

At a meeting of the SCRUTINY COMMITTEE held in the CIVIC CENTRE on THURSDAY, 5th DECEMBER, 2013 at 5.30 p.m.

Present:-

Councillor Tate in the Chair.

Councillors Bonallie, Howe, Kay, T. Martin, Shattock and N. Wright.

Apologies for Absence

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

Minutes of the last Meeting of the Committee held on 7th November, 2013

1. RESOLVED that the minutes of the last ordinary meeting of the Scrutiny Committee held on 7th November, 2013 (copy circulated), be confirmed and signed as a correct record.

Declarations of Interest (including Whipping Declarations)

There were no declarations of interest made.

Change in the Order of Business

At this juncture the Chairman advised that item 5 on the agenda (Draft Housing Financial Assistance Policy) would be taken at this juncture to allow Mr. Caddick to leave thereafter.

Draft Housing Financial Assistance Programme – April 2014 – March 2017

The Executive Director of People Services submitted a report (copy circulated) which informed the Committee of proposed changes to the Housing Financial Assistance Policy and which sought the Committee's input to the revision of the Policy prior to its submission to Cabinet in March 2014.

(For copy report – see original minutes)

Alan Caddick, Head of Housing Support and Community Living briefed the Committee on the following proposed changes to the policy;-

- FAP 1 – Advice and Information - this would be expanded to cover all areas of advice, so the reference to Independent Financial Advice in FAP 3 and Energy Advice in FAP 11 would now be included here and those references would be removed.

- FAP 3 – Independent Financial Advice – to be removed and included in a revised FAP 1.
- FAP 4 – Commercial Loan Product – this would be removed as it was not a loan that would be provided by the Council and therefore shouldn't be included.
- FAP 6 – Home Improvement Equity Loan – this would become an Equity Loan and would include for relocating to a replacement home as well as for home improvements.
- FAP 7 – Interest Free Loans – there would be some changes to the wording and in terms of what the loan could be used for there would also be an additional line added in which would assist an applicant to make their contribution towards work funded by a mandatory Disabled Facilities Grant where their costs exceed the maximum limit of £30,000.00.
- FAP 9 – Discretionary Assistance (loan or grant for disability related adaptations or relocation) – this will remain unchanged
- FAP 11 – Sunderland Energy Efficiency Programme – this programme has ended as it was reliant on funding from utilities in the main which has now ceased. Warm Front also no longer exists and this product would be removed. Information on Warm Up North would be included instead together with what's available under the scheme. The reference to Energy Advice would be included in FAP 1 as described above
- FAP 12 – Financial Assistance is available for works which will enhance confidence and perception of specific Neighbourhoods within the area – this to be amended to say “specific Neighbourhoods in renewal areas or other designated areas”.
- FAP 13 – Relocation Home Equity Loans – this would be removed and included in a revised FAP 6 – Equity Loans.
- FAP 14 – Homeswap and Homesteading – this would be removed and included in a revised FAP 12.
- FAP 15 – Empty Homes Assistance – in the cost section the amount of assistance would increase to £75k from £65k.
- FAP 16 – Mortgages – this would be removed as there was an ongoing review of mortgages being undertaken to take account of Government schemes such as Help to Buy and the increasing range of offers from High Street lenders.
- FAP 17 – Bond Guarantee Scheme – this would be removed and included in a new Access to Housing Strategy.
- FAP 18 - Repossession Prevention Fund – funding had come to an end for this so it would be removed.

- FAP 19 – Mortgage Rescue Scheme – funding has come to an end for this so it would be removed.
- FAP 19 – Home Security/Target Hardening Assistance – there was a doubt as to whether funding remained available for this so there was a likelihood it would be removed.

Councillor Kay referred to FAP 15, he recalled that the Committee had considered the issue of Empty Homes on a previous occasion and suggested that in terms of outputs, these were fairly thin on the ground. Mr Caddick replied that in addition to the Draft Financial Assistance Policy before members, there was also a specific Empty Homes Action Plan which would contain the detail and the outputs to which Councillor Kay referred. He added that there was a need to take into account that the issue of money could be problematic in that funding regimes sometimes got in the way of dialogue with the landlords. The Plan before Member's was about the approach rather than the detail. There were multiple millions of pounds worth of equity locked up in properties within the city. Advice had to be about enabling this equity to be unlocked and utilised.

Councillor Howe referred to cases where tenants of a private landlord had made a complaint to that landlord only to be served with a section 31 notice. He asked if there was a mechanism to prevent this happening. Mr Caddick replied that all landlords were required to go through due process. If the Council felt that a tenant was being harassed, then it would take action. This was made easier where the Council had statutory backing, for example with the Selective Licensing Scheme in Hendon.

