

At a meeting of the POLICY AND CO-ORDINATION REVIEW COMMITTEE held in the CIVIC CENTRE on THURSDAY, 19TH MARCH, 2009 at 5.30 P.M.

Present:-

Councillor Tate in the Chair

Councillors Arnott, A. Cuthbert, D. Forbes, G. Hall, Heron, Mordey, J. Scott, Walker, J. Walton and T. Wright.

Welcome and Introduction

The Chairman welcomed and introduced Ms. Charlotte Burnham, the recently appointed Head of Scrutiny, who was attending the meeting as an observer before taking up her post on 27th April, 2009.

Apology for Absence

An apology for absence was submitted on behalf of Councillor Whalen.

Minutes of the Meeting of the Committee held on 19th February, 2009

- i) Reference from Cabinet – 11th February, 2009 – Budget and Service Reports

Councillor T. Wright referred to the presentations given by Cabinet Members and enquired whether the process was to be reviewed for next year.

The Chairman suggested that five Cabinet Members be invited to brief the Review Committee at one meeting and five at the next due to the length of time the process had taken.

Councillor Arnott stated that he would be concerned if two ordinary meetings of the Review Committee were dominated by the Budget and Service reports. He suggested that the visits of the Cabinet Members be split as suggested, with some being invited to attend an ordinary meeting, but that an additional meeting be scheduled to hear from the remainder.

Ms. Rhiannon Hood, Assistant City Solicitor, stated that feedback from Members on the process would be taken on board and that the arrangements in respect of next year's consultation on the budget would be submitted to the Committee for approval.

Councillor J. Walton advised that with respect to the issues he had raised at the meeting concerning the disquiet from constituents regarding the decline in bus services across the City, that a meeting had been held with the Commercial Director of Stagecoach on 13th March who had taken on board the concerns and dissatisfaction and hoped to do something about it.

1. RESOLVED that the minutes of the Review Committee meeting held on 19th February, 2009, Part 1 (copy circulated), be confirmed and signed as a correct record.

Declarations of Interest (Including Whipping Declarations)

Item 5 – Sunderland Economic Overview

Councillor Walker declared a personal interest in the above report as an employee of Gentoo Limited.

Item 6 – JobCentre Plus

Councillor D. Forbes declared a personal interest due to his involvement with Grindon Action Technology Enterprise Service (GATES).

Item 7 – Job Linkage

Councillor D. Forbes declared a personal interest due to his involvement with GATES.

Variation of Agenda

The Chairman moved that the Agenda be varied and Item 8 – Reference from Cabinet – 11th March, 2009 – Comprehensive Performance Assessment – Use of Resources – Auditor Judgement 2007/2008, be considered after Item 4 – Report of the Meeting of the Cabinet held on 11th February, 2009, Part I; and it was:-

2. RESOLVED accordingly.

Report of the Meeting of the Cabinet held on 11th February, 2009, Part I

The City Solicitor submitted a report (copy circulated) attaching a copy of the minutes of the meeting of the Cabinet held on 11th February, 2009, Part I, for Members' information.

(For copy report – see original minutes).

3. RESOLVED that the report be received and noted.

Reference from Cabinet – 11th March, 2009 – Comprehensive Performance Assessment – Use of Resources – Auditor Judgement 2007/2008

The City Solicitor submitted a report attaching a copy of a report considered by the Cabinet at its meeting held on 11th March, 2009 (copies circulated), advising of the outcome of the Comprehensive Performance Assessment – Use of Resources – Auditor's Judgement 2007/2008. The report was referred to the Review Committee for consideration and comment.

(For copy reports – see original minutes).

Mr. Keith Beardmore, City Treasurer, briefed the Committee on the report and in so doing referred Members to paragraph 4.5.2 which detailed the opportunities for improvement in respect of financial management, internal control and value for money and advised that action plans were in place or were being finalised to address the issues highlighted.

Mr. Beardmore added that the District Auditor and the Comprehensive Area Assessment Lead would be attending the April meeting of the Policy and Co-ordination Review Committee and Members would have the opportunity to question them on the Council's assessment.

Councillor Mordey congratulated the City Treasurer and his staff on the efforts made to achieve level 4 assessment.

In response to Councillor Mordey's enquiry, Mr. Beardmore stated that level 3 meant the Council was still performing well, however, he advised that in relation to internal control the measures to improve the Council's performance from level 3 to level 4 were detailed in paragraph 4.5.2. The Review of Scrutiny Members were undertaking was seeking to address the issues across the Council. In relation to business continuity, and in particular ICT disaster recovery arrangements, these had not been fully implemented and documented but he was confident that they would be signed off this year.

