey, J. Scott, Walker and T. Wright.

**Introduction and Welcome**

The Chairman welcomed everyone to the meeting and invited them to introduce themselves to one another.

**Apology**

An apology for absence was submitted to the meeting on behalf of Councillor Copeland.

**Minutes of the Last Meeting of the Committee held on 18<sup>th</sup> February, 2010**

**(i) Apologies for Absence**

Councillor Mordey pointed out the typographical error in the minutes recording the apology of Councillor A. Hall as Vice-Chairman of the Children, Young People and Learning Scrutiny Committee instead of Councillor G. Hall, and it was:-

1. RESOLVED that the minutes of the last meeting of the Scrutiny Committee held on 18<sup>th</sup> February, 2010 be confirmed as a correct record subject to the above amendment.

**Declarations of Interest (including Whipping Declarations)**

There were no interests declared.

## **Audit Commission Annual Audit Letter 2008-09**

The Chief Executive submitted a report attaching a copy of the report considered by Cabinet at its meeting on 3<sup>rd</sup> February, 2010 (copies circulated) in relation to the City Council's Annual Audit and Inspection Letter covering the year 2008-09.

(For copy reports – see original minutes).

Ms. Sonia Tognarelli, Head of Financial Management, provided the Committee with a brief outline of what issues the Audit Letter included.

Mr. Gavin Barker, Senior Audit Manager, Audit Commission, advised the Committee that an unqualified audit opinion on the Council's 2008/09 financial statements was issued on 30<sup>th</sup> September, 2009 and also an unqualified Value for Money opinion. He reported that the Council had scored Level 3 overall in respect of the Use of Resources which was a very good result. The Audit Commission's response to formal objections received from a local elector had yet to be finalised and until that time formal certificates to confirm that the audits had been completed, could not be issued.

Mr. Barker briefed the Committee on the local risk based work undertaken in respect of community cohesion where the Audit Commission had agreed specific action points with officers. Work had also been followed up in respect of previous work on performance improvement and focus had been given to health inequalities and on the harm caused by alcohol in particular.

Mr. Barker stated that the headlines in respect of Use of Resources were that the Audit Commission was overall very impressed with what they had seen. With regards to managing finances, very strong arrangements were in place. In respect of managing resources, which included use of natural resources and strategic asset management, the scored judgement was Level 2.

Councillor J. Scott referred to the action being taken to address alcohol harm and the comment that Sunderland was fourth worst local authority area in England for binge drinking. He suggested that as the licensing authority, the Council needed to tighten up procedures and not issue licences to every shop that applied.

Councillor P. Gibson commented that as a Member of the Licensing Committee he was able to confirm that the Council worked under very strict guidelines when issuing licences. However, despite best efforts, alcohol misuse was still an important issue for Sunderland.

The Chairman asked, with regard to the accounts when it was likely the formal certificates could be issued.

Mr. Barker advised that the District Auditor was personally dealing with the formal objections and the proper process needed to be followed. He was waiting for information from the local elector. The District Auditor was keen to bring the matter to a conclusion, however he could not give a timescale at this point in time. The time

taken to investigate a complaint was an issue recognised by the Audit Commission and efforts were being made to deal with objections more effectively.

Mr. Barker added that the objections did not present any material impact on the Council's accounts, however they could not be closed until the objections were dealt with as there might be issues to be reported back to the Council.

In respect of alcohol issues, Councillor M. Forbes enquired whether the Council could exercise any discretion on applications for a licence.

Ms. Rhiannon Hood, Assistant Chief Solicitor, replied that she would investigate and provide information in writing in response to Councillor Forbes.

Councillor P. Gibson added that there had been a High Court ruling on the matter and understood that the Council's hands were effectively tied.

Ms. Charlotte Burnham, Head of Overview and Scrutiny, advised Members that the Community and Safer City Scrutiny Committee was undertaking a policy review looking at alcohol related crime and one area that was being considered was the role of the licensing regulations. It would be interesting to see the Committee's conclusions and recommendations on the matter.

Councillor M. Forbes asked whether the Audit Commission had identified any areas the Council could strengthen its work on to tackle the issue.

Mr. Barker stated that funding was in place to address the issue, however, the strategy was not in place. Robust information was needed so that the Council could direct resources and commission work through the voluntary sector. The problem was having the capacity to deal with the issue, measuring outcomes and also the time it would take to see an improvement. This was a really difficult nut to crack and an issue the Council had in common with other local authorities.

Councillor M. Forbes enquired who was responsible for collecting the data, which was insufficient, what steps were being taken to improve this and as alcohol misuse was a regional issue, what steps were being taken to address it across the region.

Mr. Barker stated that this was a national issue played out in all health inequalities. While money was poured in to tackle a particular issue the difficulty was in measuring the outcomes.

The Chairman pointed out that the Council's Health and Wellbeing Scrutiny Committee was undertaking a policy review of health inequalities and information was being gathered from partners to inform the review which would make recommendations as to how to improve the situation.

