

At a meeting of the MANAGEMENT SCRUTINY COMMITTEE held in the CIVIC CENTRE on THURSDAY, 19TH JANUARY, 2012 at 5.30 p.m.

Present:-

Councillor Tate in the Chair

Councillors Anderson, G. Miller, Mordey, Oliver, Rolph, Stewart, Walker and Wood.

Welcome

The Chairman welcomed everyone to the meeting and wished them a Happy New Year.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors S. Watson and Wilson.

Minutes of the Last Meeting of the Committee held on 15th December, 2011

Performance Report Quarter 2 (April 2011 – September 2011)

- (i) In response to Councillor Oliver's query around early retirements, the Committee noted that Ms. Sue Stanhope, Director of Human Resources and Organisational Development intended to attend the February meeting of the Committee to provide a report and response to this.
- (ii) Mr. Mike Lowe, Head of Performance Improvement confirmed that a comprehensive response had been forwarded to Councillor Wood concerning his enquiry around whether residents feel safe in their local neighbourhood and how they feel in Sunderland as a whole and it was agreed that the response be circulated to all Members of the Committee for their information.
- (iii) In response to Councillor Walker's query around the performance indicator around processing new housing benefit claims and the concerns he expressed about caseloads increasing, the Committee was advised that Ms. Fiona Brown, Head of Transactional Services would be in attendance at the February meeting of the Committee to provide a report on the impacts of the welfare reforms and would also address the issues around housing benefit claims.

- (iv) Councillor Oliver advised he had received a response to a previous query around Forward Plan item 01555 regarding the procurement of streetscene vehicles, however he queried why in the latest version of the Forward Plan that the number of vehicles had increased to ten from three and the value had risen to £360k per annum from £350k per annum. It was agreed that the Scrutiny Officer be requested to investigate the above matter and report back.

1. RESOLVED that the minutes of the last meeting of the Committee held on 15th December, 2011 (copy circulated), be confirmed and signed as a correct record.

Declarations of Interest (including Whipping Declarations)

Item 4 – Reference from Cabinet – 11th January, 2012 – Revenue Budget Proposals 2012/2013

Councillors Anderson and Tate declared personal interests in the above report as Members of Hetton Town Council, the GMB and the Local Government Pension Scheme.

Councillors G. Miller, Rolph and Walker declared personal interests in the report as Members of the Local Government Pension Scheme.

Councillor Mordey declared a personal interest in the report as a Member of the Tyne and Wear Pension Committee.

Reference from Cabinet – 11th January, 2012 – Revenue Budget Proposals 2012/2013

The Head of Law and Governance submitted a report (copy circulated), setting out for the advice and consideration of the Committee a report considered by the Cabinet at its meeting held on 11th January, 2012, on the provisional budget proposals, as the basis for consultation, prior to the receipt of the final Local Government Finance Settlement. Members' views were requested in accordance with the Budget and Policy Framework Procedure Rules.

(For copy reports – see original minutes).

Mr. Malcolm Page, Executive Director of Commercial and Corporate Services briefed the Committee on the report to Cabinet and highlighted that the Council was facing a loss in its overall resources of approximately £12m equivalent to a 4% reduction.

Mr. Page drew attention to the reference in the report relating to the powers under the Council Tax Regulations 2003 given to Local Authorities to reduce the 50% Council Tax discount on long term empty properties and second homes. He brought the Committee's attention to the proposal with effect from 1st April, 2012 that there will be no discount offered to long term empty properties and that the discount offered to second homes would be reduced from 50% to the statutory minimum allowance of 10%.

Mr. Page referred the Committee to the provision being made for spending pressures and commitments detailed at paragraph 5, the summary of the funding gap as a result of the provisional settlement taken together with the spending pressures, which had been anticipated in the Budget Planning Framework detailed at paragraph 7 of the report and to the proposals to meet the funding gap 2012/2013 detailed at paragraph 8 which would result in a balanced budget.

Councillor Mordey referred the Committee to the “one-off” Spending Pressures detailed at paragraph 6 and enquired what provision had been made for the Olympics 2012.