Councillor Shattock referred to FAP 19 (Mortgage Rescue Scheme) and asked whether there had been a great call on the service. Mr Caddick advised that there had not. In total there had been around 8 cases since 2011. The main thrust of Mr Caddick's team was to try and encourage people to seek help at the earliest possible stage. For every '8' cases where the Mortgage Rescue Scheme had been called on, there would be another '800' cases where this had been prevented through the provision of advice at an early stage. In response to a further enquiry from Councillor Shattock, Mr Caddick confirmed that approximately 75% of the people who sought such advice were ex Council tenants who had bought their property under the right to buy.

Councillor N. Wright stated that she shared Councillor Shattock's concerns regarding the proposed removal of FAPS 18&19. She acknowledged the rationale provided by Mr. Caddick but was disappointed that the assistance was being removed. She referred to Mr Caddick's comment that no Council mortgages had been issued over the last two years and questioned whether the service was being adequately promoted. Mr. Caddick replied that all independent financial advisors had been notified of the Council mortgages as this was the best means of raising awareness. Although the independent financial advisors were aware of the Council mortgages, they were also in a position offer the more attractive schemes that were coming onto the market.

Councillor N. Wright stated that she believed the Committee required more time to digest the proposals before making a final recommendation to cabinet. In reply to an enquiry from the Chairman, Mr Caddick advised that the consultation on the

proposals would also be undertaken via the Landlords Forum and on the Council's website. The Chairman asked Mr Caddick to resubmit the final draft Policy for the Committee's consideration immediately following the end of the consultation period. Mr. Caddick confirmed that he would do so and advised that this was likely to be at the Committee's meeting scheduled for February, 2014.

The Chairman having thanked Mr Caddick for his report it was :-

2. RESOLVED that the report be received and noted and that the final draft Housing Financial Assistance Policy be re submitted to the Committee at its February, 2014 meeting, following the conclusion of the consultation period.

Local Authority Trading Company

The Chief Executive submitted a report (copy circulated) which provided members with background information for a presentation to be given by Phillip Foster, Chief Operating Officer of Sunderland Care and Support on the establishment of a new Local Authority Trading Company (LATC) and the transfer of in-house care and support services to the Company.

(For copy report – see original minutes)

The Chairman welcomed Mr. Foster to the meeting who briefed the Committee on:-

- i) the key considerations leading to the decision to establish the local authority trading company.
- ii) the alternative models of delivery into which the Council's in house care and support would be moved (Sunderland People First Co-op CIC, Beckwiths Co-op CIC, Sunderland Care and Support LATC and Care and Support Sunderland Co op CIC).
- iii) the structure and governance arrangements of the companies

Mr Foster explained that Sunderland Care and Support would be made up of two companies, a holding company and a subsidiary company. The purpose of the Group Structure was to:-

- ensure tax arrangements were efficient for the purposes of VAT.
- enable it to comply with the Teckal tests for the procurement by the Council of care and support from the LATC.

All shares in the holding company would be owned by the Council and all shares in the subsidiary would be owned by the holding company (so in effect by the Council). Both Companies would have a common board of directors appointed by the Council acting as the shareholder of the holding company. The company would be guided by the Council's values of proud, decent and together to ensure that for every customer, the company would be providing the right care, in the right place and at the right time to meet their individual needs. The transfer to the company would allow the service to have a sustained, planned and well managed approach to its finances and create a future for its staff.

In response to an enquiry from Councillor Shattock, Mr. Foster confirmed that the required efficiency savings of £4.5m would be carried over to the new company.

Councillor Shattock replied that it would put huge pressure on the company which she feared could force it under at the cost of 1200 jobs and enormous worry for the service users and their families. Mr Foster advised that the main reason the service had been transferred to a company was that it would have the ability to trade which was something denied to the local authority. The company comprised excellent staff who had TUPE transferred over from the Council and who would remain in the Tyne and Wear pension fund. There was an excellent training scheme. The business plan had been highly scrutinised and there would be monthly financial monitoring meetings. The Governance arrangements had been carefully worked through and were in place as were the appropriate scrutiny arrangements. Investment had been made in an apprenticeship scheme and fifty people had been trained to date. The biggest test would come after three years when the Council would look to put the services out to tender and the Company would then need to be in a situation to bid successfully for the contract.

Councillor T. Martin advised that he had spoken to people at Farnborough Court who had expressed worries over the changes, however having heard Mr Foster's presentation he now felt easier. Mr Foster confirmed that a great deal of consultation work had been done with the staff and unions. A JCF had been established and the unions had been a key partner in reassuring staff. It had been made very clear that existing staff would transfer over on their current terms and conditions and remain in the pension scheme. Mr Foster stated that the proof of the pudding would be in the eating and that the company would need to prove that its plans worked. In this regard he would be more than happy to report back on progress to the Committee. In addition he invited the Committee to visit, or hold one of its meetings at Leechmere where the company were based. Although he was the public face of the company he was keen that members had the opportunity to meet the staff.

