THE CABINET

AGENDA – VOLUME 2

Wednesday 20 June at 2.00 p.m.

Part I
ITEM PAGE

Contact: **Hazel Mackel, Governance Services Team Leader Tel: 561 1042**
    hazel.mackel@sunderland.gov.uk

Information contained in this agenda can be made available in other languages and formats on request.

ELAINE WAUGH
Head of Law and Governance

Civic Centre
SUNDERLAND

12 June 2012

COMMUNITY AND SAFER CITY SCRUTINY COMMITTEE

FINAL REPORT

DEVELOPMENT OF COMMUNITY COHESION IN SUNDERLAND

Contents

1 FOREWORD FROM THE CHAIRMAN OF THE COMMITTEE

It gives me great pleasure to be able to introduce the Community and Safer City Scrutiny Committee's policy review into the development of community cohesion in Sunderland.

The Committee chose to look at this issue in view of the importance of community cohesion to the stability and sustainability of our local communities.

In the course of the review, the Committee consulted with a broad range of partners and viewed at first hand some of the initiatives being developed throughout the city. I think it is fair to say that we were all most impressed by the enthusiasm and commitment of everyone we spoke to and the very real impact their work is having. Our particular thanks to all of the officers of the Council and the LSP who supported us during the review and also representatives from Show Racism the Red Card and Wear Out who provided invaluable us with invaluable support and guidance.

I consider that the report has generated a number of far reaching recommendations that together can make a significant improvement to the development of community cohesion in the city.

Most importantly, we believe that community cohesion should be seen in its broadest context - not simply as an issue of race. The issues and challenges facing particular areas of our city are often varied and therefore require different approaches and solutions. We have therefore recommended that the Council should consider the ways in which we measure community cohesion at a more localised level in order to improve on the existing national indicators and to better reflect the fact that different areas of the city face different community cohesion challenges.

Also, in view of the broad range of factors influencing community cohesion, we feel that if we are to make a real impact, it is important to align and integrate cohesion with other Council strategies and plans including the emerging Community Resilience Strategy, Equalities Scheme Area Plans and wider partnership documents.

Based on our discussions, the Committee consider that one of the key factors in community cohesion revolves around the issues of deprivation and unemployment. We consider that action tackling poverty and unemployment are a major part to securing stable and cohesive communities. It is therefore important to closely monitor the implications of the Government's Welfare Reforms in order to understand and mitigate the potential effects on community cohesion in the city.

Furthermore, in order to help shape and inform our response to equalities issues, we consider that staff and Members should have an awareness of community cohesion issues and equalities legislation, particularly a knowledge and understanding of the challenges faced by people who suffer from discrimination.

Finally, as the Committee review was nearing completion, the Government announcement further details of its forthcoming Integration Strategy. As this will have significant impact on the future development of community cohesion policies, the Committee will continue to monitor and assess the implications to the city.

In conclusion, I would like to thank my colleagues on the Community and Safer City Scrutiny Committee for their hard work during the course of the review and thank them for their valuable contribution.

2 INTRODUCTION

2.1 On 7 June 2012, the Committee agreed to undertake a policy review into the development of community cohesion in Sunderland. The Committee felt that it was important to look at this issue in view of the importance of community cohesion to the stability and sustainability of our local communities.

2.2 This report sets out the draft findings and recommendations of the Committee. The report is submitted to this Committee for comment prior to its submission to the Cabinet in June 2012.

3 TERMS OF REFERENCE

3.1 The Committee agreed the following terms of reference for the policy review:-

(i) To consider the background and policy context for the development of community cohesion at a national and local level;

(ii) To consider the policies and programmes of the Council, its partners and local voluntary and community sector organisations that can help bring people together across the city and build bridges between communities;

(iii) To look at the range of interventions being taken to tackle tensions in the city;

(iv) To consider the priorities for a future refresh of the Sunderland Partnership Community Cohesion Strategy;

4 MEMBERSHIP OF THE COMMITTEE

4.1 The membership of the Community and Safer City Scrutiny Committee consisted of Councillors Florence Anderson, Thomas Martin, Rosalind Copeland, Barry Curran, Alan Emerson, Michael Essl, Margaret Forbes, Bernard Scaplehorn, George Thompson, Dorothy Trueman, John Wiper.

5 METHODS OF INVESTIGATION

5.1 The following methods of investigation were used for the review:

(i) Evidence from relevant Council officers and our partner

organisations;

(ii)   Visits to view at first hand individual projects.

6   DEVELOPMENT OF COMMUNITY COHESION – NATIONAL CONTEXT

Background

6.1   As a starting point for the review, the Committee examined the origins and development of community cohesion at a national level before going on to look at how this came to be translated into the Sunderland context. In doing so, the Committee was assisted and advised by representatives of the Council's Strategy, Policy and Performance Management function and officers from the Sunderland Partnership.

6.2   Community cohesion is term which first came into use as a reaction to the disturbances in Bradford, Oldham and Burnley in 2001.

6.3   Indeed, it was in response to these disturbances, that the previous Government commissioned the Cantle report which was to prove the foundation stone of current thinking on community cohesion. In his report, Ted Cantle focused on the importance of developing a dialogue and understanding between members of different racial, cultural and religious communities and ensuring an open debate about issues such as identity, shared values and citizenship.

6.4   In response to the report, the Institute of Community Cohesion was established in 2005 to drive forward policy in this area and provide advice and guidance at a local level.

What Do we Mean by the Term "Community Cohesion"

6.5   In many ways, the meaning of the term community cohesion can be a difficult one to grasp and in the period following the riots of 2001, it was very much associated with the issue of race and race relations. However, there has been a growing acceptance that community cohesion in fact encompasses a much broader range of issues than purely ethnicity and faith, including the tackling of poverty and inequalities and developing people's understanding and tolerance of others. This in many ways reflected not only a growing recognition of the complexity of the issue but also the fact that there is no one size fits all solution to the problems faced at a regional or local level.

6.6   More recently, the Institute for Community Cohesion has provided quite a broad definition of an integrated and cohesive community as one where:

- there is a clearly defined and widely shared sense of the contribution of different individuals and different communities to a future vision for a neighbourhood, city, region or country;
- there is a strong sense of an individual's rights and responsibilities – people know what everyone expects of them and what they can expect in turn;
- those from different backgrounds have similar life opportunities, access to services and treatment;
- there is a strong sense of trust in institutions locally to act fairly in arbitrating between different interests;
- there is a strong recognition of the contribution of both those who have newly arrived and those who already have deep attachments to a particular place;
- there are strong and positive relationships between people from different backgrounds

6.7   In summary, community cohesion is essentially about how well people in different neighbourhoods and across the city get on together, how well they support one another and how much they feel that they share an interest in what happens in the city.

