

At a meeting of the MANAGEMENT SCRUTINY COMMITTEE held in the CIVIC CENTRE on FRIDAY, 20TH NOVEMBER, 2009 at 10.30 a.m.

Present:-

Councillor Tate in the Chair

Councillors Barkess, D. Forbes, M. Forbes, P. Gibson, J. Scott and T. Wright.

Also present:-

Councillor Miller - Chairman of the Environment and Attractive City Scrutiny Committee
Councillor Stewart - Chairman of the Children, Young People and Learning Scrutiny Committee

Apologies for Absence

Apologies for absence were submitted on behalf of Councillors Copeland, L. Martin, Mordey and Walker.

Apologies for absence were also submitted on behalf of Councillor Heron, Chairman of the Community and Safer City Scrutiny Committee and Councillor S. Watson, Chairman of the Sustainable Communities Scrutiny Committee.

Minutes of the Last Meeting of the Committee held on 22nd October, 2009

(i) Attendance Management

In response to the memorandum dated 9th November, 2009 providing further information in relation to sickness absence as requested at the last meeting, Councillor P. Gibson asked whether the sickness procedures applied to schools.

Ms. Charlotte Burnham, Head of Overview and Scrutiny undertook to clarify the matter with colleagues from the Personnel Department and circulate the information to Members of the Committee.

1. RESOLVED that the minutes of the last meeting of the Scrutiny Committee held on 22nd October, 2009, Part I (copy circulated), be confirmed and signed as a correct record.

Declarations of Interest (including Whipping Declarations)

There were no interests declared.

Gentoo – Derivative Transactions

The Director of Financial Resources submitted a report (copy circulated) setting out and asking the Committee to consider a request for the Council to agree to a widening of the borrowing powers of Gentoo, which includes the use of derivative transactions.

(For copy report – see original minutes).

Mr. George Blyth, Deputy Director of Financial Resources briefed the Committee on the report. He highlighted the reasons for the change to the Memorandum of Association detailed at paragraph 2.3 of the report. He also drew attention to the review of the proposal carried out by the Council to satisfy itself that the 'wider' powers were appropriate, beneficial to the Company and ultimately to its tenants and that the additional risks involved by using the new 'wider' borrowing powers were suitably identified and would be managed effectively by Gentoo. Mr. Blyth pointed out that legal opinion had been received from the Chief Solicitor and specific issues had been followed up with independent legal advisors, Trowers and Hamblins LLP. Mr. Blyth advised the Committee that this was a reasonable request and recommended the Committee to approve the recommendation.

The Chairman introduced Mr. Sean Brodie, Treasury Manager with Gentoo. Mr. Brodie stated that the widening of the borrowing powers would allow Gentoo flexibility in seeking funding and provide better value for money and that fundamentally there would be no change to the level of risk the Company would take.

In response to Councillor M. Forbes, Mr. Brodie advised that the Company would be borrowing money for the whole of its operation. They did use as an organisation the properties in Sunderland to raise money for the whole organisation, in that all of the Group's assets were used for the benefit of the whole group. This had always been the case since the transfer of the housing stock in 2001. The issue now was about how to raise finance and manage the risk around housing. Approximately 70% of the debt was at a fixed rate. This request to widen powers was about the mechanics around managing risk.

The Chairman commented that the Council also did this in that it shopped around for better rates, managing debt and borrowing money at the best rates it could.

Mr. Brodie stated that he understood Members worries but everything that the Company was allowed to do as an organisation was governed by the Tenants Support Authority and everything was tightly regulated.

Councillor M. Forbes asked Mr. Brodie to guarantee that Sunderland tenants and housing stock would not be put at risk in any way.

Mr. Brodie stated that this change in the Memorandum of Association of Gentoo Sunderland would allow the risk to be reduced more efficiently and the risk to be better managed.

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

2. RESOLVED that having reviewed the proposal, the Committee agrees that the Director of Financial Resources can grant the request from Gentoo and thereby change the Memorandum of Association of Gentoo Sunderland as outlined in Appendix 2 * (including a slight amendment detailed below) of the report by making this decision under the use of delegated powers.

* In Appendix 2 – the word “**financial**” is to be inserted in the first sentence of the document as follows:-

Subject to this Clause 6 the Company may enter into and perform any **financial** derivative transaction on such terms as the Company thinks fit for the purpose of hedging or otherwise managing any treasury risk or other exposure of the Company.

Variation of the Agenda

At this juncture the Chairman proposed that item 6 – Scrutiny Committees’ Six Month Progress Reports Pilot be considered next so as to allow those Scrutiny Chairmen who were in attendance to present their report and then leave the meeting.

3. RESOLVED that the agenda be varied accordingly.

Scrutiny Committees’ Six Month Progress Reports Pilot

Reports from the respective Chairmen of the seven Scrutiny Committees informing Members of the progress made to date (copies circulated), were submitted as follows:-

- (a) Children, Young People and Learning Scrutiny Committee;
- (b) Community and Safety City Scrutiny Committee;
- (c) Environment and Attractive City Scrutiny Committee;
- (d) Health and Well-Being Scrutiny Committee;
- (e) Management Scrutiny Committee;
- (f) Prosperity and Economic Development Scrutiny Committee;
- (g) Sustainable Communities Scrutiny Committee.