Councillor N. Wright stated that the cost of the transfer of staff to the local authority trading company on the conditions as described were greater than if the TUPE transfer had been to a private company. She asked how the company would remain competitive and what would be the key issues? Mr Foster replied that the key issue was that the staff that had transferred were the company's strength. They were staff with a high level of quality who provided excellent services that people wanted to buy and use. The company would be helped by the growth of personal contracts. It had a business plan that allowed it to trade. It would have the ability to sell more equipment and widely market its telecare service. It would also have the ability to bid for contracts across other local authority borders. The Company would also look to diversify into health provision as well as social care.

Councillor N. Wright stated that what she had heard was reassuring but that anxieties would remain. Councillor Shattock stated that both she and Councillor Howe had family members in receipt of the Company's services. Such people especially those suffering from autism got very anxious at the thought of change this in turn created anxiety for their families. She asked Mr Foster what form of consultation had been undertaken with families. Mr Foster replied that consultation had been undertaken with Age UK, Carers Centres, forums, and groups at the Washington Multi Purpose Centre. Direct consultation with families was being done by staff who were well known to the families concerned. These 'soft' discussions were being done in very small groups and the service was trying to engage on as many different levels as possible. The message was that 'everything was changing

but nothing would be changing' (in that service users should not notice any differences).

There being no further questions or comments for Mr Foster the Chairman thanked him for his presentation and it was:-

3. RESOLVED that :-

- i) the report be received and noted
- ii) a further progress report be submitted in due course; and
- iii) investigations be made into the possibility of holding a future meeting of the Committee at the Sunderland Care and Support Headquarters at Leechmere.

Introduction of 20mph Zones in the City - Update

The Lead Scrutiny Members submitted a report (copy circulated) providing details of the current position in relation to the introduction of 20mph zones in Sunderland following the findings of the work undertaken by the City Services Scrutiny Panel in relation to a revised methodology and criteria for priority schemes.

(For copy report – see original minutes).

The Chairman welcomed and introduced Les Clark, Head of Street Scene and Ken Heads, Network Development Manager who presented the findings as outlined in the report.

Councillor Kay referred to the proposals and questioned the appropriateness given the spending pressures facing the Council and the statistical insignificance of the accident rate against the city's population of 280,000. Mr Clarke advised that there were two principal reasons behind the proposals:-

- i) the minimisation of risk; and
 - ii) to enhance the public's perception of the safety of the city's neighbourhoods.
- There was a direct link between reduced speeds and residents' feelings of well being.

Mr Clarke also added that it was the most cost effective way of tackling the issue.

The Chairman expressed the view that as a planning authority the Council should be seeking a contribution from developers towards the introduction of 20mph zones in any new development.

The Committee having endorsed the approach being taken in the implementation of the scheme including the changes to the order of priorities reflecting the current performance of the respective areas and the inclusion of public concern sites in future programmes, it was:-

4. RESOLVED that the report be received and noted.

Request to Attend Seminar – Centre for Public Scrutiny Parliamentary Seminar.

The Chief Executive submitted a report (copy circulated) requesting the Committee to consider nominating two delegates to attend the Centre for Public Scrutiny's Parliamentary Seminar to be held on 7th January, 3rd February and 31st March 2014.

(For copy report – see original minutes).

Consideration was given to the matter and expressions of interest were registered by Councillor T. Martin and Councillor N. Wright. Members however expressed the view that to undertake the session all in one day was unreasonable and that consideration should be given to an over night stay.

5. RESOLVED that approval be given to the attendance of two members at the above mentioned seminar subject to the inclusion of an overnight stay. Such expenditure to be funded from the Scrutiny budget.

Notice of Key Decisions

The Chief Executive submitted a report (copy circulated) providing Members with an opportunity to consider those items on the Executive's Notice of Key Decisions for the 28 day period from 5th November, 2013.

(For copy report – see original minutes).

The Chairman asked any Members having issues to raise or requiring further detail on any of the items included in the notices, to contact the Scrutiny Co-ordinator, Ms. Helen Lancaster for initial assistance.

6. RESOLVED that the Notice of Key Decisions be received and noted.

Annual Work Programme 2012/13

The Chief Executive submitted a report (copy circulated) attaching for Members' information, the work programme for the Committee's work being undertaken during the 2013/14 council year.

(For copy report – see original minutes).

7. RESOLVED that the information contained in the work programme be received and noted.

Lead Scrutiny Member Update

The Lead Scrutiny Members submitted a joint report (copy circulated) providing an update to the Scrutiny Committee regarding the work of each of the six Lead Scrutiny Members and supporting Panels.

(For copy report – see original minutes).

Consideration having been given to the report it was:-

8. RESOLVED that the update of the Lead Scrutiny Members be received and noted.

The Chairman then closed the meeting having thanked Members and Officers for their attendance and contributions to the meeting and offered his best wishes for Christmas and the New Year.

(Signed) R.D. TATE,
Chairman.