Councillor G. Hall commented that an excellent job had been done in relation to use of resources taking into consideration the current financial climate and he looked forward to seeing the report next year to say all the issues had been addressed. He thanked the City Treasurer for the hard work the Department carries out.

Mr. Beardmore stated that it was a team effort and that he was very grateful to his staff and the other Directorates and Portfolio Holders for their co-operation.

Councillor T. Wright congratulated all staff on the efforts made which had contributed to achieving Gershon savings and which had resulted in an increase of level 4 scores from 11 in 2007 to 12 in 2008 in the key lines of enquiry. He commented that Members were aware of the issues before the report was received as they had been identified and pointed out to them by City Treasurer's staff. He was sure the Council would strive to improve. The assessment reflected on a 4 star Council and a 5 Star Finance Department.

Councillor Arnott pointed out in the conclusion of the Use of Resources Assessment that user satisfaction rates were lower than some neighbouring authorities. He added that recent election results had not been an overwhelming endorsement of the political leadership of the Council. A more balanced view of the assessment needed to be taken in going forward. By way of example he pointed out that the Children's Services Department at Haringey Council had been given a 3 Star rating before the tragedy of Baby P had occurred and therefore the assessment process was useful and helpful but was not the be all and end all.

Councillor Arnott enquired whether this was the second year in succession that the Scrutiny function in the Council had received criticism.

Ms. Rhiannon Hood, Assistant City Solicitor, advised that this had previously been referenced in the Annual Audit Letter.

Councillor Arnott continued by saying that it was not the first time that a shortfall in Scrutiny in the Local Authority had been highlighted by external assessors. Everyone needed to be committed to Scrutiny as they were all committed to success. He commented that he retained a concern that while the Council would embrace the new process – it had appointed a Head of Scrutiny, it would not embrace the culture and show a willingness to challenge the Executive and would lack a willingness to challenge key decisions.

Full discussion having taken place on the report, it was:-

4. RESOLVED that the Cabinet and Council be advised that the Policy and Co-ordination Review Committee congratulated the City Treasurer and his team on maintaining and strengthening the level 4 assessment (performing strongly) but were still mindful of the comments made by the Auditors and endorsed the Council's approach to work through them.

Sunderland Economic Overview

The Chief Executive submitted a report (copy circulated) providing an update on the economic challenges facing the City in the context of the current economic conditions.

(For copy report – see original minutes).

Mr. Vince Taylor, Head of Strategic Economic Development, briefed Members on the report. He referred the Committee to Appendix A, the Cabinet report on Responding to the Global Economic Downturn and to paragraph 4.0 which detailed the ways in which the Council was working with partners to support local businesses.

The Chairman commented that the development of the new bridge across the river would bring more employment to the City as the funding was guaranteed and would go ahead.

Councillor Arnott stated that Sunderland's employment rate would be governed by the national and international position. He commented that the 'savage winds' of the current economic climate had not reached the Local Authority budgeting. The Council was still recruiting and spending as it had done in previous years. He expressed the view that there was not the wealth to sustain the Local Authority spending at the current level, noting that there were those in the private sector who would want to see those in the public sector feeling the pain also. Pay negotiations were still being agreed. The situation was unsustainable and the Local Authority needed to think it through.

The Chairman stated that the Local Authority was leading the way and that it could not just 'shut up shop'.

Councillor Mordey referred to paragraph 5.1 of the report and enquired what would produce the base from which recovery could gain pace.

Mr. Taylor stated that Nissan, for example, was right sizing for the market. The strong companies would remain. Northern Rock had now paid back an enormous amount of money to the Government.

Councillor G. Hall commented that until the position at national and international level improved, things would not filter down at local level. He felt that many developments, such as Stadium Park and Holmeside would be on hold. With regard to house building, companies would not be able to attract funding, there would be more and more people waiting for housing and there was only one large social housing landlord in the City. Hopefully things would improve in due course.

Councillor Heron stated that the Audit Commission took a view that Coalfield areas were best placed to face up to the challenges as they had newer industries which had been developed since the last economic downturn. However, the Audit Commission was also saying that there was a need to diversify further into climate change and energy efficiency devices.

Councillor Heron went on to say in relation to unemployment issues, he would still like to see the Council putting more contracts out to the community to give those people who were unemployed, the opportunity to work and to develop their skills as they had lost their jobs through no fault of their own.