6.8   The Committee recommends that community cohesion should be seen in its broadest context - not simply as an issue of race – hence it is important that action is taken to undertake a sophisticated analysis of local and area needs and align and integrate cohesion with other Council strategies and plans including the emerging Community Resilience Strategy, Equality Scheme Area Plans and wider partnership documents.

7   DEVELOPMENT OF COMMUNITY COHESION IN SUNDERLAND

Background

7.1   Over the course of the past decade, the Council has been working with the Sunderland Partnership has sought to develop and refine the city's approach to community cohesion in order to reflect the particular needs and circumstances of the city. A central theme of this has been the importance of viewing community cohesion in its broadest context to respond to issues that are pertinent to each locality, impact on the delivery of all Council services and integrated with other Council policies and objectives.

7.2   In many ways, it is the Sunderland Strategy that sets out the foundation of Council and LSP policy on community cohesion. In the Strategy, community cohesion is seen as a crucial aspect of the delivery of all the strategic priorities. A cross cutting Creating Inclusive Communities theme was also developed in order to ensure that key issues were addressed and progress monitored.

7.3 Aim 3 of the Sunderland Strategy has as its objective "to make Sunderland a place where everyone feels welcome and can be part of a safe and inclusive community, where people will feel secure and can enjoy life without worrying about becoming a victim of crime".

7.4 While Aim 4 aims "to create a place with a thriving learning culture where everyone can be involved in learning in a cohesive and inclusive city that is committed to social justice, equality and prosperity; where creativity flourishes and where individuals can have all they need to thrive in the global economy".

Institute of Community Cohesion Review 2007

7.5 It was in order to obtain a deeper understanding of the issues facing Sunderland that the Institute of Community Cohesion were invited to undertake a review of community cohesion in the city during 2007.

7.6 The review noted that while Sunderland had not experienced the kind of instability that had occurred in other cities, there were a number of features and priority areas for the Council to address:-

7.7 Tackling Deprivation: the Institute contended that available evidence pointed to community cohesion being lower in areas experiencing higher levels of poverty, deprivation and a lack of opportunities. With Sunderland comprising a number of areas in the top 10% most deprived in the country, it was considered important that initiatives were developed to help tackle deprivation.

7.8 Strength of belonging: the Institute found that within particular neighbourhoods there was a strong sense of community and community pride. However, it was argued that there was the potential for such communities to become insular and reluctant to work with other communities. It was therefore important to work to build on these strengths whilst also building local confidence for people to reach out to other parts of the city.

7.9 Intergenerational tensions: it was felt that there were some areas in the city where the relationship between people of different ages was a problem. The Institute suggested that initiatives needed to be developed which encouraged people of different age groups to work together.

7.10 Valuing diversity: the Institute noted that Sunderland was a city built by people from many different backgrounds and histories and its prosperity would depend on a diverse population working together for a shared future.

Sunderland Partnership Community Cohesion Strategy 2008-15

7.11 The Sunderland Partnership and the Council developed the

Community Cohesion Strategy 2008-2015 in order to help address the issues highlighted in the report.

7.12   The Strategy approached community cohesion as being about how well people in different neighbourhoods and across the city get on together, how well they support one another and how much they feel they share an interest in what happens in the city. It also saw community cohesion as being about reducing inequalities, crime and levels of deprivation, increasing community engagement and promoting interaction between people.

7.13   The Strategy also sought to reflect and incorporate the range of legislation around community cohesion and equalities issues. The Disability Discrimination (Amendment) Act 2005, the Equality Act 2006, Employment Equality (Age) Regulations 2006 and the Equality Framework 2009 have all placed duties on local authorities to promote equality which have been reflected in the Community Cohesion Strategy. Although this legislation has now been superseded by the Equality Act 2010 and Public Sector Equality Duty, the focus on Community Cohesion remains through a duty to foster good relations between those who have a protected characteristic and those who do not.

7.14   The Community Cohesion Strategy also reflected the importance of community development and engagement and ensuring that local residents were able to get involved in a wide range of activities, from information provision to consultation to direct participation in decision making. It would help local people to become more confident that they could influence what happens in their lives.

Measures of Community Cohesion in Sunderland

7.15   The Committee heard that from the emergence of community cohesion as a national issue, the Council had recognised the importance of obtaining a clearer picture of how cohesive communities were in Sunderland and whether they were becoming more or less cohesive as time went on.

7.16   While community cohesion can at first sight seem a difficult concept to measure, a number of techniques have been used to some effect. For example, the previous government introduced a number of indicators as part of the National Outcome and Indicator Set. These included:-

- how far people agree or disagree that in their local area people from different backgrounds get on well together;
- how far people feel that they belong to their neighbourhood;
- civic participation in the local area;
- how far people agree or disagree that they can, though their own actions, influence decisions in their local area;

7.17 In addition, the Council has also used its Annual Residents Survey and Government Citizenship surveys in order to gather more detailed and qualitative data.

7.18 Overall, these surveys have found that the majority of people in Sunderland remain positive about community relations in their local area. More and more residents are saying that people of different backgrounds get on well together in their neighbourhood – only one in five – disagree, which indicates the high level of social capital in our communities.

7.19 However, the surveys have also indicated that there exist different experiences and different concerns between the various areas that make up Sunderland. For example, in the East area, where most of our minority ethnic communities are concentrated, there are most concerns about race relations and inter-racial tension. In the North area concerns expressed have more to do with deprivation and a feeling of being marginalised, of others getting a better deal. On the other hand, in the Coalfields area there are more concerns expressed about the pressures that come from rapidly changing communities and the break down of older ways of life.

7.20 Taken together, these indicators and measures have helped the Council to better understand how cohesive our communities actually feel and to identify community concerns. However, such questions often tell an incomplete picture of what is actually happening in communities and neighbourhoods. There still exists a need for more intelligence and information.

7.21 The Committee therefore recommends that the Council should investigate the ways in which we measure community cohesion at a more localised level in order to improve on the existing national indicators and to better reflect the fact that different areas of the city face different community cohesion challenges.

8 DELIVERY OF COMMUNITY COHESION WORK IN SUNDERLAND

8.1 The Sunderland Partnership Community Cohesion Strategy sets out a structure for the delivery of community cohesion work across the city.

8.2 In order to achieve the aims of the strategy, delivery has been directed at two levels: firstly across the city as a whole and secondly in each area of the city. This was to enable a more localised response to community cohesion issues where appropriate.