Mr. Page advised that the figure had been omitted in error. However £180,000 had been allocated to support city activity relating to the 2012 Olympics and this would be incorporated into the report as it progressed.

Councillor Oliver enquired where general balances were held and what interest had been paid on them.

Ms. Tognarelli advised that all cash balances were invested in the various institutions approved under the Treasury Management Policy.

Mr. Page added that the Council was very active on Treasury Management. Interest rates varied depending on where the Council invested and for how long. Officers ensured the Council’s resources were protected on a daily basis.

Councillor Oliver asked that he be provided with a list of the financial institutions included in the Treasury Management policy and details of the interest paid.

Mr. Page confirmed that this information could be provided to Councillor Oliver.

Ms. Tognarelli added that a report on Treasury Management which included information on which financial institutions the Council was investing in and the interest rates it had been able to secure was submitted on a quarterly basis.

Councillor Oliver suggested that this information be circulated to all Members of the Committee for information.

Councillors Rolph and Mordey welcomed the changes in policy relating to the reduction in the discounts in Council Tax offered in respect of empty properties and second homes.

In response to Councillor Rolph, Mr. Page advised that it was estimated that the changes in the reductions offered in respect of the two categories would result in an additional £1m in Council Tax for the next financial year.

Councillor Mordey asked for an explanation of the terms ‘Single Disregard’ and ‘Double Disregard’.

Mr. Page agreed to provide a clear definition for circulation to Members of the Committee.

In response to Councillor Mordey, Mr. Page explained that income from Leisure Centres was down due to the impact of the economic downturn as less people were using leisure facilities and appropriate provision had been made in the budget and would be kept under review.

The Chairman referred to the apprenticeship scheme within Streetscene.

Mr. Page commented that this was working out well and further information could be provided to Members.

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

2. RESOLVED that:-

- (i) the report be received and noted and the information requested as detailed above be forwarded to Members of the Committee; and
- (ii) the Cabinet and Council be advised that the Committee congratulated the Cabinet on providing for an apprenticeship scheme in Streetscene in the current economic climate, welcomed the proposal that there will be no Council Tax discount offered to long term empty properties with effect from 1st April, 2012 and noted the increase in income to schools through the pupil premium.

Reference from Cabinet – 11th January, 2012 – Revenue Budget Third Review 2011/2012

The Head of Law and Governance submitted a report (copy circulated) in accordance with the Management Scrutiny Workplan, which requested that the Committee be advised of progress in implementing savings proposals for 2011/2012.

(For copy report – see original minutes).

Ms. Sonia Tognarelli, Head of Financial Resources referred the Committee to Appendix A which set out the relevant information from the report considered by the Cabinet, giving details of the outcome of the Revenue Budget Third Review for 2011/2012 and summarised progress in implementing the savings proposals.

3. RESOLVED that the positive progress on the implementation of savings proposals for 2011/2012 be noted.

Policy Development and Review 2011/12: Progress on Reviews

The Chief Executive submitted a report (copy circulated) providing 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.

(For copy report – see original minutes).

Mr. Nigel Cummings, Scrutiny Officer briefed the Team on the report highlighting the working group to take place in relation to the review into Illegal Money Lending and High Cost Credit on Monday, 23rd January and the North East Joint Member/Officer Scrutiny Network meeting taking place on 27th January to consider self regulation and improvement in local government

Councillor G. Miller stated that he did not agree with the comments detailed at paragraph 3.16 of the report relating to self regulation and that the Council needed to determine what it needed itself.

Mr. Mike Lowe, Head of Performance Improvement stated that the Council did not have a choice whether it wished to retain the regulation process and he agreed that it was up to the Council how it wished to develop its self regulation process. Mr. Lowe clarified that the LGA was offering a suite of services and tools to help with this process, however it was up to the Council to take a view whether it wished to use any of them and if so, which ones it would use.

Councillor Rolph commented that it was important that the accuracy of the Council's own self assessment was tested in a Peer Review so that the Council was able to have confidence in its own processes.

