

At a meeting of the SCRUTINY CO-ORDINATING COMMITTEE held in COMMITTEE ROOM 1, CITY HALL, SUNDERLAND on THURSDAY, 9th FEBRUARY 2023 at 5.30 p.m.

Present:-

Councillor Watson in the Chair

Councillors Butler, Curtis, Doyle, Mason-Gage, Mullen and P. Smith.

Also in attendance:-

Mr Nigel Cummings, Scrutiny Officer, Law and Governance, Corporate Services Directorate

Mr Matthew Jackson, Principal Governance Services Officer, Law and Governance, Corporate Services Directorate

Ms Beverley Poulter, Corporate Strategy Manager, Strategy and Corporate Affairs Directorate

Ms Gillian Robinson, Scrutiny, Mayoral and Member Support Co-ordinator

Mr Paul Wilson, Director of Finance, Finance Directorate

The Chairman welcomed everyone to the meeting.

Apologies for Absence

Apologies for absence were received from Councillors Bond, Edgeworth, Hartnack, D. Snowdon, D.E. Snowdon, and Trueman.

Minutes of the last meeting of the Committee held on 12th January, 2023

1. RESOLVED that the minutes of the last meeting of the Committee held on 12th January 2023 (copy circulated), be confirmed and signed as a correct record.

Declarations of Interest (including Whipping Declarations)

Item 4B.(i) – Capital Programme 2023/24 to 2026/27

Councillor Doyle made an open declaration in respect of Fulwell Junior School as a Council Appointed Governor. He also made an open declaration in respect of the funding options in respect of development at Nile and Villiers Street due to the involvement of his employer in this matter. He made a further open declaration that he was a Council representative of Tyne and Wear Fire and Rescue Authority.

Councillor P. Smith made an open declaration in respect of the funding for Gentoo as she was a Council representative for Gentoo Group Limited and Gentoo Homes Limited.

Item 6 – Notice of Key Decisions

Councillor Doyle made an open declaration in respect of item number 220621/720 (To approve funding options in respect of development at Nile and Villiers Street Sunnyside) due to the involvement of his employer in relation to the matter on the notice regarding the development.

Reference from Cabinet – 2nd February 2023 – Budget and Service Reports:-

(A) Collection Fund (Council Tax) 2022/23

(B)(i) Capital Programme 2023/24 to 2026/27 and Treasury Management Policy and Strategy 2023/24, including Prudential Indicators for 2023/24 to 2026/27

(B)(ii) Revenue Budget and Proposed Council Tax for 2023/24 and Medium Term Financial Plan 2023/24 to 2026/27

The Assistant Director of Law and Governance submitted a report (copy circulated) which sought the advice and consideration of the Committee on a number of reports considered by Cabinet on 2nd February 2023 on the Revenue Budget and Capital Programme for 2023/24. Members views would assist the Council with its service and financial planning arrangements.

(For copy report – see original minutes)

Mr Paul Wilson, Director of Finance, briefed the Committee on the reports and advised that they had been considered by Cabinet and Audit and Governance Committee.

Members discussed the Capital Programme and Treasury Management Policy and Strategy and raised the following questions.

Councillor Mullen queried whether there was any guarantee of the city receiving a share of the funding for the regional mayor and also asked for information on the progress being made on the projects funded through the levelling up funding. Mr Wilson advised that there was a consultation process ongoing around the creation of a combined regional mayor and there was no specific funding allocated to Sunderland as part of this. The projects allocated funding through levelling up were all progressing as planned. There had been an application made for round 2 levelling up funding however this had not been successful.

Councillor Butler queried whether there was any indication of what amount there would be from the Schools Devolved Funding for the future years. Mr Wilson advised that there was no definitive information so far and that sometimes there was just one year allocations made which did make planning for the future challenging.

Councillor Doyle referred to Section 106 reserves and raised the Community Infrastructure Levy; he knew that in the past there had been resistance to implementing the levy in order to incentivise development however he felt that there was a need to look at this again as there had been a significant amount of development both carried out and planned and there was a need for funds to cover the associated infrastructure improvements. There was less likelihood of there being

the large scale reform which had been anticipated in previous years. Mr Wilson advised that there was a need to balance between development being viable and ensuring that infrastructure was provided; he would look into this.

The Revenue Budget and Proposed Council Tax and Medium Term Financial Plan was then considered. Mr Wilson advised that the refreshed City Plan was appended to this report and also advised that the outcome of the final Local Government Revenue Support Grant Settlement for 2022/23 and the additional grant announcements had now been made; the government had based the grants on the assumption that council tax would be increased by the maximum 4.99 percent. There had been reductions to the New Homes Bonus and to the Services Grant. More clarity had now been provided on the Social Care Grant, the implementation of the proposed reform had now been pushed back which allowed this grant to be used for social care provision. There had been additional funding provided to assist the most vulnerable households with their council tax bill and those households in receipt of council tax support would have £25 support applied to their bills. The proposed increase in council tax was 2.99percent. The Police and Crime Commissioner had now supplied their council tax precept proposals which saw their precept increase by the maximum allowed. The proposals from Tyne and Wear Fire and Rescue Service had not yet been received however it was anticipated that they would be proposing the maximum increase.

