

At a meeting of the SCRUTINY CO-ORDINATING COMMITTEE held in the CIVIC CENTRE, SUNDERLAND on THURSDAY 14th OCTOBER, 2021 at 5.30 p.m.

Present:-

Councillor D.E. Snowdon in the Chair

Councillors Butler, Doyle, Heron, Hodson, N. MacKnight, Mullen, O'Brien, P. Smith
D. Snowdon and Thornton

Also in attendance:-

Mr Jon Beaney, Senior Corporate Strategy Officer, Corporate Services Directorate
Mr Chris Binding, Local Democracy Reporter
Mr Nigel Cummings, Scrutiny Officer, Law and Governance, Corporate Services Directorate
Mr Paul Davies, Assistant Director of Business and Property Services, Corporate Services Directorate
Mr Jon Ritchie, Executive Director of Corporate Service
Ms Gillian Robinson, Scrutiny, Mayoral and Members' Support Co-ordinator, Law and Governance, Corporate Services Directorate
Mrs Christine Tilley, Community Governance Services Team Leader, Law and Governance, Corporate Services Directorate
Mrs Helen Townsend, Programme Manager, City Development

The Chairman welcomed everyone to the meeting.

Apologies for Absence

Apologies for absence were received from Councillors Hartnack, D. MacKnight and Mann.

Minutes of the last meeting of the Committee held on 16th September, 2021

It was noted that Councillor Heron's apologies had not been recorded in the minutes of the last meeting.

1. RESOLVED that the minutes of the last meeting of the Committee held on 16th September, 2021 (copy circulated), be confirmed and signed as a correct record but that Councillor Heron's apologies be included.

Performance Management Update – Quarter 1 of 2021/22

Councillor D. Snowdon referred to his request for a further breakdown on what the NVQ Level 4 qualifications were achieved in. He commented that he had been informed that Officers had queried the dataset and unfortunately there was no breakdown included for the NVQ Level 4 qualifications data set and that he found this unbelievable and disappointing.

Declarations of Interest (including Whipping Declarations)

Item 8 – Notice of Key Decisions

Councillor Doyle made an open declaration on item number 210728/613 due to his employer being involved in the project.

Variation of Agenda

The Chair suggested that items 5 and 6 on the agenda be considered prior to item 4 to allow those Officers to leave the meeting and it was:-

2. RESOLVED that the agenda be varied as above accordingly.

City Hall - Meeting Rooms

The Executive Director of City Development submitted a report (copy circulated) to provide the Scrutiny Co-ordinating Committee with an overview of the meeting room facilities in the new City Hall building.

(For copy report – see original minutes)

Mrs Helen Townsend, Programme Manager, City Development provided the Committee with a presentation which covered a number of key issues in relation to meeting spaces in the City Hall including:

- Meeting room resources;
- Collaborative meeting spaces;
- Technology available; and
- Booking system.

Councillor Mullen enquired what information had been received to show that there was a need for a room with a capacity of 120 people. He also asked what would happen should there be more demand than there were desks.

Mrs Townsend replied by saying that there was a need for a facility in which staff awards and other functions could be held and that there were records to show that bookings were being made costing the Council £30,000 a year to hire rooms which could cater for this capacity. The Council would be able to hire out the facility to others and bring in revenue.

With regards to the number of desks, they had worked closely with HR looking at the number of staff and how working arrangements had evolved. Teams had identified tasks which they needed to come into the office for, people would be using the building differently and some would be working all day at home.

The booking system had sensors and this would be analysed to check they had the typologies right.

There was going to be a phased relocation of staff to City Hall to assist with adjustment to the new building and new ways of working.

Councillor Mullen enquired whether there was going to be a different policy on bringing visitors into the building.

Mrs Townsend advised that she was not aware of this but that she would contact Facilities Management and get a reply back to Councillor Mullen.

Mrs Townsend confirmed in response to Councillor Heron that there would be a portable hearing loop system in the Committee rooms, Council Chamber and in Customer Services.

The Chair advised that a date was planned for Members to visit the new building when it had been cleared for public use and she hoped that Members would take up this opportunity to see the facilities.

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

3. RESOLVED that the information provided be received and noted and that arrangements be made for the Committee to visit City Hall on a suitable date.

European Union Exit - Update

The Assistant Director of Business and Property Services submitted a report (copy circulated) which provided an update to the Scrutiny Co-ordinating Committee with regard to the EU Exit.

(For copy report – see original minutes)

Mr Paul Davies, Assistant Director of Business and Property Services, briefed the Committee on the report highlighting that the EU had been ready to impose its import controls at the end of the Transition Period and, hence, UK exports to the EU had been subject of full customs import controls on entering the EU since 1 January 2021.

