

24th June 2009

**ANNUAL REPORT OF THE POLICY & COORDINATION REVIEW COMMITTEE
2008-09**

1. Why has this report come to committee?

1.1 To present a summary of the work of the Review Committee during 2008-09.

2. Background

This is the seventh Annual Report of the Review Committee. The report sums up a year of considerable change in scrutiny, hopefully with the long term goal of a stronger and more effective scrutiny function.

3. Introduction

3.1 The scrutiny year started on 20 May 2008 with the first Sunderland scrutiny conference held at the Stadium of Light. The conference was intended to help the coordination of scrutiny by involving all scrutiny members, cabinet members and officers in a coordinated planning process.

3.2 The objectives of the conference were to share ideas and suggestions in order to plan the work ahead, and in doing so, create a coordinated 'team' approach to scrutiny across the Council. The conference will become an annual event in the scrutiny calendar.

4. Operation of the Committee

4.1 A total of 47 reports were considered over 11 meetings. In addition to the Review Committee meetings a significant amount of committee business was undertaken by working groups.

4.2 In its co-ordinating role, the Committee received monthly updates on variations to all of the Review Committee work programmes. These reports not only indicate if there are delays or problems with reporting to scrutiny but also give the latest position regarding new and emerging issues being considered by each Review Committee.

5. Policy Review & Projects

Review of Scrutiny

5.1 The Committee established a working group to consider the scrutiny function in Sunderland. The intention was for a 'root and branch' review to establish a modern and effective scrutiny service.

- 5.2 The review incorporated the implementation of necessary requirements in response to new legislation for local democratic arrangements including Councillor Call for Action. It aimed to provide clarity about which issues are best for scrutiny to consider and which should be considered by other means, such as at area level.
- 5.3 The final report proposed re-positioning scrutiny at the centre of the organisation and with a clear strategic alignment to Council priorities. This allows scrutiny to shadow the strategic partnership priorities. In doing so the scrutiny function can work with partners who are expected to have regard to scrutiny recommendations under a new 'duty to cooperate'.
- 5.4 In October the Committee reviewed the outcome of an IDeA Peer Challenge to the Sunderland Partnership to assess the strengths of the partnership and areas for improvement. The Committee noted that a strengthened understanding of the Sunderland Partnership and its role is necessary as the Partnership plays a pivotal role in delivering a step change in the quality of life of local people. It is intended that this is central to the future role of scrutiny.

Economic Position in Sunderland

- 5.5 The Committee began an assessment of how well the Sunderland economy is positioned to withstand the recession. Evidence gathering started in October 2008 when both the immediate future and the longer term implications were very difficult to assess. At that time it was concluded that the likelihood of an economic downturn was "looking more and more certain". In March 2009, when the Committee received its latest assessment the recession was clearly well underway.
- 5.6 At this interim stage, the Committee has taken evidence in relation to Regeneration Projects and the Labour Market and these are the only areas covered by an interim report. If the review continues into next year it may include all Council (and partners) plans and strategies and evaluation of regeneration schemes to ensure they remain appropriate in the current economic downturn.

Support for Frontline Councillors

- 5.7 In 2007-08 the Review Committee produced recommendations following a review to improve the information and support for local councillors. The recommendations were intended to improve community engagement through councillors' community leadership roles. This review preceded the Council's Community Leadership Programme (CLP) and the recommendations from the earlier review are subsumed within the corporate Programme.
- 5.8 In order to maintain members input into the Programme and make a direct link with the Review Committee recommendations, a Working Group was convened which acts as a quality assurance review for new and emerging issues in the Programme and to ensure delivery of the Review Committees recommendations.

Modernisation of Committee Room 1

- 5.9 Arrangements continue for the next phase of modernisation of the 'scrutiny room'. The intention is to improve the sound system, provide interactive screens with the technology to access video-conferencing and allow for web-casting of meetings. Demonstrations were held last summer for sound systems, video-conferencing software and touch screen monitors.
- 5.10 The views of the working group following the demonstrations were very positive and members who viewed the products were enthusiastic about the possible applications for scrutiny meetings and for wider use. There was general commitment for creating a meeting room in Sunderland that was at the 'cutting edge' of technology.

6. Budget & Service Reports (including the Corporate Improvement Plan)

- 6.1 The Committee was consulted on preparation for the Revenue Budget, with reports for advice and consideration from Cabinet. In addition Members were invited, and gave comment on, allocation of financial resources to services and projects, setting the council tax, the control of capital expenditure and virements.
- 6.2 Members congratulated the City Treasurer and his team for the sound judgement and management of the Council's finances in the current worldwide economic uncertainty. In particular, they commented that the Council had not invested any financial resources in the Icelandic Banks.
- 6.3 All Cabinet Members were invited to attend the Committee in February 2009 to talk about what they see as the key improvement objectives for the year ahead. Only a short time was available to hear from each portfolio member about the issues within their portfolio but, even in the brief time allowed, the Review Committee gained useful insight into the work being carried out and the new initiatives on the horizon.
- 6.4 The other Review Committees retain responsibility for monitoring service issues throughout the year and will no doubt benefit from continued links with the relevant cabinet members. The new structure for scrutiny provides for Cabinet members to be involved in scrutiny committees at intervals which will keep the committee included in key developments.