8.3 In order to obtain a better understanding of the delivery of community cohesion in the city, the Committee looked at the roles, responsibilities and actions of a number of the key delivery bodies including the Inclusive Communities Partnership, the Community Cohesion Networks and the Equality Forums (formerly the Independent Advisory

Groups). The Committee then went on to look in greater detail at a number of the initiatives and interventions operating in the city including:-

- the ARCH hate reporting scheme
- the School Linking Network Programme
- youth provision and engagement
- Show Racism the Red Card
- Contribution of gentoo

Inclusive Communities Partnership

8.3 The Inclusive Communities Thematic Group is charged with overseeing the implementation of the Creating Inclusive Communities cross-cutting theme within the Sunderland Strategy. This group comprises representatives of partner organisations and also representatives of the City's Equality Forums. The Group reports to the Sunderland Partnership Board and is chaired by the Sunderland Partnership Manager.

8.4 The Group provides direction and coordination to the delivery of community cohesion activities and interventions and is also responsible for monitoring progress.

Community Cohesion Networks

8.5 The Community Cohesion Networks were established to bring together representatives from local organisations, projects and groups to share information on cohesion concerns, possible tensions, inequalities and social welfare issues and to address the issues raised. The establishment of the area based networks reflect the very different community cohesion issues facing different communities.

8.6 The Community Cohesion Networks consist of a wide range of partners including police, housing, schools, youth providers, relevant Council services etc. The chair of each Cohesion Networks links with Local Agency Multi Agency Problem Solving Groups (LMAPS), Area Committee and the Area VCS Networks.

8.7 The Cohesion Networks aim to:-

- Increase opportunities for integration between people of different ages, from different backgrounds, in different situations etc in order to build trust and understanding;
- Increase levels of engagement and involvement through the building of longer term positive relationships
- Increase opportunities to help vulnerable people to get the support, advice and information they may need to help improve their own lives
- Increase the flow of timely and useful information about threats

to cohesion and the needs of communities

- Carry out this work in context with, and link to the needs and priorities of other area based groups i.e. Area Committee, Area Network, LMAP's.

8.8 Each of the Community Cohesion Networks feed into the Sunderland Partnership Structure via the Inclusive Communities Partnership. Issues are logged and progress monitored through the Inclusive Communities Partnership's Issues Log and when necessary taken through the wider partnership structures.

8.9 These Networks also link into the LMAPS which are locally based groups looking at issues and problems and deciding upon appropriate ways of tackling these. The LMAPS therefore provide a key part of the tension monitoring network across the city thereby ensuring that link into regional intelligence sharing networks and delivery of the national Preventing Violent Extremism agenda.

Delivery at City Wide and Area Level

8.10 As mentioned previously, delivery of the community cohesion agenda is directed at two levels - firstly across the city as a whole and secondly in each area of the city. The Committee was provided with examples of the work of the Community Cohesion Networks across both levels.

8.11 At a city wide level issues and activities include schemes such as the School Linking Network (SLN), work on financial inclusion and community philosophy. The work of the SLN will be considered in greater detail later in the report.

8.12 The Committee also heard about the different background and approaches being taken at the local level – in particular the experiences of the East Area Community Cohesion Network and the Coalfield Community Cohesion Network.

8.13 In terms of the East area, it was noted that this had been initially established in response to escalating racial tensions with young people. However, the scope had been widened and membership increased to represent the wider East area and other cohesion concerns for example; e.g. family tensions and Lesbian, Gay and Bisexual (LGB) issues.

8.14 Examples of the kind of work underway in the East area included the Hendon Youth Initiative at Thornhill School. This was an innovative project designed to take youth work into the school environment.

8.15 The East and West Community Cohesion Networks have also developed a collaborative project to challenge community tension in the Eden Vale and Millfield areas.

8.16   In terms of the Coalfield Area Community Cohesion Network, the
        Coalfields area contain a relatively small Black and Ethnic Minority
        (BME) population. There was also a demand for youth provision and to
        combat this, the XL Youth Villages had been brought to the area. The
        ARCH scheme was also supporting work to raise awareness among
        young people on how to report a hate crime. Initiatives had also been
        undertaken to encourage discussions and interactions between people
        of different generations. In Peat Carr and Moorsley the Network in
        partnership with Groundwork North East is delivering a Neighbourhood
        Challenge project which aims to stimulate community activity; using
        innovative methods such as Challenge Prizes.

        Equality Forums

8.17   The Equality Forums grew out of the Independent Advisory Groups
        which were established in 2006 in partnership with Northumbria Police.
        based on the legal strands of BME, Disability, Gender, Faith, Sexuality
        and Age.

8.18   The Independent Advisory Groups were set up initially to provide a
        single point of contact for engaging with groups who may have
        previously found it difficult to make their voices heard. It also provided
        a forum to raise issues that can be taken to the Sunderland Partnership
        through the Inclusive Communities Partnership.

8.19   The refreshed Equality Forums provide a vehicle for gathering
        intelligence on some of the short, medium and long term threats to
        equality and cohesion in Sunderland and have represented themselves
        on a number of issues to generate change. However enabling these
        groups to become independent of Partnership Team support has
        raised more challenging issues in terms of the confidence and capacity
        of some of the groups. In addition, there is a need to develop a
        common understanding of purpose and reassuring that the Forums
        were not intended to replace existing groups or organisations in the
        city.

8. 20   Nevertheless, the Forums have proved useful in building up trust and
        working relationships between residents and the council and its
        partners. This was helped by some successes of the group as a
        vehicle for change and some commitment from the council and
        partnership to the work. For example, the Council joining Stonewall,
        the appointment of a dedicated co-ordinator to support development of
        the groups and the willingness from key individuals to give their time
        and energy to progress groups.

8.21   As the Forums have progressed there have also been a number of
        innovations to promote their effectiveness. These include the
        establishment of an Issues Log to track progress of issues raised by
        the groups, regular progress reports to the Sunderland Partnership, the

development of a wider range of methods for people to get involved or informed, i.e. web pages, social networking sites, newsletters and the development of an extensive contact database, building a network of links to other relevant social or interest groups across the city. Each Forum has also actively reviewed its membership and made changes to broaden this where necessary.