Mr Davies referred Members to the timetable revisions set out at Paragraph 3 for introducing import border control processes, with controls on most EU imports now effective from 1 January 2022 and pointed out that there might be an impact from these controls after this date in terms of delays being experienced in the supply chain.

Mr Jon Beaney, Senior Corporate Strategy Officer, Corporate Services Directorate reiterated that the processes associated with the UK EU exit were not complete yet

and there would be checks being put in place in January, July and October on all goods coming in from the EU. He referred Members to the issues raised by haulage companies such as a demand for more drivers, friction at the UK border and he explained the delivery system previously used, known as 'Groupage' and how this would be affected by the controls at the border. It was unknown at this stage how all of this would play out. The key message being there was a way to go yet.

Mr Beaney referred Member to the work the Council had done to date to monitor and mitigate the effect on its business and to residents and service users and assured Members that Officers would continue to do this.

Councillor N. MacKnight enquired what contingency plans were in place in terms of school meals and Nursing and Care Homes in relation to the issues being highlighted around food supplies.

Mr Davies advised that all Managers across the Council had been asked to monitor, review plans for their service areas. He did not have specific information in relation to care homes, however he had not been advised of any issues.

Councillor D. Snowdon referred to the food and fuel shortages currently and the rises in price of the latter stating that it would be a case of either eating or putting the heating on for some of the city's residents.

Mr Davies stated that problems could be exacerbated due to a number of things happening at the same time such as extra controls which could result in extra charges for firms, the impact of COVID and goods coming from China, rises in fuel costs which might impact more on the people who can least afford it and were the most vulnerable. This was where the Council would be taking action where it could to support people.

Councillor Butler enquired whether there was any benefit to the residents of Sunderland in leaving the EU.

Mr Davies stated that there were advantages and disadvantages of the EU exit and that it was a matter of opinion, everyone had a different view. Officers' jobs were to try and identify risks and look for mitigations.

Councillor Butler commented that he appreciated the work done to try and monitor such a difficult project.

In response to the Chair, Mr Jon Ritchie, Executive Director of Corporate Services advised that the Council was sharing information through an appropriate route to Central Government.

Mr Beaney added that Sunderland was sharing information as part of the Key Cities network. The Leader of the Council was the Brexit Lead on the Group. They were also trying to ensure they used all other potential sources of information. He had personally attended a number of meetings to share experiences as everyone was finding their way through the process.

4. RESOLVED that the information provided in the update be received and noted.

Reference from Cabinet – 12 October 2021 - Budget Planning Framework and Medium Term Financial Strategy 2022/2023 – 2025/2026

The Assistant Director of Law and Governance submitted a report (copy circulated) seeking the views of the Committee in accordance with the Budget and Policy Framework Procedure Rules on a report by the Executive Director of Corporate Services, which was considered by Cabinet on 12 October 2021 which:

- Identified the key factors influencing the development of the Council's financial plans into the medium term and set out the budget planning framework for the Council for 2022/2023;
- Set out the headlines and context for the Medium Term Financial Plan (MTFP) 2022/2023 to 2025/2026;
- Set out the consultation/communication strategy for the budget 2022/2023; and
- Sought a recommendation to Council for the approval of the updated Council Capital Strategy.

(For copy report – see original minutes.)

Mr Jon Ritchie, Executive Director of Corporate Services confirmed that the report had been approved by the Cabinet earlier that week and he proceeded to brief the Committee highlighting the Comprehensive Spending Review, Social Care Funding and the spending pressures and commitments set out in the table at section 3.5.29.

Mr Ritchie referred Members to the section on locally raised income which included Council Tax and business rates and the remaining funding gap of approximately £26m for 2022/23 and a total of £56m over the 4-year period to 2025/26, as well as the approach to addressing the funding gap set out in sections 3.8 and 3.9 respectively.

Councillor Butler referred to the pressure being put on working families with increases in National Insurance, tax rises and the expectation that Councils would increase Council tax. He enquired what the consequence was of using Council reserves.

Mr Ritchie advised that reserves were set aside for particular purposes. Some were there for accounting purposes. There was a General Fund Balance of unearmarked reserves of £12m which acted as a safety net. There was a table of earmarked reserves set out at Appendix 1b which would be revisited as part of the budget process to ensure they still accorded with the Council's priorities and overall funding position. Smoothing reserves had been created which could only be used once and bought time to make sustainable savings, but they could not be relied on forever and at some point, reserves would run out. As the Council's Section 151 Officer he was happy with the level of reserves the Council had.

Councillor Butler commented that Sunderland had the lowest Council Tax of the 12 ANEC Councils.

Mr Ritchie confirmed that this was the case but added that Sunderland had a low Council Tax Base as there was a higher proportion of houses in Bands A and B. This meant that every 1% rise in Council Tax did not raise as much as in other areas.