(For copy reports – see original minutes).

Ms. Charlotte Burnham, Head of Overview and Scrutiny advised the Committee that the Chairmen of the Scrutiny Committees had agreed to provide a six months progress report to Management Scrutiny Committee on a pilot basis. Unfortunately as the meeting had been re-arranged for 20th November due to the switch on of the Christmas illuminations on 19th November, not all the Chairmen had been able to be present to update the Scrutiny Committee. Ms. Burnham added that the progress reports provided the Committee with the opportunity to take stock and manage any cross over and duplication.

Mr. Mike Lowe, Assistant Head of Performance Improvement added that the pilot would contribute to the strengthening of performance management arrangements and demonstrate outcomes to show the improvement of Scrutiny in Sunderland.

(a) Children, Young People and Learning Scrutiny Committee

The Chairman, Councillor Stewart drew Members attention to paragraph 2.1 of the report which detailed the work the Scrutiny Committee had carried out since the start of the Council year. He highlighted:-

- the policy review, the review of changes to 16-19 and post 19 learning;
- the consultation on workplace innovation in Children's Services;
- the new Ofsted inspection arrangements for Safeguarding; and
- the assessment of academic attainment.

Councillor Stewart advised that the Scrutiny Committee had set up a consultation working group to consider all Article 4 Plans and Strategies.

Councillor T. Wright, Vice-Chairman of the Management Committee thanked Councillor Stewart and the Committee together with the Executive Director of Children's Services and her team for the massive workload that the Scrutiny Committee was carrying out. He thanked Councillor Stewart for bringing the report to the Management Scrutiny Committee and asked that those thanks be passed on to the Co-opted Members who provided good support and contribution to the work of the Scrutiny Committee.

In relation to the review of the changes to 16-19 and post 19 learning and the demise of the Learning and Skills Council, Councillor Stewart advised that there was a lack of clarity around future funding arrangements and a lot of the detail remained to be sorted out, together with the new arrangements with the College and a further report would be coming forward when the information was available.

The Chairman thanked Councillor Stewart for his report on behalf of the Management Scrutiny Committee and stated that Members would be happy to provide any support they could to assist the Scrutiny Committee to manage its business effectively.

(b) Community and Safer City Scrutiny Committee Progress Report

A report from the Chairman of the Community and Safer City Scrutiny Committee was submitted detailing the work of the Scrutiny Committee.

The Committee noted the Chairman, Councillor Heron's apologies and agreed to note and accept the progress made by the Scrutiny Committee, wish the Members well and offer any help and support for the future.

(c) Environment and Attractive City Scrutiny Committee

Councillor Miller, Chairman of the Environment and Attractive City Scrutiny Committee was present at the meeting and highlighted the following aspects of the Committee's work to date:-

- the establishment of a task and finish group to undertake detailed research on aspects of the Committee's review of traffic issues; and
- the establishment of a task and finish group on the provision of allotments in the City.

Councillor Miller commended the work Members were doing in relation to parking and public transport issues which he considered the Committee would focus on for the entire year and also the value of the task and finish group approach.

Councillor J. Scott queried where the regeneration of Sunderland fit in relation to the Scrutiny Committee remit.

Ms. Burnham advised that largely this lay with the Prosperity and Economic Development Scrutiny Committee and there was a potential overlap with the Sustainable Communities Scrutiny Committee. She advised Members that she was keeping a list of proposed changes for Scrutiny Committee remit for consultation with Members for next year's Committees.

Members of the Scrutiny Committee commented on the importance of public transport and the accessibility of bus services in order for residents to get to where they needed to go and for Sunderland to receive the services it required and contributed to. Councillor T. Wright enquired whether there was scope to invite other members on to the Task and Finish Groups who may be able to contribute.

Councillor Miller undertook to take this on board.

The Chairman thanked Councillor Miller for his attendance.

(d) Health and Well-Being Scrutiny Committee

A report from the Chairman of the Health and Well-Being Scrutiny Committee was submitted detailing the work of the Scrutiny Committee.

The Committee noted the Chairman, Councillor Walker's apologies and agreed to note and accept the progress made by the Scrutiny Committee, wish the Members well and offer any help and support for the future.

(e) Management Scrutiny Committee

Councillor Tate drew Members' attention to the report of the progress of the Management Committee.

Ms. Burnham highlighted the Meet and Greet Event between Partners of the Sunderland Partnership and Scrutiny Chairs and Vice Chairs on 2nd December.

(f) Prosperity and Economic Development Scrutiny Committee – Progress Report

A report from the Chairman of the Prosperity and Economic Development Scrutiny Committee was submitted, detailing the work of the Scrutiny Committee.

The Committee noted the Chairman, Councillor Mordey's apologies and agreed to note and accept the progress made by the Scrutiny Committee, wish the Members well and offer any help and support for the future.