The Chairman asked what would be needed for the Council to score a Level 4 overall.

Mr. Barker stated that the CAA was a harder test and more was needed now than two years ago in order to achieve a Level 4. He added that not many local

authorities had achieved a Level 4 overall. The Council needed to meet all the criteria for Levels 2 and 3 and then meet the onerous criteria about delivering real outcomes and demonstrate innovative practice that others could learn from in order to achieve Level 4. The Audit Commission was undertaking next year's assessment now. The Council was very clear about what it wanted to achieve. He added that Level 4 might be achieved when outcomes filtered in from the actions the Council was currently undertaking.

The Chairman thanked Mr. Barker for his comments.

Ms. Tognarelli welcomed the comments from the Audit Commission. She added that actions that were being taken were beginning to come to fruition and plans were being put in place in the Improvement Plan. Value for Money and health inequalities issues such as alcohol misuse, were being taken through the Total Place Project for the region.

2. RESOLVED that the report be received and noted and the information requested as detailed above be circulated to Members accordingly.

#### **Reference from Cabinet – 10<sup>th</sup> March, 2010 – Comprehensive Area Assessment (CAA) Use of Resources Improvement Plan**

The Chief Solicitor submitted a report attaching a copy of a report considered by the Cabinet at its meeting held on 10<sup>th</sup> March, 2010 (copies circulated), seeking approval for the Council's CAA Use of Resources Improvement Plan.

(For copy reports – see original minutes).

Mr. Mike Lowe, Assistant Head of Performance Improvement, drew Members' attention to the Use of Resources Improvement Plan drawn up in respect of the recent CAA detailed at appendix 1. He pointed out that a number of actions such as the development of a Sustainability Policy, Construction Policy, Asset Management Strategy had already been taken forward and that the Council was aware of the improvement activity needed.

Councillor M. Forbes referred to paragraph 4.4 of the report and queried why the Workforce Key Line of Enquiry (KLoE) was not undertaken before the Council changes were put in place.

Mr. Gavin Barker, Senior Audit Manager, Audit Commission, advised that the Commission set out which KLoEs to do each year. Work had started over the winter on Workforce and a final conclusion was expected in July. The changing arrangements in the Council was one of the topics that Officers had been talking about that day and additional information had been provided to Auditors on the proposals which were planned.

The Chairman referred to the managing of natural resources and commented on the Council's focus on its own carbon footprint and efforts to reduce its carbon

emissions. He mentioned the good news from Nissan which had announced its plans to produce a new electric car, the Leaf, in Sunderland.

Mr. Barker commented that natural resources was a wide ranging KLoE and that the Council had a good understanding of the issues, however actions needed to be put in place to deliver outcomes.

Mr. Lowe advised that there was a strong focus on improving sustainability in the action plan and that the announcement concerning 'the Leaf' was an important outcome for the City.

Councillor L. Martin enquired whether the Council monitored its own recycling rates. He suggested that Council staff should use electric powered cars, more thought be given to remote working and double glazing of the Civic Centre building for example. He stated that he would like to see the Council taking a lead on these issues and asked for further information as to what the Council was doing already.

The Chairman commented that the Council was trying, for example, to reduce paper agenda and looking to install personal computers in the Committee rooms. The drinking water supplied around the building was now environmentally friendly as it was not operated from the mains. He suggested the Scrutiny Committee set up a working group to look at ways for the Council to improve its own recycling and sustainability issues.

Ms. Sonia Tognarelli, Head of Financial Management, advised that a new post of Sustainability Co-ordinator had been established to look into such issues.

3. RESOLVED that the report be received and noted.

### **Reference from Cabinet – 10<sup>th</sup> March, 2010 – Local Area Agreement Annual Review Process 2009/2010**

The Chief Solicitor submitted a report attaching a copy of the report considered by the Cabinet on 10<sup>th</sup> March on the Local Area Agreement Annual Review Process 2009/2010 (copies circulated). The report had been submitted at the request of the Chairman for the Committee's information.

(For copy reports – see original minutes).

Mr. Mike Lowe, Assistant Head of Performance Improvement, introduced the report advising that the report detailed the outcome of the Local Area Agreement Review 2009/2010 and sought approval to revised targets for several priority indicators. He stated that revising targets provided the basis on which partners could set stretching but attainable targets that would enable the partnership to maximise the reward grant associated with LAA performance. Mr. Lowe pointed out that in relation to NI 116 – Proportion of Children in Poverty, the Cabinet had agreed to take the option to perform against the regional, i.e. north east, average gap of 1.3% rather than the gap between Sunderland and England.

Councillor L. Martin commented on the scale of the challenge, stating that most inequalities were driven by wealth. He highlighted that 1 in 5 were on out of work benefit in Sunderland and that there were massive issues with generational unemployment. This information needed to be used to inform the Council as to what it needed to do to restore prosperity in Sunderland.