On a separate issue, Councillor Rolph advised that there was a small Credit Union based in Shiney Row and enquired whether the organisers had been approached.

Mr. Cummings advised that the Credit Union in Shiney Row had been approached however another attempt would be made and they would be invited to meet with the Council and contribute to the evidence gathering for the policy review.

Members enquired whether savings schemes still operated in schools.

Whilst the view was that there was not a co-ordinated approach, it was noted that some high street banks had outreaches in some schools in Sunderland.

Members felt it would be worthwhile to explore this issue as they felt it could make a useful contribution to encouraging people to save.

Councillor Wood raised the issue of the various charities and organisations in the City that offer financial advice and support to people and the importance of promoting these services so that they were known to people and people know how to access them.

Councillor Mordey highlighted the work of the Sunderland Orphanage Trust, which undertook a lot of work for underprivileged people; the profile for which also needed to be raised.

Councillor Mordey also suggested that the comments of the three Local Members of Parliament be sought in respect of the Committee's policy review into Illegal Money Lending.

Mr. Cummings highlighted the production created by the Community Interest Company, Shontal to raise awareness of the issues surrounding illegal money lending and advised that the Chairman would be hosting the Question and Answer session. Mr. Cummings stated that he would forward details of the production to all Members of the Council.

4. RESOLVED that the information contained in the report be received and noted and the issues detailed above be actioned.

Request to Attend Seminar – Centre for Public Scrutiny Parliamentary Seminar

The Chief Executive submitted a report (copy circulated) asking the Committee to consider nominating a delegate to the Centre for Public Scrutiny's Parliamentary Seminar to be held on 24th January, 2012.

(For copy report – see original minutes).

5. RESOLVED that Councillor Michael Mordey be nominated to attend the Seminar and that the cost associated with his attendance be funded from the Management Scrutiny Committee budget.

Request to Attend Seminar – Centre for Public Scrutiny 10th Annual Conference

The Chief Executive submitted a report (copy circulated) to consider nominating delegates to the Centre for Public Scrutiny's (CFPS) 10th Annual Conference to be held on Tuesday, 12th June, 2012.

(For copy report – see original minutes).

Consideration having been given to the report; it was:-

6. RESOLVED that approval be given to the attendance of two Members and one Officer from the Scrutiny and Area Arrangements Team at the CfPS Annual Conference and at the additional Officer/Member Development day from 12th – 13th June, 2012 inclusive to be funded from the budget of the Management Scrutiny Committee.

Scrutiny Committees Work Programmes for 2011-12

The Chief Executive submitted a report (copy circulated) attaching for Members' information the variations to the Scrutiny Committee work programmes for 2011/12 and providing an opportunity to review the Committee's own work programme for 2011/12.

(For copy report – see original minutes).

Mr. Nigel Cummings, Scrutiny Officer briefed the Committee on the report highlighting issues arising from the State of the City Debate.

Mr. Cummings advised that the Management Scrutiny Committee Work Programme would be updated to include a report to the February meeting of the Committee from the Director of Human Resources and Organisational Development on the position regarding Workforce Planning and a report on performance around processing housing benefit claims from the Head of Transactional Services.

The Chairman asked that an update be submitted and included in the Committee's Work Programme on the Health and Police reforms and the Localism Act.

7. RESOLVED that the variations to the Scrutiny Committee's Work Programmes for 2011-12 and to its own work programme as detailed on appendices 1 and 2 to the report and detailed above be noted, together with the issues raised as part of the State of the City Event in preparing work programmes for 2012/13.

Forward Plan – Key Decisions for the Period 1st January 2012 – 30th April 2012

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 January 2012 – 30th April 2012 which relate to the Management Scrutiny Committee.

(For copy report – see original minutes).

A copy of the latest version of the Forward Plan for the period 1st February, 2012 to 31st May, 2012 was tabled at the meeting.

8. RESOLVED that the Executive's Forward Plan for the above period be received and noted.

(Signed) R.D. TATE,
Chairman.