8.22   In terms of progress, the Committee was informed that some of the Forums had developed at a faster pace than others and some were at different stages of development. This is summarised below:-

- Gender – this was the first group to try a more informal approach, utilising different methods to identify topics of interest for women and men and then to come together and plan a response in relation to those topics;
- BME – this group decided to split the face to face group into two elements, one for practitioners and organisations with a particular interest in BME equality and one for members of the public only;
- Lesbian, Gay, Bisexual and Trans (LGBT) – Due to the difficulty of establishing a group for LGBT people, a group was established for organisations with an interest in LGBT equality. Led by Wear Out and fostering strong links with Sunderland Pride, the group continues to build links with LGBT people. An electronic network remains for residents;
- Faith – this group has gone through a period of review and is taking a new approach being led by people of faith and based on the interests of people of faith. The Group beginning to attract new members from people of different faiths in the city and engaging successfully for the first time with the Sikh and Muslim communities;
- Disability – the existing group to continue more formal face to face meetings, also new more informal 'drop in' group has been established initially from adult social care service users;
- Younger People – has made much of utilising on-line methods in particular to provide a regular communication route for young people, perhaps those not engaged through mainstream youth provision and work involving Sunderland's Youth Parliament.
- Older People – a specific group has not been established due to existing network of 50+ Forums, led by Age UK. However links to this network are being strengthened.

8.23   In order to learn more about the experiences of the people involved in the Groups, the Committee met with Mr Kris Heskett of the Wear Out project.

8.24   Mr Heskett noted that research had shown that in Sunderland there were 17,250 people who were LGBT. It had been found that a lot of LGBT people in Sunderland were likely to leave the city for places such as Newcastle or Manchester as these cities provided for the community more than Sunderland.

8.25 Mr Heskett advised that there was a gay night in the city centre pubs and clubs on a Tuesday night, however there was only a small proportion of the community who made use of this night. He felt that there was a need for more people to be open about their needs and the visibility of the LGBT community needed to be increased.

8.26 Mr Heskett felt that there was a need for people to try to better understand the needs of the different people who made up the city and to engage with the different communities within the city.

8.27 In terms of the overall progress of the Forums as a whole there had been a number of achievements:-

- the Sit And Knit a Bit event which was used as a method of attracting women to learn about and get involved in International Women's Day, leading to over a hundred women and men willing to get involved in the future;
- supporting the development of a Family Friendly Venues leaflet for Sunderland;
- development of LGBT services flyer for Sunderland produced and distributed at Sunderland Pride
- the bringing together of Muslim and Christian women for shared prayer - something never done before in the North East.
- Annual State of the City Debate will have a live sign language interpreter included in the event from 2012 due to interventions of the disability group
- considerably more BME people completed the 2011 Census after the involvement and support of the BME group.
- a number of groups were involved in the development of equality aspects of the Sunderland Compact

ARCH Hate Reporting System

8.28 ARCH is part of a Tyne and Wear network, with all 5 local authorities using the ARCH system to monitor hate incidents and community tensions in their local areas. Over 20 partner agencies from across the statutory, voluntary and community sector were now part of the ARCH Partnership. These agencies act as reporting centres, referral agencies or both.

8.29 The Committee heard that the ARCH hate incident reporting system had been operating in Sunderland since November 2007. The system allowed members of the public to report hate incidents through the internet or over the phone. Victims are offered support and action taken against perpetrators. ARCH also allows the spread of racially motivated incidents across the city to be monitored. Where instances of community tension are present there is an opportunity for Police and partners to intervene.

8.30 The Committee heard that there had been 971 hate incidents reported

to ARCH from November 2007 – August 2011. Around 75% of incidents reported involved verbal abuse and 38% threatening behaviour. These include the types of incidents reported by shopkeepers or takeaway workers who are often verbally abused by customers; people being verbally abused or feeling threatened in the street or at/outside their on home. Attack on person (17%) and attack on property (11%) together make up nearly a third of incidents reported. These range from unprovoked attacks in the street to repeated damage to homes or businesses.

8.31   The Committee also heard that while there had been increase in reporting year on year, there was anecdotal evidence to suggest that many incidents still go unreported, particularly by people experiencing hate incidents on a daily basis. ARCH intends to put more work into encouraging victims and witnesses to report hate incidents in order to build up a better picture of what is happening in local areas. There are a number of reasons why people do not report harassment, including not knowing what a hate incident is, what happens once it is reported or what support is available.

8.32   The recent Equality and Human Rights Commission's (EHRC) inquiry into disability-related harassment suggested that disabled people were disproportionately affected by antisocial behaviour and were more likely to be harmed by it.

8.33   The evidence suggests that young people who are victims of hate incidents are also particularly under represented in the statistics.

8.34   A number of key actions had been identified for the future. These included:-

- Work with communities and vulnerable groups around their understanding of what a hate incident is; what happens once it is reported; what support is available to victims of harassment and the importance of reporting for intelligence information;.
- Increase reports made by witnesses of hate incidents;
- Increase reports of disability hate incidents (launched Nov 2011);
- Roll out ARCH into schools and youth projects.
- building upon partnership working success by involving more organisations in the reporting, recording and challenging of hate based harassment, including the private sector.

8.35   Members of the Committee felt that it was shocking to hear that there were hate incidents against people with disabilities. The Committee felt that everyone had a responsibility to report any hate incidents they were victims of or witness to. It is vitally important that people are encouraged and aware of how to record an incident of hate and crime and an understanding of equalities legislation.

.

8.36 The Committee recommends that the Council ensures its staff and Members have an awareness of the equalities legislation, including the challenges faced by people who may be discriminated against and enhance their understanding of issues that effect community cohesion.

School Linking Programme (SLN)

8.37 In 2010, the Council secured national funding to develop a SLN in Sunderland. The aim of the SLN was to develop links between schools in order to work to improve relations. The programme also seeks to develop the confidence and self esteem of young people and identify leadership and interpersonal qualities that the schools can focus on and develop. Other aims include raising awareness of:-

- the increasing multi cultural nature of the city;
- the similarities between the schools;
- how difficult some young people find mixing with others;
- how easily some people can make friends;
- how much work needs to be done on raising cultural awareness;
- how keen some young people are to participate in community issues.

8.38 The work of the programme has been directed at secondary school level. To date nine secondary schools have been involved including Academy 360, Farringdon Community Sports College, Hetton School, Houghton Kepier Sports College Monkwearmouth School, Sandhill View School, Thornhill School, Venerable Bede and Washington School

8.39 In July 2011, "Ambassadors" from eight of the secondary's came together at the Stadium of Light. Activities included:-

- Sharing their research findings and considering common aspirations
- Workshops looking at living in Sunderland now and a vision of the city in 2012
- Sunderland Youth Parliament, Interact, Young Asian Voices and the Children's University were involved and the Mayor and other local dignitaries were presented with feedback from the young people.