(g) Sustainable Communities Scrutiny Committee – Progress Report

A report from the Chairman of the Sustainable Communities Scrutiny Committee was submitted, detailing the work of the Scrutiny Committee.

The Committee noted the Chairman, Councillor S. Watson's apologies and agreed to note and accept the progress made by the Scrutiny Committee, wish the Members well and offer any help and support for the future.

4. RESOLVED that the progress of the Scrutiny Committees be received and noted.

Strategy for Surplus Assets

The Deputy Chief Executive submitted a report (copy circulated) on a proposed strategy for the disposal or retention of property that is surplus to Council requirements.

(For copy report – see original minutes).

Mr. Colin Clark, Head of Land and Property briefed the Committee on the report and in so doing referred Members to the tests to be applied to operational property that has been declared surplus to requirement as detailed in paragraph 4 of the report. He highlighted the Disposal Procedure detailed in paragraph 7 which contained the improvements proposed by the Policy and Co-ordination Review Committee when it

considered the procedure at its meeting held on 11th December, 2008. Mr. Clark stated that in the main, when the Council decided to dispose of property there would be tighter control around the timescales and in fact this aspect would be performance managed.

In response to Councillor M. Forbes, Mr. Clark advised that the Strategic Property Group was made up of partners such as the Tyne and Wear Fire and Rescue Service, the Sunderland Teaching Primary Care Trust and the Deputy Chief Executive who would consult partners as to whether to dispose or retain property which might lead to improved outcomes for service delivery or enhanced values through partnership working, or both. The Capital Strategy Group involved key officers in the Council and was chaired by the Deputy Chief Executive. The Group met to ensure the property assets were managed corporately.

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

5. RESOLVED that the Committee notes the Strategy for Surplus Assets as amended in accordance with its previous recommendations and endorses its submission to Cabinet for approval.

Performance Management for Members Seminar Feedback – 19th November 2009

The Chief Executive submitted a report (copy circulated) providing the Committee with details of the North East Regional Employers Organisation's Performance Management Seminar held on 19th November 2009 attended by the Chairman and Vice-Chairman of this Committee and advising that verbal feedback would be given at the meeting.

(For copy report – see original minutes).

The Chairman commented that the Seminar had been very useful and highlighted the value of performance management which was becoming more and more important. He pointed out that performance management needed to be something that the Council should be doing as part of its day to day operation and should not require extra resources.

Ms. Charlotte Burnham, Head of Overview and Scrutiny stated that the Council did have a very good performance management framework in place. Officers were working on putting a performance management system in place in relation to the Scrutiny Committees in order to identify the achievements and outcomes delivered. She added that the facilitator for the Seminar had been very good and she was proposing to arrange refresher workshops in January and February 2010 in order to skill up Members in relation to performance management to assist them when scrutinising the work of the Sunderland Partnership delivery boards.

Mr. Mike Lowe, Assistant Head of Performance Improvement commented that the Scrutiny Committees had an important role to play in performance management. There were potential opportunities for Scrutiny with the Comprehensive Area Assessment (CAA) and partnership working to hold partners to account and focus on delivering better outcomes.

Councillor T. Wright, Vice-Chairman of the Committee was also of the opinion that the Seminar had been useful and stated that he felt the performance management framework in place in Sunderland was good. He commented that the CAA peer reviews were a valuable tool in that they trained people in the organisation so this could be used for self assessment on an interdepartmental basis so performance management became a common thread throughout the Authority.

Mr. Lowe stated that he fully supported the use of peer reviews and that it was a part of the national performance framework. Sunderland had hosted a very successful peer review of the Scrutiny arrangements and this had been used since in various dimensions such as the Sunderland Partnership and other services in the Council. Self assessment was becoming more and more important and he fully supported its use.

Councillor M. Forbes stated that she fully subscribed to the general ambition but queried whether the resources and finance were available and that they needed to be tightly controlled.

Mr. Lowe commented that with regard to cost the Council incurred significant costs in preparing for inspection which in some respects detracted from its purpose however the Government saw performance management as a tool to reduce the cost of inspection. The cost benefit to the Authority was in employing the tools as it made the Council more self aware and reduced the cost of putting in measures purely for inspection purposes.

6. RESOLVED that the verbal feedback from the Conference delegates and comments made as detailed above be received and noted.

Forward Plan – Key Decision for the Period 1st December 2009 – 31st March 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 period 1st December 2009 – 31st March 2010 which relate to the Management Scrutiny Committee.

(For copy report – see original minutes).

7. RESOLVED that the Forward Plan for the above period be received and noted.

Scrutiny Committees' Work Programmes for 2009-2010

The Chief Executive submitted a report (copy circulated) attaching for Members' information, the variations to the Scrutiny Committees work programmes for 2009-10 and providing an opportunity to review the Committee's own work programme for the remainder of this Municipal Year.

(For copy report – see original minutes).

8. RESOLVED that the Committee notes the variations to the Scrutiny Committees' Work Programmes for 2009-10 and to its own work programme.

(Signed) R.D. TATE,
Chairman.