

**At a meeting of the MANAGEMENT SCRUTINY COMMITTEE held in the CIVIC CENTRE on THURSDAY, 13<sup>TH</sup> OCTOBER, 2011 at 5.30 p.m.**

**Present:-**

Councillor Tate in the Chair

Councillors G. Miller, Oliver, Rolph, Stewart, Walker, S. Watson, Wilson and Wood.

**Apologies for Absence**

Apologies for absence were submitted on behalf of Councillors Anderson and Mordey.

**Minutes of the Last Meeting of the Committee held on 15<sup>th</sup> September, 2011**

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

**Declarations of Interest (including Whipping Declarations)**

Item 5 – Reference from Cabinet – 5<sup>th</sup> October, 2011 – Revenue Budget Second Review 2011/2012

Councillor G. Miller declared a personal interest as Chairman of Bowes Railway Company Limited.

Item 6 – Reference from Cabinet – 5<sup>th</sup> October, 2011 – Budget Planning Framework 2012/2013 and Medium Term Financial Strategy 2011/2012 – 2014/2015

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

Item 9 – Health and Safety Report – Changing the Safety Culture in Streetscene

Councillor Rolph declared a personal and prejudicial interest in the report and withdrew from the meeting as the health and safety review decision was a decision made when she had been a Member of the Cabinet.

## **Reference from Cabinet – 5<sup>th</sup> October, 2011 – Capital Programme Second Review 2011/2012 (including Treasury Management)**

The Head of Law and Governance submitted a report setting out for advice and consideration of the Committee an extract from the report of the Capital Programme Second Review 2011/2012 (including Treasury Management), which detailed new schemes that had been added to the capital programme which were referred by Cabinet to Council for approval.

(For copy reports – see original minutes).

Mr. Malcolm Page, Executive Director of Commercial and Corporate Services briefed the Committee on the report advising that the purchase of a mobile crane on an invest to save basis would provide additional capacity at the Port of Sunderland to enable commercial opportunities to be maximised. The purchase of the crane was a cheaper option than hiring. Progress at the Port continued to be very positive.

Councillor Rolph enquired that with the credit ratings of the banks having been downgraded whether this change in status had affected how the Council managed its borrowing and investment.

In response to Councillor Rolph, Mr. Page advised that the state owned banks were very safe however Finance Officers continued to monitor them closely and review in detail on a daily basis; the prime concern being the security of the Council's capital and then investment.

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

2. RESOLVED that the Cabinet be advised that the Management Scrutiny Committee accepted the proposed additional scheme as set out in the extract to the report and that the Scrutiny Committee recognised the opportunities that the purchase of a mobile crane would create for the Port of Sunderland.

## **Reference from Cabinet – 5<sup>th</sup> October, 2011 – Revenue Budget Second Review 2011/2012**

The Head of Law and Governance submitted a report attaching a copy of a report (copies circulated), considered by Cabinet at its meeting held on 5<sup>th</sup> October, 2011 giving details of the outcome of the Revenue Budget Second Review for 2011/2012. The report had been referred to the Scrutiny Committee for advice and guidance on an aspect of the report on the Revenue Budget Second Review 2011/2012 namely requesting the Council to approve the transfer of funds. The report had also been submitted to the Scrutiny Committee in accordance with its workplan, to advise on progress in implementing savings proposals for 2011/2012.

(For copy reports – see original minutes).

Mr. Malcolm Page, Executive Director of Commercial and Corporate Services briefed Members on the report highlighting the implementation of proposals to make a reduction in expenditure of approximately £58m and the variations which have arisen in the portfolios in the second quarter.

Councillor Tate enquired whether the Council was still using bottled water.

Ms. Sonia Tognarelli, Head of Financial Resources advised that bottled water was still being used in those areas where it was more expensive for the Council to put in place the mains water fed or in buildings which the Council did not own. However costs were being kept to a minimum.

In response to Councillor Oliver, Ms. Tognarelli advised that there was a budget pressure in respect of Safeguarding Legal Fees as external advice was needed for some cases. A review was being undertaken to look at where more internal resources could be provided in future in order to reduce costs in this area.

With regards to the use of agency Social Workers, Ms. Sue Stanhope advised that the Council was currently employing about 21. These were not held against permanent vacancies. The Council was currently in the process of recruiting 4 or 5. The remainder were covering maternity leave and sickness. There were a couple who were employed on a time limited project. Ms. Stanhope advised that she was very confident that the vast majority would no longer be employed at the Council by the end of the current year. The proposed way forward was to establish a pool of peripatetic Social Workers who the Council would employ to move where they were needed. Ms. Stanhope added that there were currently significantly less agency workers employed across the Council now and it was anticipated that there would be very few agency workers employed if any, in future.