8. 40 It is considered that the SLN programme has been successful during its first year and there were plans to expand the network to include links to the college and university and to include young people who were at risk of becoming NEET (Not in Education, Employment or Training).

8.41 The Committee was most impressed by the work being undertaken by the School Linking Programme and looked forward to its development into the future.

Show Racism the Red Card

8.42   Show Racism the Red Card is an educational charity established in 1996 which aims to combat racism through role models, who are predominately but not exclusively footballers, to present an anti-racist message to young people and others.

8.43   The organisation works with schools throughout the North East and East and South East of England to deliver anti-racism workshops to more than 10,000 young people every year. The aim is to:-

- educate young people about the causes and consequences of racism and to explore the various forms racism can take.
- empower young people to challenge racism in the communities in which they live, providing them with relevant knowledge and information to enable them to do this.
- help young people prepare to play an active role as citizens in an increasingly multi-cultural society.
- enable young people to develop good relationships and respect the differences between people, regardless of their ethnicity, faith, culture or nationality.

8.44   As part of our review, the Committee visited one of their educational sessions for school children from the city. The Committee also invited Craig Bankhead to speak to the Committee about their work.

8.45   As a Committee we were most impressed by the work of Show Racism the Red Card and the drive and enthusiasm of staff delivering the programmes. We feel that Show Racism the Red Card represents an excellent way of raising awareness of racism and equality issue with young people.

Youth Work and Engagement

8.46   The Committee also received information on the work going on to engage with young people within out local communities.

8.47   The Committee heard that within the Council there exists a commitment to provide all children, young people and their families every opportunity to engage in decisions that affect them by the development of the participation and engagement framework. This builds on the existing Children and Young People's Participation Strategy 2008- 2013.

8.48   Examples include:-

- A strong and established Youth Parliament which is locally and nationally recognised

- A democratic election process for the Youth Council that runs b-annually
- Young People's Annual State of the City Event which is seen as revolutionary on a European level
- Young people are involved in the evaluation and consultation on the development of the annual Sunderland Young Achievers Awards
- Children and Young People fully participate and enjoy National Takeover Day annually.
- City wide parent forums held in each locality area giving parent/carers the opportunity to have their say and influence decisions
- Use of Viewpoint electronic questionnaires
- An annual parent/carer event for parent/carer of family members of disabled children.
- The development and creation of a DVD about the XL Youth Villages by young people.

8.49   In terms of developing their work into the future, the Committee is encouraged to learn that future plans include;

- re- establishing the Children's Trust shadow board of children and young people from across the city.
- establishing 'service user commissioning groups' of children, young people and parent/carers as in Sunderland we understand the vital role they can play at every stage of the commissioning process including reviewing and inspecting services
- Creating a XL forum of young people who attend the XL Youth Villages to formally get involved in the decision making processes of the villages.

Gentoo Group

8.50   The Committee also heard from Ian Porter, Managing Director of gentoo group about their approach to promoting cohesion in the city. Lento manage 29,000 homes in Sunderland and have 70,000 customers. The properties are divided across 98 different neighbourhoods and it was recognised that each of these areas had different needs which needed to be carefully addressed. Therefore, each neighbourhood had its own Neighbourhood Plan which detailed the issues in the area and how they could be tackled.

8.51   Mr Porter confirmed that gentoo was an active participant on the Sunderland Partnership Inclusive Communities Group. It had also developed a comprehensive Equality and Diversity Strategy and Customer and Community Involvement Strategy which guided their approach.

8.52   There existed a broad range of schemes designed to help improve community cohesion which involved working with the different groups

of people who were residents of the estates including young people; old people; the unemployed; and those with drug, alcohol or mental health issues.

8.53 Mr Porter advised that the main issue faced was engagement and that the majority of the work which was carried out was people related rather than buildings related.

8.53 After considering the range of activities going on in the city, the Committee recommends that the Council carry out a review of Council activities and structures that support the involvement of communities and VCSOs in identifying, shaping and delivering local priorities

9 FUTURE CHALLENGES

9.1 The Committee also took the opportunity to highlight two issues that we feel will impact on community cohesion in the city during the years ahead – namely the implications of Welfare Reform legislation and the Government's recently published Integration Strategy – "Creating the Conditions for Integration".

Welfare Reform - Impact of Deprivation

9.2 As mentioned earlier, the Institute of Community Cohesion report on Cohesion in Sunderland (2008) suggested that there exists a strong correlation between community cohesion and deprivation. In view of this and the potential impact of the Welfare Reform legislation, the Committee invited Fiona Brown, Head of Transactional Services, Commercial and Corporate Services to outline the nature of these changes and the potential implications for the city.

9.3 Clearly, the Government Welfare Reform legislation represents the biggest change in welfare system for 60 years and will have a considerable impact on the financial circumstances of many households in Sunderland. These include:-

- capping the total amount of benefits that can be claimed by a household at £26, 000;
- reassessing Incapacity Benefit claimants under Employment and Support Allowance rules, thereby increasing the number of claimants found fit for work;
- replacing the current Disability Living Allowance with Personal Independence Payments which will entail a new, more restrictive assessment process to reduce the number of claimants;
- cutting Housing Benefit for working age tenants who under occupy their homes;
- reducing the Local Housing Allowance (LHA) rate from the 50th to the 30th percentile of rent levels;
- extending the LHA Shared Room Rate restriction which applies to single claimants under 25 years of age to single claimants under 35

yrs of age;

- up rating benefits and Tax Credits by the Consumer Price Index instead of the Retail Price Index thereby reducing their value;
- freezing Child Benefit and reducing the percentage of childcare costs paid through Working Tax Credits.

9.4 With a quarter of households currently in receipt of Housing Benefit and a third of households receiving Council Tax Benefit, these changes will have a serious impact on the city as the shortfall in rent could increase rent arrears and lead to increased levels of eviction and homelessness.

9.5 The Committee was told of the actions being taken to respond to the changes with a Task Group being established comprising the council, stakeholders and partners. Impact assessments were being compiled for the range of potential vulnerable groups and the potential financial impact analysed. Work was also going on with Landlords via the Landlords Forum and preparations made with regard to Housing Options and Homelessness support.

9.6 The Committee was impressed with the thorough preparations and partnership working in evidence in the Council's response to the Welfare Reforms.

9.7 However, the Committee has concerns about the potential impact of the changes on the people of the city and the potential impact of the changes on community cohesion and stability. We therefore feel that it is important the Committee continues to closely monitor the impact and implications of the Welfare Reform legislation and the Council response to it.