Councillor Mullen referred to the revenue budget in Appendix J (set out on page 225 of the agenda) and asked what the difference was between “Corporate and Strategic Management” and “Corporate Management” given that there was a significant cost difference between the two. Mr Wilson agreed to find out. Councillor Mullen then asked whether Mr Wilson was happy with the £12million general reserve and whether he would be comfortable if it was less than that. Mr Wilson advised that he felt that this was the minimum level it could be to allow for inflationary pressures. Councillor Mullen then asked whether Mr Wilson would have advised a higher level of council tax increase. Mr Wilson replied that it was a balancing act; a larger increase would allow for more resources which would put the council into a better position however it was also important to recognise the challenges faced by residents.

Councillor Butler commented that the economy could be in a better position come 2025 so it was not surprising that there had been proposals pushed back to then. The city had lost so much over the last 10 years and was now expected to be grateful for receiving a small amount back from the government. The council tax increase would hurt hard working families the most. He asked Mr Wilson to expand on the statement that the government expected Council's to raise the council tax by the maximum amount. Mr Wilson stated that the government made assumptions about the level of council tax increase when deciding what funding needed to be provided nationally and what would be provided through locally raised funds. Councillor Butler then asked whether, following the proposed increase, the council tax would be the lowest in the North East. Mr Wilson confirmed that this was the case; even if other authorities in the region did not increase their council tax at all Sunderland would still have the lowest council tax; it was expected that the other authorities would be raising theirs by more than Sunderland.

In response to Councillor P. Smith regarding the Public Health Grant Mr Wilson advised that the details were still awaited; the information around this grant always came later and this did make planning challenging. The government had said that

there would be an increase in real terms each year however so far that had not been seen.

Councillor Curtis questioned the support towards energy costs and the implications for small businesses and organisations. He referred to the Box Youth Project which had seen their bills increase by £800 per month following the end of their fixed rate deal. Mr Wilson advised that the changes to the support scheme had seen a reduction in the support available; the Council was expecting an increase of £5.5million on their energy bills and this did not trigger the provision of any support for the Council. There needed to be significant increases before any support became available. Any organisations which were eligible for support would receive this directly from the energy provider.

Councillor Mason-Gage referred to the school transport provision and what would happen if fuel costs increased resulting in the budget being spent early. Mr Wilson advised that this budget was managed by Together For Children and that they would need to manage the budget available to them; should it be necessary there was a general reserve fund to fall back on.

The Chair then asked if the City Plan was now finalised. Ms Poulter advised that it was. There had been changes made since the plan had been presented to the Committee in draft form including a new format; it would be published in a dynamic format which would allow readers to navigate the document more easily including being able to find additional information about projects referred to in the plan. The Committee's suggestions from the previous meeting had been taken on board and incorporated into this final version of the plan, this included business being reintroduced into the Vibrant city priority and the word Pride being included in the plan; pride in the city had not been lost from the plan but the word had not been included in the previous draft. The visions set out in the Vibrant city theme were now more descriptive and the timeline was completed.

Members having discussed the budget reports and City Plan it was:-

2. RESOLVED that the Committee noted and acknowledged the information in the reports.

The Committee was pleased to note that despite the ongoing pressures for the Council and its services that we had also recognised the challenges facing our residents in setting the Council Tax for 2023/24, and therefore noted the recommended council tax increase, which still needed to be approved by Council.

The Committee also noted the proposed budget savings proposals within the reports and the budget consultation that was undertaken.

Additionally, the Committee recorded its thanks to Officers and Members for their continued work and diligence in preparing the budgetary information presented to this committee and other key stakeholders and has no further comment to make.

The Scrutiny, Mayoral and Member Support Co-ordinator submitted a report (copy circulated) attaching, for Members' information, the thematic Scrutiny Committee work programmes for 2022/23 and which provided an opportunity to review the Committee's own work programme for 2022/23.

(For copy report – see original minutes.)

Mr Nigel Cummings presented the report, updating Members on the current position regarding the Work Programmes of the Scrutiny Committees. He advised that a workshop had been arranged for Members on 13th February to consider the Report It Tool. He also advised that the Economic Prosperity Scrutiny Committee was to be considering the City Centre Regeneration Plan at the meeting on 7th March and there was an open invite to this meeting for all Members.

3. RESOLVED that the Scrutiny Committees' work programmes for 2022/23 and the variations to these work programmes be noted, together with the current scrutiny budget position.

Notice of Key Decisions

The Scrutiny, Mayoral and Member Support Co-ordinator 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 25th January 2023.

(For copy report – see original minutes.)

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

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

The Chairman then closed the meeting, having thanked everyone for their attendance.

(Signed) S. WATSON,
Chairman.