7. Scrutiny Topics

Holmeside Triangle Site and Ongoing Leisure Uses in the Bridges

- 7.1 Three Members of the Committee called-in the cabinet decision on the development options for the retail core of the City Centre and proposals for comprehensive redevelopment of the Holmeside Triangle site, including the conditions of an exclusivity agreement proposed with a particular developer.

- 7.2 An extra-ordinary meeting was held on 23 December for the Review Committee to review the decision taken on 3 December, particularly in relation to the restrictions placed upon the Council regarding land and retail development and the question of sustainability during and after the current economic climate. After a lengthy debate the Committee considered that the decision of Cabinet was appropriate.

Council Land and Buildings

- 7.3 In 2006-07 the Review Committee carried out a review of employment land and premises, and since then has continued to review the Council's asset management policies. This became even more relevant as a scrutiny topic as the economic downturn deepened.
- 7.4 In September the Committee considered decisions made by Cabinet not to accept reduced financial offers for two former school sites. These examples of the implementation of the Council's Disposal of Land Policy, led to a review of the policy by the Review Committee, specifically the procedure in relation to abnormal development costs which lead to a reduced offer for surplus Council land and property. The Committee requested a report on ways in which the Council's Disposal Policy could be streamlined in order to improve the chances of realising the best value possible when selling surplus land and property.
- 7.5 As a result of this review, the disposal process was reviewed. While the policy was considered fundamentally sound, two areas were identified for improvement. Sales particulars and development guidance would be improved and in doing so it was intended that time could be saved on evaluation.
- 7.6 The Committee also asked for details of the use of Community Centre buildings and for the future intentions for the properties. Details of the Council's shops and factories, their occupancy and the demand for them were also scrutinised. It was noted that the Council's strategic asset management was undergoing assessment by the Audit Commission this year and, because of the Committee's interest in this topic, the outcome would be reported to Committee when complete.

Wearside First Credit Union (WFCU)

- 7.7 The Credit Union was set up in 2003 to offer financial support to anyone living or working in Sunderland. Members were originally interested in reviewing the financial products being offered and whether they were competitive and affordable. By the time the Committee had the opportunity to meet with representatives of the Board of Directors in October, the Credit Union was reviewing its business plan and had approached the Council for further funding to maintain its activities.
- 7.8 The Credit Union had received significant public funding since inception and the original business plan had aimed for the organisation to become financially sustainable. Unfortunately, this aim had not been achieved for a range of reasons. The Committee, after meeting with Board Members, recommended to Cabinet to show understanding of the current position of the Credit Union but to look closely before going down the route of providing further assistance and make sure more robust systems are in place.

Wellness Pricing

- 7.9 The delegated decision made in relation to the Council's Wellness Centres pricing had attracted a lot of interest and criticism in the local media. The Review Committee, jointly with Culture & Leisure Review Committee, considered the new pricing structure, specifically where previous concessionary rates were to be lost in the pricing re-structure.
- 7.10 The Committee referred this issue to the Culture and Leisure Review Committee to consider the full details of the structure including proposed fees and charges and to take annual reports on the Wellness Pricing Structure to include comparisons with other Local Authorities.

Health & Safety

- 7.11 The Committee received its first annual health and safety report. This first report concentrated on the requirements of the Corporate Manslaughter and Corporate Homicide Act.
- 7.12 The Committee requested that Directors be asked to take ownership of their Action Plans and ensure actions are implemented in a robust and timely fashion and to make further progress in respect of the challenges for the coming year.

8. Performance Improvement

CPA Use of Resources Auditors Judgement

- 8.1 The Committee considered the external assessment for Use of Resources which focuses on the importance of having strategic financial management, sound governance and effective financial reporting arrangements.
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- 8.2 Questions were asked about the arrangements in place to maintain a sound system of internal control. It was pointed out that the assessment showed that the Council has not met new criteria concerning effectiveness of scrutiny, particularly in terms of having a culture of consistent and effective challenge to key decisions. It is hoped that the scrutiny review will help to address such inconsistencies.

Performance Management

- 8.3 Statutory and local performance indicators are received and assessed by the Committee. Performance information is used to inform decisions and drive improvement.
- 8.4 The Committee asked that future reports be based on a themed approach in line with the Sunderland Strategy in order to show the effect across the strategic objectives.

9. Conclusion & Recommendation

9.1 Members are asked to consider the operation, achievements and impact of the Committee during 2008-09.

10. Background Papers

Review Committee Agendas and Reports 2008-2009

11. Glossary

IDeA Improvement and Development Agency

CLP Community Leadership Programme

CPA Comprehensive Performance Assessment