Integration Strategy – Creating the Conditions for Integration

9.8 On 21 February 2012, the Government published the document "Creating the Conditions for Integration". This sets out the Government's strategy or approach for achieving a more integrated society.

9.9 The Strategy sets out the Government's approach to addressing five key factors that contribute to integration and enable local response:

- reinforcing a sense of shared aspirations, core values and common ground**;**
- promoting a strong sense of personal and social responsibility;
- supporting social mobility and enabling people to realise their potential;
- empowering everyone to participate in local and national life;
- tackling intolerance and extremism.

9.10 At the time of this review, the implications of the Strategy were not yet clear. However, the Strategy is seen as being consistent with the Government Localism agenda, with integration seen as a predominately local issue. The main themes include:-

- integration should be regarded as a local priority with actions focused at communities rather than individuals – place is a key factor;
- local leadership is of fundamental importance in shaping integration and local authorities well-placed to take a local lead, working through existing partnerships with the police, other agencies and the business and voluntary sectors;
- the emphasis is on things 'in common' rather than difference, enabling bridges across and between different groups and communities
- everyone, from individuals to organisations and across sectors, has a contribution to make;
- socio-economic factors are of crucial importance – creating barriers to integration and facilitating divisions capable of exploitation (by extremists in particular) – and, therefore, require address.

9.11 In view of the potential impact of the strategy on community cohesion work in Sunderland, it is recommended that the Committee continue to monitor and assess the implications of the Strategy for the city.

10   CONCLUSION

10.1   Sunderland is a city of diverse and distinct communities, with their own history and identities. The unique nature of our communities mean that particular interventions will be appropriate for some neighbourhoods at particular times, while for other neighbourhoods different forms of support may be more appropriate. We need to recognise the distinct nature of each community and shape our response accordingly. Therefore we need to combine a clear national agenda and central support with very specific and local approaches.

10.2   Community cohesion does not just happen. We need to work at it continuously at a local level. While much progress has been made over the last decade we still have too many incidents of hate crime, some areas disadvantaged and some areas disengaged.

10.3   Community cohesion is not just about diversity – it is about the division between those who have a stake in society and those who feel they do not. This can express itself in a variety of ways – across all equality characteristics.

10.4   We need to deepen our understanding of the quality of life and service provision in a local area and identify the strengths, vulnerabilities and priorities of different communities. It is important to ensure that people are able to get involved at the level to which they choose to and to include those people who can often be marginalized or are vulnerable.

10.5   We need to ensure that we listen to, understand and respond to people's concerns as well as their hopes and ambitions, to make sure that those people who want to cause divisions and strife cannot make headway in the city. We need to seek to increase the number of people participating in their community, increase targeted interventions to promote a sense of place, develop opportunities for mutual aid, support good relations within and between communities.

10.6   Despite the creation of jobs in recent decades, unemployment remains high and the number of people claiming out of work benefits is increasing. The Committee felt that employment and economic well-being are key factors in securing a cohesive community. Employment is the way out of poverty and access to job opportunities provides people a chance to participate in and contribute. We need to support individuals into work as one way of reducing the number of children and families living in poverty and those children who could potentially move into poverty.

10.7   It is important to bear in mind that periods of economic turmoil have the potential to divide communities. History had shown that during difficult times people often looked for something or someone to blame as a way of relieving their frustrations. This frustration is likely to be

heightened during periods of very high youth unemployment when the opportunity to work is limited. It is therefore important that we continue to closely monitor any tensions that may potentially develop in the city.

10.8   Despite the need to mention potential future tensions, as mentioned above community cohesion in the city remains strong. The majority residents are positive about community relations in their local area and there feel that there is a strong sense of community. More and more residents are saying that people of different backgrounds get on well together in their neighbourhood, which indicates the high level of social capital in our communities.

10.9   Nevertheless we must not be complacent particularly at time of economic problems and the increasing strain experienced by many – particularly the most vulnerable in our local communities.

11   RECOMMENDATIONS

The Scrutiny Committee has taken evidence from a variety of sources to assist in the formulation of a balanced range of recommendations. The Committees key recommendations to the Cabinet are as outlined below:-

(a) that community cohesion should be seen in its broadest context - not simply as an issue of race – hence it is important that action is taken to undertake a sophisticated analysis of local and area needs and align and integrate cohesion with other Council strategies and plans including the emerging Community Resilience Strategy, Equality Scheme, Area Plans and wider partnership documents;

(b) carry out a review of Council activities and structures that support the involvement of communities and VCSOs in identifying, shaping and delivering local priorities;

(c) that the Council should consider the ways in which we measure community cohesion at a more localised level in order to improve on the existing national indicators and to better reflect the fact that different areas of the city face different community cohesion challenges;

(d) that the Council ensures its staff and Members have an awareness of the equalities legislation, including the challenges faced by people who may be discriminated against and enhance their understanding of issues that effect cohesion;

(e) that the Committee continue to monitor the implications of the Government's Welfare Reforms in order to understand and mitigate the potential effects on community cohesion in the city;

(f) that the Committee continue to monitor and assess the implications to the city of the Government's recently launched Integration Strategy.

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
(a)	that community cohesion should be seen in its broadest context - not simply as an issue of race – hence it is important that action is taken to undertake a sophisticated analysis of local and area needs and align and integrate cohesion with other Council strategies and plans including the emerging Community Resilience Strategy, Equality Scheme, Area Plans and wider partnership documents	• Development of area needs assessments • Ensure issues of cohesion are reflected within wider policy and strategy development • Agreement from Sunderland Partnership organisations to include their equality information into needs analysis	• Paul Allen, Strategy Policy and Performance Management • Jane Hibberd, Strategy Policy and Performance Management • Jessica May, Sunderland Partnership	• September 2012 • December 2012 • September 2012	
(b)	carry out a review of Council activities and structures that support the involvement of communities and VCSOs in identifying, shaping and delivering local priorities	• End to end review of community development	• Jane Hibberd, Strategy Policy and Performance Management	• March 2013	

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
(c)	that the Council should consider the ways in which we measure community cohesion at a more localised level in order to improve on the existing national indicators and to better reflect the fact that different areas of the city face different community cohesion challenges	• Develop city and local, qualitative and quantitative cohesion measures, and develop data into intelligence to inform local services	• Paul Allen / Mike Lowes, Strategy Policy and Performance Management, and Jessica May, Sunderland Partnership	• March 2013	
(d)	that the Council ensures its staff and Members have an awareness of the equalities legislation, including the challenges faced by people who may be discriminated against and enhance their understanding of issues that effect cohesion	• Elected member development sessions • Equalities e-learning roll out	• Kirsty McNally, Strategy Policy and Performance Management	• October 2012 • March 2013	
(e)	that the Committee continue to monitor the implications of the Government's Welfare Reforms in order to understand and mitigate the potential effects on community cohesion in the city;	• Bi-monthly briefings issued by the Welfare Reform Project Board	• Fiona Brown, Transactional Services	• Bi-monthly	
(f)	that the Committee continue to monitor and assess the implications to the city of the Government's recently launched Integration Strategy	• Members to be kept updated on any implications	• Jane Hibberd, Strategy Policy and Performance Management	• March 2013	