Mr Ritchie stated that professionally he would recommend going up to the maximum Council Tax rise permitted by the Government in order to maximise the income stream. He added that if Council Tax had not risen this year the Council would have needed to make bigger savings.

Councillor Mullen enquired why the Environmental Services restructure was costing more than had been predicted and what it would look like.

Mr Ritchie advised that £0.5m had been allocated when the budget had been set and the restructure had been flagged. This had not been resolved and as the plan had developed additional funding had been allocated in June. He advised that a written response to Councillor Mullen's enquiry concerning the restructure of the Refuse Service and the costs associated with this would be provided.

Councillor D. Snowdon referred to the £3m in year reserves relating to Section 106 detailed on Appendix 1B and enquired what they were being used for. He noted there were reductions in some budgets.

Mr Ritchie stated that he did not have that level of detail with regards to Section 106 Reserves and would need to provide a written response. With regards to reductions in respect of Business Rates and Council Tax budgets, he advised that this was in a planned way and they were for planned use, some were just timing issues.

Councillor Hodson referred to the spending pressures of £0.250m to support the opening of the Raich Carter sports centre pool.

Mr Ritchie advised that this had not yet been spent and included costs of engineering works and the cost for next year, it might also include a subsidy. This was the full year effect of the pool being reopened.

Councillor Hodson commented that it would be useful to get a full breakdown of what the £0.250m had been spent on and added that there would be running costs associated with the facility.

Councillor Hodson referred to paragraph 3.5.23 stating that it was a small and vague amount.

Mr Ritchie stated that he would request the information from City Development for a detailed breakdown of the £100,000 but he suspected that it was in relation to marketing to increase footfall post pandemic to supplement existing income.

Councillor Hodson referred to paragraph 3.5.12 concerning the Norfolk County Council court ruling against the Authority in relation to their charging policy for a severely disabled client. He asked, as it stated in the report that Sunderland had followed national guidance, how realistic was it that there might be a reduction in client contribution income as a result of national changes to account for the Norfolk Council ruling and whether they were looking to set a minimum income guarantee. Mr Ritchie stated that it was inevitable that every Treasurer would be looking at the implications and trying to take the ruling into account. The situation could change and the impact for the Council was based on the best information they had at the time. This could be a topic of discussion at the Thematic Scrutiny Committee. Officers were informing the Committee of the issue in an attempt to be as open as

possible, however he was unable to answer the question regarding whether they were looking to set a minimum income guarantee as he did not have this level of detail.

Councillor N. MacKnight referred to paragraph 3.4.7 concerning the Government's Plan for Health and Social Care, "Build Back Better" and for which it had allocated £5b.

Mr Ritchie commented that some of the changes wouldn't take effect until October 2023 and as it related to self-funders, it would have more of an effect on other areas. Further detail might become available in the Financial Settlement.

Mr Nigel Cummings, Scrutiny Officer advised that the Government's Plan for Health and Social Care, "Build Back Better" and the Norfolk County Council court ruling against the Authority would be considered at the Health and Wellbeing Scrutiny Committee.

Councillor P. Smith referred to the uncertainties, references to current guidance and anticipated releases of funding etc. which they would look to determine later when greater certainty on funding and spending pressures was available and she commended Mr Ritchie and his Team on the job they were doing.

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

5. RESOLVED that the Scrutiny Co-ordinating Committee notes the budgetary information provided including the medium-term financial plan, budget planning framework and Capital Strategy. The Committee acknowledges the current financial situation of the Council, including the spending pressures that exist. The Committee also recognises the importance of robust budget consultation and engagement with all stakeholders to ensure there is a clear understanding not only of the challenges and pressures that face the local authority, but also how resources are prioritised and assigned.

Finally, the Committee would like to thank officers and members for their continued work. The Committee would also continue to receive budgetary information and the opportunity to scrutinise these reports.

The Committee had no further comments to make at this time.

Work Programme 2021/22

The Scrutiny, Mayoral and Member Support Co-ordinator submitted a report (copy circulated) attaching, for Members' information, the thematic Scrutiny Committee work programmes for 2020/21 and providing an opportunity to review the Committee's own work programme for 2020/21.

(For copy report – see original minutes.)

Mr Nigel Cummings, Scrutiny Officer advised that a report on the Council's Empty Property Strategy would be added to the Scrutiny Co-ordinating Committee's own work programme on a suitable date.

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

6. RESOLVED that the above information, the Scrutiny Committees' work programmes for 2021/22 and the variations to these work programmes be noted, together with the 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 13th September, 2021.

(For copy report – see original minutes.)

The Chair advised Members that if there was anything on the Notice which any Member wanted further information on to get in touch with Mr Nigel Cummings, Scrutiny Officer and he would be happy to take that forward on their behalf.

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

The Chair closed the meeting and wished everyone a safe journey home.

(Signed) D. E. SNOWDON,
Chairman.