With regards to 16-18 year olds not in employment, education or training (NEETs), Sunderland was second highest in the country. 16-24 year olds was a huge issue and challenge and Councillor L. Martin stated that he would like to see the Council refocus some of its finances on this area.

With regards to Worklessness benefits, Councillor Martin advised that this involved 1 in 3 people in some areas of the City and the Local Authority needed to do more to tackle the issue.

The Chairman asked whether the NEET figures could be provided to Members of the Committee.

Mr. Lowe confirmed that this information would be provided. He added that in respect of the wider agenda, 16-24 year olds were a priority and focus for the Local Authority and its partners. NEETs had been given a red tag under the Comprehensive Area Assessment and therefore given a stronger focus. As a consequence of the increased focus and efforts the target had been met and had reduced by 38% which had resulted in increased opportunities. Mr. Lowe informed the Committee that he would circulate the report to Members for their information.

Councillor M. Forbes enquired how long people remain employed when placed on apprenticeships across the spectrum, if they lost the position what the reasons were and how many long term successes there were.

Ms. Charlotte Burnham, Head of Overview and Scrutiny, advised that a Working Group of the Prosperity and Economic Development Scrutiny Committee had as part of its evidence gathering, were likely to have considered such information from JobCentrePlus. Furthermore, the Working Group would be publishing its findings and subsequent recommendations in April 2010.

4. RESOLVED that the report be received and noted and the information requested as detailed above be provided to Members accordingly.

### **Request to Attend Seminar – Centre for Public Scrutiny 8<sup>th</sup> Annual Conference and Exhibition**

The Chief Executive submitted a report (copy circulated) asking the Committee to consider nominating delegates to the Centre for Public Scrutiny 8<sup>th</sup> Annual Conference and Exhibition to be held on 30<sup>th</sup> June – 1<sup>st</sup> July 2010.

(For copy report – see original minutes).

Councillor Mordey stated that he was disappointed that this report had not been submitted for consideration by other Scrutiny Committees as he felt Members would benefit by attending.

Ms. Charlotte Burnham, Head of Overview and Scrutiny, advised that attendance at the conference was included on the agenda for consideration at the Informal Meeting of the Chairmen and Vice Chairmen on 22<sup>nd</sup> March and further nominations could be taken to attend the Conference. She added that historically the national conference had been attended by Members of the Policy and Co-ordination Review Committee and therefore it had been included on this agenda as this was the successor Scrutiny Committee.

The Chairman advised that every Scrutiny Chair and Vice Chair had been informed electronically by the Centre for Public Scrutiny of their Annual Conference.

Councillor M. Forbes pointed out that with video conferencing everyone would have the opportunity of attending.

The Chairman confirmed that updating of the Committee rooms was planned.

Full consideration of the report having been given, it was:-

5. RESOLVED that approval be given to the attendance of two Members of the Management Scrutiny Committee (names to be confirmed), to be accompanied by the Head of Overview and Scrutiny Committee at the above Conference on 30<sup>th</sup> June – 1<sup>st</sup> July and to be funded from the Management Scrutiny Committee budget.

### **Forward Plan – Key Decisions for the Period 1<sup>st</sup> April, 2010 to 31<sup>st</sup> July, 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 above period which relate to the Management Scrutiny Committee.

(For copy report – see original minutes).

Ms. Sarah Abernethy, Trainee Scrutiny Officer, introduced the report and invited Members to consider the Forward Plan.

6. RESOLVED that the Executive's Forward Plan for the period 1<sup>st</sup> April, 2010 to 31<sup>st</sup> July, 2010 be received and noted.

### **Scrutiny Committees' Work Programmes for 2009/2010**

The Chief Executive submitted a report (copy circulated) attaching for information, the variations of the Scrutiny Committees' Work Programmes for 2009/2010 and providing an opportunity to review the Committees' own work programme for the remainder of the municipal year.

(For copy report – see original minutes).

Councillor Mordey, in his capacity as Chairman of the Prosperity and Economic Development Scrutiny Committee, advised the Committee that an additional meeting of the Scrutiny Committee would be taking place on Tuesday, 4<sup>th</sup> May, to consider the Committee's policy review reports on the Working Neighbourhood Strategy and Tourism.

Councillor L. Martin commented that some Members of the Council might have difficulty in attending the meeting as they would be campaigning in respect of the election on 6<sup>th</sup> May.

Councillor Mordey stated that he was asking all Members to attend as the Committee would be considering important reports and this would also be the last meeting of the Vice Chairman, Councillor Arnott, as he was retiring. Councillor Arnott had undertaken a lot of work on the Committee's behalf and it would be appropriate for Members of the Committee to attend and be present for his final meeting.

7. RESOLVED that the variations to the Scrutiny Work Programmes for 2009-10 and to the Scrutiny Committee's own Work Programme be noted.

(Signed) Councillor R.D. Tate,  
Chairman.