Councillor Walker referred the Committee to the Government led Home Buy Direct scheme detailed in paragraph 7.4 of Appendix A to the report. He voiced concerns at the potential time bomb at the point when after the first 5 years, buyers would need to pay interest on the equity loan they had taken out, which under the scheme was 15% to 30% of the purchase price of the property. He enquired whether there was an option to stay with the Homes and Communities Agency.

Mr. Taylor advised that the Homes and Communities Agency buys a stake in the home and the charges were not made on that until year 5. He stated that he would find out how the scheme worked, however, he did not think the homebuyer needed to pay 30%. With regards to developments in the City, Mr. Taylor stated that the

Holmeside and Stadium Park schemes had not stalled, in fact, Holmeside was one of the schemes where the developer was on board.

Councillor J. Scott referred to the Sunderland Retail Park development and commented that Tesco was looking to develop one of its biggest stores on the site which would bring employment to the City.

Councillor G. Hall stated that the development and the jobs the Tesco store would bring would be more than welcome.

Councillor T. Wright advised that Tesco was an exemplary employer. The policy it operated was that 20% of the workforce of the store must be local employees.

Mr. Taylor advised that the Council would be talking to Tesco. He confirmed that the Company did operate exemplary employment schemes. He added that traditionally all supermarkets recruit 97% of employees from within 3 miles of the store and that this resulted in a local impact.

Councillor Mordey referred the Committee to paragraph 4.10 of Appendix A concerning the proposal to market the City as a short stay and day visit destination. He added that there had been a noticeable impact on leisure.

The Chairman highlighted the 10% discount card being promoted in relation to the Sunniside area.

Mr. Taylor advised that retailers were collaborating to look to attract customers. The marketing group of the Sunderland Partnership was putting together a marketing promotional campaign, capitalising on the fact that people were looking at breaks in this Country due to the weak pound.

Councillor Hall advised that he had attended the Culture, Leisure and Sports Conference recently and found it interesting what they had done in Brighton in terms of regeneration and that he would put some of the ideas to the Seafront Regeneration Steering Committee.

Councillor Wright commented that more and more people were spending their holidays at home. It was important to attract people to stay in Sunderland and use the City's taxis, cafés, restaurants and shop in The Bridges. However, in order to do this there was a need to attract a major hotel chain.

Mr. Taylor advised that Hilton Hotels were still expressing interest in developing a hotel on the upper floors of the Joplings Store.

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

5. RESOLVED that the evidence in relation to the policy review of the economic challenges in Sunderland and the progress being made, be endorsed and that it be noted that the Review Committee hopes that the downturn does not last too long and the measures that are being put in place designed to sustain the local economy and support businesses and local residents are successful.

JobCentre Plus

The City Solicitor submitted a report (copy circulated) providing an update report to outline how JobCentre Plus is working with partners to address worklessness within the City and support the achievement of LAA indicators NI152/NI153.

(For copy report – see original minutes).

Mr. Dave Hardy, Local Partnerships Manager, JobCentre Plus, proceeded to brief the Review Committee on the report, highlighting the joint working going on with the Council's Economic Development Team to develop the Working Neighbourhoods Fund Strategy. He advised of the Rapid Response Fund which had been used in relation to Nissan. He advised that JobCentre Plus provided focussed advice centres which looked at people's skills and worked to redesign them to those required to do the jobs available and upskill people so that they were ready for when the economic downturn came to an end.

Mr. Hardy stated that newly unemployed people could access JobCentre Plus from day one. A core service of JobCentre Plus not available before was providing access to information and advice, help with interviewing skills and occupational training. Mr. Hardy explained that the aim of the Working Neighbourhoods Fund Strategy was to move people from an inactive benefit to an active benefit.

The Chairman stated that it was important for people who had lost their jobs to keep up momentum and retain the work ethic and give them the pride of having a job.

Mr. Hardy stated that JobCentre Plus focussed on training which was provided by the Learning and Skills Council. More money was being spent in the North East than anywhere else in the Country.

Councillor G. Hall referred to paragraph 3.3 of the report which stated that there was currently 22,500 customers claiming an inactive benefit and enquired how this equated with other cities.

Mr. Hardy advised that this was double the number.

Mr. Taylor advised that in Sunderland there was 280,000 residents and about 140,000 were in work.

Councillor Arnott commented that the benefit system was intended to help people when they fall on hard times and should not be a lifetime entitlement. He stated that he could not think of a worse time to change the benefit system as the economy was in a period of downturn and this would create unnecessary tensions by trying to get people off benefits when there was not the work there to do. During the course of the last 10-12 years would have been more appropriate for a change in the system.

The Chairman commented that it was well-timed as there were jobs available.