APPENDIX A

ENVIRONMENT AND ATTRACTIVE CITY SCRUTINY COMMITTEE POLICY REVIEW 2011/12:

LOW CARBON VEHICLES IN THE DELIVERY OF PUBLIC SERVICES – DRAFT FINAL REPORT

1

TABLE OF CONTENTS

FOREWORD FROM THE CHAIR OF THE SCRUTINY COMMITTEE

I am pleased to present the findings and recommendations of the Scrutiny Committee's study into Low Carbon Vehicles in the Delivery of Public Services.

The targets to reduce carbon emissions contained within the Climate Change Act 2008 are binding and there are huge implications if we fail to achieve them. The growth of the low-carbon transport industry provides a real opportunity for Sunderland and the North-East region to cement its position as a leader in this arena. Getting the best value for money has never been more crucial and public sector expenditure in the city and region needs to have the maximum impact on economic development. In considering the issues the Committee therefore found that the use of low-carbon vehicles would positively impact the city environmentally, financially and economically.

The Committee gathered a large amount of evidence through both its formal meetings and a number of task and finish activities. We took evidence from local people, local MPs, the North East Purchasing Organisation (NEPO), Nexus and the bus operators, the University of Sunderland, Gateshead College and a number of local businesses working in the low-carbon transport sector.

We concluded that the council should consider implementing targets to adopt electric cars into its fleet and that it should continue to keep a 'watching brief' on developments in low-carbon technologies, particularly larger vehicles, until such a time they become financially viable. We also think a wide range of other measures should be explored to reduce the council's carbon emissions and that we should be trail blazers in terms of adopting low-carbon vehicles into our fleet and encouraging our partners to do so.

Finally, I would like to take this opportunity to thank everybody who contributed to what has been a very interesting policy review. In particular the Vice Chair and all members of the Committee; the Community Spirit Panel and the officers who supported us in carrying out the review, Les Clark (Head of Streetscene) and Paul Muir (Engineer).

Councillor Graeme F Miller
Chair of the Environment and Attractive City Scrutiny Committee

1. PURPOSE OF THE REPORT

1.1 This report provides the findings, conclusions and recommendations of the Environment and Attractive City Scrutiny Committee's Policy Review 2011/12: Low Carbon Vehicles in the Delivery of Public Services.

2. INTRODUCTION

2.1 On 13 June 2011, the Environment and Attractive City Scrutiny Committee agreed to conduct a scrutiny review into 'Low Carbon Vehicles in the Delivery of Public Services in Sunderland' for 2011/12 and at a further meeting of the Committee on 25 July 2011 it agreed the approach to the review and the terms of reference.

2.2 In order to ensure maximum value of the review the Committee decided to narrow the scope of its efforts within the agreed terms of reference to focus in the main on services delivered by the Council and public transport.

2.3 The approach to work planning for the Policy Review involved evidence received in the formal committee setting and task and finish activities. All members of the Committee were invited to all of the arranged activities. The advantages to considering evidence both within the formal committee meeting and off-site were seen to;

   (a) Enable the progression of the investigation more quickly and outside of the confines of the Committee's formal meetings; and

   (b) Allow for greater investigation of the issue by members.

3. AIM OF THE POLICY REVIEW

3.1 To consider the city's current and future plans for the utilisation of low-carbon vehicles in the delivery of public services.

4. TERMS OF REFERENCE

4.1 The agreed terms of reference for the review were:-

(a) To examine the role and responsibilities of the local authority with regard to climate change and energy;

(b) To consider national and European policy in regard to the use of low-carbon transport in the delivery of services;

(c) To investigate the progress made to date and future plans in the Council and across partners in regard to the introduction of low-carbon vehicles to deliver public services;

(d) To explore the financial and non-financial future implications of the increased use of low-carbon vehicles in the delivery of council services;

(e)   To consider appropriate targets for the introduction of electric vehicles into the Council's fleet.

(f)   To consider the extent of the council's role as a leader in the use of low-carbon vehicles to deliver public services in the city; and

(g)   To consider to what extent future technologies will enable the council and partners to increase the use of low-carbon vehicles.

4.2   Although the Terms of Reference refer to low-carbon technologies, it will become obvious throughout the Review that the Committee placed more of an emphasis on the investigation of electric vehicles in recognition of it as a key driver for growing the city's economy.

5.   MEMBERSHIP OF THE SCRUTINY COMMITTEE

5.1   The membership of the Environment and Attractive City Scrutiny Committee consisted of Councillors Miller (Chair), A Wright (Vice Chair), Bonnalie, Heron, E Gibson, Lauchlan, Porthouse, D Richardson, I Richardson, Scott and Tye.

6.   METHODS OF INVESTIGATION

6.1   The following methods of investigation were used for the Review:

(a)   Desktop research (including consideration of best practice from other local authorities and the private sector);
(b)   Consultation with residents of the city through the City Council's Customer Services Network;
(c)   Evidence from Julie Elliott MP, Sharon Hodgson MP and Bridgette Phillipson MP;
(d)   Evidence from Smith's Electric Vehicles
(e)   Evidence from the University of Sunderland's Automotive and Manufacturing Advanced Practice;
(f)   Evidence from Gateshead College's Skills Academy for Sustainable Manufacturing and Innovation;
(g)   Evidence from the City Council's Officers;
(h)   Evidence from Cenex; and
(i)   Evidence from the low-carbon vehicle sector.

7.   FINDINGS OF THE ENVIRONMENT AND ATTRACTIVE CITY SCRUTINY COMMITTEE

7.1   Sections 8 to 14 outline in detail the findings of the Policy Review – Low-carbon Vehicles in the Delivery of Public Services.

8.   SETTING THE SCENE

8.1   Climate change is an issue people are very well aware of; its continued and prominent presence in the media serves to remind us that it is one, if not the most serious environmental threat facing the world. The impact of climate

change is, and will continue to be felt globally as temperatures steadily increase, sea levels rise and patterns of drought and flooding change.