In relation to sickness absence, Ms. Stanhope advised that this was reducing across the Council. Sickness levels were traditionally higher in Children's and Adults Social Care due to the nature of the work, however sickness levels were going down in these areas also.

Councillor Wood referred to the deficit forecasted at the Port of £412,000 and enquired whether this was a trend as last year's deficit had been reported at approximately £300,000.

Mr. Page advised that this might be due to the presentation of the figures for 2010/11 as the deficit was in fact in the region of £1m. In reality the deficit at the Port was therefore reducing. The deficit anticipated for 2011/12 was less than half of the deficit for 2010/11.

In relation to the downturn in income in Parking Services, Councillor Walker drew attention to the arrangements in place whereby people using the Council multi-storey car park at Sunnyside near the cinema, did not pay parking charges if they visited any of the restaurants or leisure facilities such as the cinema located in that area as their parking ticket would be validated by that establishment in order to encourage people to frequent those businesses or leisure facilities.

Councillor Walker advised the Committee however that it had come to his knowledge that the arrangements were being abused in that there were people who were paying a nominal £1.00 to the restaurants and were neither making a purchase nor using any of the leisure facilities, however they were getting their parking ticket validated and therefore not paying any parking charges.

Ms. Tognarelli advised that this issue had been raised in the last couple of years and Car Parking Services and Audit Services had investigated the matter. However as the car parking arrangements referred to were included in the Development Agreement it was thought that nothing could be done about this. Ms. Tognarelli advised that she would ask for the matter to be reviewed in light of the above perceived abuse of the arrangements and inform the Committee of the outcome of the review.

In relation to Councillor Wood's enquiry concerning the Bowes Railway grant and whether this was to continue, Ms. Tognarelli advised that the grant was given on a one off basis and that a business plan was being developed to enable the railway to be sustainable.

Councillor Rolph referred to the anticipated shortfall in income due to vacant units in the Industrial Units portfolio and enquired whether the new Enterprise Zone on the A19 corridor was likely to affect the industrial units in the rest of the City and result in more difficulty in letting those units.

Mr. Page stated that he did not know whether this would have an effect but it was hoped that the Enterprise Zone around the A19 would particularly stimulate the low carbon economy and that this would not be at the expense of other industrial units in the City. The challenge for the Council was to look at how best to stimulate and ensure the business base not only stayed in Sunderland but that it grew.

3. RESOLVED that the Cabinet be advised that the Scrutiny Committee having given consideration to the matter, supported the issues of transfers as set out in paragraph 2.3 of the report.

### **Reference from Cabinet – 5<sup>th</sup> October, 2011 – Budget Planning Framework 2012/2013 and Medium Term Financial Strategy 2011/2012 – 2014/2015**

The Head of Law and Governance submitted a report attaching a copy of a report considered by Cabinet on 5<sup>th</sup> October, 2011 (copies circulated), on the proposed budget planning framework which will guide the preparation of the Revenue Budget for 2012/2013.

(For copy reports – see original minutes).

Mr. Malcolm Page, Executive Director of Commercial and Corporate Services briefed the Committee on the report drawing attention to the national economic context and the latest position regarding the Local Government Finance Settlement covering the two year period 2011/2012 and 2012/2013. Mr. Page also highlighted the implications of the Local Government Resource Review for Sunderland, explained

how the Council tax freeze grant would operate and the concerns the Council had in terms of pressures on households and the changes to Council Tax Benefit which would result in the Council receiving a reduced level of funding.

In response to Councillor G. Miller, Ms. Sonia Tognarelli, Head of Financial Resources advised that the average rate of inflation (CPI) was initially forecast to be 2.6% in 2012/2013, however it was accepted that this might increase and a close eye would be kept on the inflation rate. She added that there was cover for additional charges for the cost of utilities within contingencies. A rise in the potential number of people on benefits living in the City had been taken into account and reflected in the Budget Planning Framework.

Councillor Oliver enquired whether the funding an Academy School would receive from the Government equated to the reduction in funding the Local Authority would receive.

Ms. Tognarelli advised that Officers had looked at the Academies Top Slicing Consultation and it was considered that the amount the Council would be top sliced by was greater than the funding an Academy would receive.

In response to Councillor Oliver, Mr. Page confirmed that the Council was undertaking a major reviewing exercise of the services it provided to schools and comparing them with those provided in the wider market in order to get Council services in a place where they could compete on a more commercial footing.

Members discussed the issue of Academies and Free Schools and it was:-

4. RESOLVED that the Cabinet be advised that the Scrutiny Committee accepted the report.

#### **Reference from Cabinet – 5<sup>th</sup> October, 2011 – Proposals for Budget Consultation 2012/2013**

The Head of Law and Governance submitted a report attaching a copy of a report considered by Cabinet on 5<sup>th</sup> October, 2011 (copies circulated), proposing the budget consultation strategy and framework to inform the preparation of the Budget for 2012/2013 and seeking the views of the Scrutiny Committee in the context of the budget framework.