Councillor Heron commented that there was a lot of ill health in Easington and therefore claimants receiving Incapacity Benefit. However, health agencies, JobCentre Plus and the Council were working together to put in place training and bring people back into work. Councillor Heron made the point that people with mental health problems were still called in for interview and he stated that some were not able to cope with this.

Mr. Hardy stated that there was never going to be a right time to introduce welfare reform. JobCentre Plus was working with partners to look at people's skills and instill confidence in them so that when the economy reached the upturn that they would be able to compete in the job market. The health organisations looked at mental health issues and Employment Support Allowance was not worked out by staff at JobCentre Plus.

Councillor Arnott stated that the latest benefit proposals were much tougher than anything previously brought forward. He had a lot of sympathy with the remarks Councillor Heron had made and clarified that the remarks he had made earlier were in relation to mentally fit and able bodied people. He added that he would be very uncomfortable also with those people who were one or two years away from retirement being pressurised to get back into employment also.

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

6. RESOLVED that the outlined activity be noted and the approach in relation to the role of JobCentre Plus in reducing the number of working age people claiming out of work benefits in Sunderland be endorsed.

Job Linkage

The Chief Executive submitted a report (copy circulated) providing the Committee with information about the Job Linkage Service.

(For copy report – see original minutes).

Ms. Karen Alexander, Acting Employment and Training Manager, was in attendance and highlighted to Members that the service was currently delivered through a partnership between the Local Authority and the voluntary and community sector supplemented periodically with secondments from JobCentre Plus.

Councillor Heron complimented the service on the innovative ways it had supported local people since its establishment.

In response to Councillor G. Hall, Ms. Alexander advised that the service received funding from the Strategic Partnership, and funding as a disadvantaged area from the Department of Work and Pensions. In relation to how the service ensured it was getting value for money, Ms. Alexander advised that it cost £1,500 per head to support someone into employment. Other projects were double this and in terms of value for money the service had always been very economical.

Councillor T. Wright commented that the Sunderland North Community Business Centre represented value for money.

There being no further questions, the Chairman thanked Ms. Alexander for her attendance and it was:-

7. RESOLVED that the information provided be noted within the context of the Committee's review of economic conditions in Sunderland.

Cabinet Report – Councillor Call for Action – Guidance

The Chief Executive and City Solicitor submitted a joint report attaching a copy of a report to the Cabinet considered at its meeting held on 11th March, 2009 (copies circulated), on the draft guidance relating to new powers for Councillors designed to help them solve problems in their wards. The report was submitted to the Review Committee for Members to provide further comment on the proposals.

(For copy reports – see original minutes).

The Chairman highlighted that workshops would be held to provide training to Members on the Councillor Call for Action.

In response to Councillor T. Wright, the Chairman advised that a response from the Cabinet was awaited in relation to the Review of Scrutiny arrangements.

Councillor Arnott commented that the Councillor Call for Action (CCfA) was so restricted as to when and how it could be used that it was effectively going to be a total damp squid.

Ms. Rhiannon Hood, Assistant City Solicitor, stated that the CCfA was intended to be used as a last resort to the extent it was necessarily restricted, however, within the structure the Council was establishing it did have a role in addressing intractable issues.

8. RESOLVED that the draft guidance for the CCfA be received and noted.

Progress Monitor and Work Programmes 2008/09

The City Solicitor submitted a report (copy circulated) on the current Work Programme for the Committee's work during the 2008-09 Council year and the variations to the Work Programmes for all 6 Review Committees.

(For copy report – see original minutes).

Ms. Karen Brown, Review Co-ordinator, advised that as the Committee still had a number of witnesses to hear from in relation to its policy review of the economic challenges in Sunderland, that it would carry over into the next municipal year.

The Chairman advised that the Committee would receive an interim report.

9. RESOLVED that the variations to the Scrutiny Work Programme for 2008-09 and to the Review Committee's own Work Programme be noted.

Local Government (Access to Information) (Variation) Order 2006

At the instance of the Chairman, it was:-

10. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it was considered to involve a likely disclosure of information relating to any individual, which is likely to reveal the identify of an individual, the financial or business affairs of any particular person (including the Authority holding that information) or to consultations or negotiations in connection with labour relations matters arising between the Authority and employees of the Authority (Local Government Act 1972 Schedule 12A, Part 1, Paragraphs 1, 2, 3 and 4).

Signed R.D. TATE,
 Chairman.

Note

The above minutes comprise only those relating to items of business during which the meeting was open to the public.

Additional minutes in respect of other items are included in Part II.