(For copy reports – see original minutes).

Ms. Sonia Tognarelli, Head of Financial Resources referred the Scrutiny Committee to the proposed arrangements as set out in the report detailed at paragraph 5.

Mr. Malcolm Page, Executive Director of Commercial and Corporate Services added that the arrangements were in the process of being finalised and assured Members that the Management Scrutiny Committee would have full and appropriate consultation.

In response to Councillor Rolph, Ms. Tognarelli confirmed that the Citizens' Panel was trying to get a more representative group and increase engagement and that they tried to reach the views of young people through the Youth Parliament.

In response to Councillor Oliver, Ms. Tognarelli advised that details of the Budget Consultation process had been included in the Community News publications providing the schedule of dates when this was happening and a link where anyone could undertake the survey online.

Ms Tognarelli added that the consultation arrangements were already extensive and that it would not be cost effective to circulate a paper copy of the survey in order to try to capture those who did not have access to the internet when the additional cost of producing and circulating the survey was compared to what this would achieve.

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

5. RESOLVED that the Cabinet be advised that the Scrutiny Committee endorsed the budget consultation strategy and framework and acknowledged that the Council was seeking to consult as widely as possible on the budget proposals.

### **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 high-cost consumer credit and illegal money lending respectively.

(For copy report – see original minutes).

Mr. Nigel Cummings, Scrutiny Officer advised the Committee that the first workshop for the policy review into self regulation had been arranged to take place on 31<sup>st</sup> October. The first focus group for the policy review on high-cost consumer credit and illegal money lending had taken place prior to the Scrutiny Committee's formal meeting that afternoon.

Mr. Cummings highlighted the proposal to hold a session with Shontal, an interactive theatre group, the idea being to bring home the reality of people struggling with debt.

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

6. RESOLVED that:-

- (i) the information in the report be noted; and
- (ii) approval be given to using the Shontal Theatre Group as part of the evidence gathering approach to the review and that arrangements be made to hold a session with the Theatre Group and for an invitation to attend and/or take part be extended to all Members of the Council.

## **Variation of Agenda**

The Chairman proposed and it was agreed that item 9 Health and Safety Report - Changing the Safety Culture in Streetscene, be considered as the last item on the agenda as the Vice-Chairman, Councillor Rolph had a personal and prejudicial interest in the report and would need to leave the meeting. It was noted that by varying the order of the items in this way this would assist Councillor Rolph as there would be no need for her to wait until the end of the discussion to be readmitted into the meeting for the remainder of the items of business.

## **Scrutiny Work Programmes for 2011-12**

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

(For copy reports – see original minutes).

Councillor Rolph asked that the title of the Policy Reviews for all the Scrutiny Committees be included on the work programmes in future.

7. RESOLVED that the variations to the Scrutiny Committees' work programmes for 2011-12 and to the Management Scrutiny Committee's own work programme be noted and that the titles of the Scrutiny Committees' Policy Reviews be included as requested above on future reports.

## **Forward Plan – Key Decisions for the Period 1<sup>st</sup> October, 2011 – 31<sup>st</sup> January, 2012**

The Chief Executive submitted a report (copy circulated) providing Members with an opportunity to consider those items in the Executive's Forward Plan for the period 1<sup>st</sup> October, 2011 – 31<sup>st</sup> January, 2012 which relate to the Management Scrutiny Committee.

(For copy report – see original minutes).

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

## **Health and Safety Report – Changing the Safety Culture in Streetscene**

The Director of Human Resources and Organisational Development submitted a report (copy circulated), detailing the work that has been undertaken and is still progressing relating to improving the health and safety performance within streetscene.

(For copy report – see original minutes).

Ms. Sue Stanhope, Director of Human Resources and Organisational Development highlighted the improvements made in the overall management of health and safety across the service, detailed in paragraph 2.5, which had been identified in the 2010 review together with the ongoing challenges.

Ms. Stanhope advised that the Health and Safety Executive would be carrying out an audit of Waste Services the following week which would include spot inspections and the Council would be notified of the findings. Ms. Stanhope clarified that the five year timescale of the health and safety improvement programme was launched in 2008. The Health and Safety Improvement Board had taken some difficult decisions including instigating disciplinary action following the identification of unsafe working practices and the improvements made over the last three years had been noted.

Councillor Miller commented that it would be interesting to compare the accident rate and associated sickness levels from 2008 to 2011 and asked if this information could be provided in a future report.

9. RESOLVED that the content of the report be noted and that the above information be provided in a future report to the Committee.

The Chairman thanked everyone for their attendance and closed the meeting.

(Signed) R.D. TATE,  
Chairman.