8.2 Rising greenhouse gas (GHG) concentrations from human activity (such as burning natural gas, coal and oil) have been attributed to the rapid warming of the earth through their enhancement of the natural 'greenhouse effect'. The impact of climate change in the UK is likely to include rising temperatures; changes to sea levels; extreme weather; threats to the survival of plants and animals; increased disease and a reduction in the availability of a variety of foods.

Climate Change Act (2008)

8.3 In 2008, legislation passed in the UK introduced the first legally binding framework to tackle the dangers of climate change. The Climate Change Act created a new approach to managing and responding to climate change in the UK. Its two key aims were to:-

- Improve carbon management, helping the transition towards a low-carbon economy in the UK; and
- Demonstrate UK leadership internationally.

8.4 The Act contains many provisions to reduce the effects of climate change, including:-

- A legally binding target of at least an 80% cut in GHG emissions by 2050;
- A reduction in emissions of at least 34% by 2020;
- A carbon budgeting system that caps emissions over five-year periods, with three budgets set at a time, to assist with monitoring against the achievement of the 2050 target; and
- Powers for Government to require public bodies and statutory undertakers to carry out risk assessments and address the issues accordingly.

8.5 The latest data in regard to emissions highlights the extent of the task faced by the Government and the enormous risks to the UK, both financially and environmentally, should the target be missed. In 2009, there was a reduction in emissions of 9%, however this was largely attributed to the recession, rather than an indication of any real progress to implementing necessary changes and the progress update published by the Committee for Climate Change (CCC) in June 2011 reports an *increase* in economy-wide emissions of 2.9% for 2010 (largely attributed to the cold weather).

8.6 In March 2011 the Government published the Carbon Plan setting out the plan of action on climate change for domestic and international activity. The Plan sets out department by department, actions and deadlines for the next five years; as would be expected the Department for Transport (DfT) is a key contributor.

Policy Drivers – Transport

8.7 The CCC is clear that domestic transport is a significant contributor to the UK's emissions and therefore a risk to achieving the prescribed reductions in

carbon emissions. In an annual report to Government in 2011, it called for a 'step change' to the pace in the development of decarbonising the transport industry over the next decade, in order for the UK to have any real impact in meeting its targets.

Key Facts and Figures

- *Surface transport emissions accounted for 22% of total CO2 emissions and 21% of GHG emissions in 2010*

- *Cars have the largest share of surface transport CO2 at 61%*

- *Surface transport emissions fell by almost 4% in 2009 remained at the same level in 2010 as they were in 1990*

- *New car emissions fell to 144.2gCO2/km in 2010*

Figure 1

The chart below gives a breakdown of surface transport CO2 emissions by mode in 2009:

- Rail 2%
- Motorbikes and other 1%
- Cars 61%
- HGVs 18%
- Vans 13%
- Buses 5%
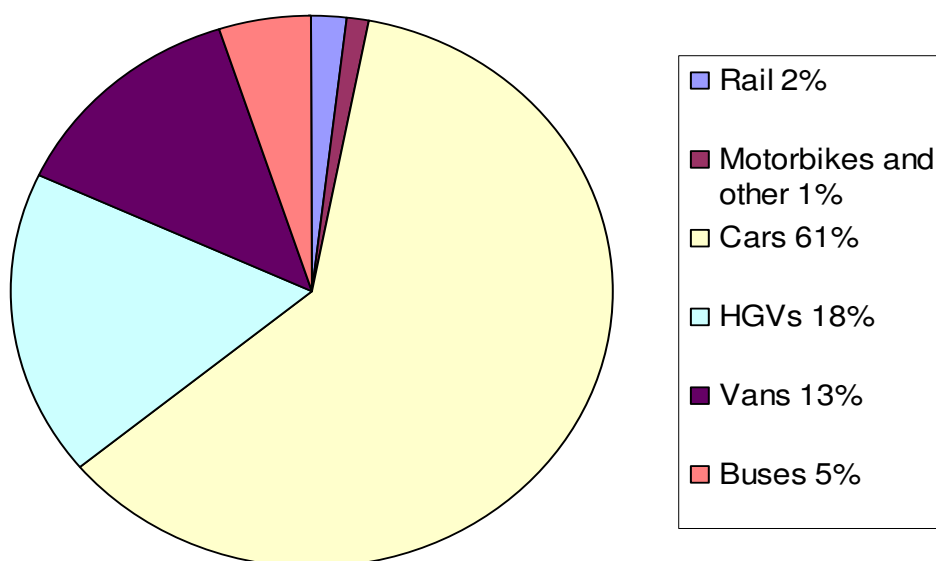
Figure 2

8.8 Cars and larger vehicles including those that are also used in the delivery of public sector services make up 97% of CO2 emissions.

8.9 All except 10 local authorities (98 per cent of all authorities) experienced a decrease in emissions from the road transport sector between 2008 and 2009. The North East is one of the better performing regions for the amount of carbon dioxide emissions it produces, particularly in regard to road transport which stands at 5 million tonnes (the highest being the South East at 19 million tonnes), however this can probably be attributed to regional economies, growth areas and population.

8

8.10   The table below highlights Sunderland's carbon emissions which have steadily declined since 2005. The city compares favourably with the rest of the North East Region in regard to road transport emissions, particularly when the results are given per capita (per head of the population).

Year	Industry and Commercial (kilotonnes of CO2)	Domestic (kilotonnes of CO2)	Road Transport (kilotonnes of CO2)	Total (kilotonnes of CO2)
2005	850	696	493	2,039
2006	841	681	491	2,013
2007	769	654	492	1,915
2008	728	648	475	1,851
2009	633	578	454	1,665

Figure 3

8.11   The Carbon Plan gives responsibility to the DfT to reduce emissions and thereby tackle climate change by:-

(a)   Supporting new low emission vehicle technologies;
(b)   Progressing high speed rail and rail electrification;
(c)   Developing a framework for sustainable aviation and shipping;
(d)   Promoting the use of sustainable biofuels;
(e)   Encouraging travel behaviour change to reduce emissions; and
(f)   Supporting technical standards for electric vehicle (EV) charging systems.

8.12   In accordance with these responsibilities the DfT implemented a multitude of strategies, projects and activities, collaborating across Government departments and with the public and private sectors. Some such initiatives include:-

- **Plug-In Car Grant**

8.13   The Government's Plug-In Car grant has been available to consumers for some time, giving a considerable discount on electrics vehicles. At the beginning of 2012, the Government announced funding to extend the Grant to vans which will offer up to £8000, or 20 per cent off the original purchase price, questions do however remain as to whether the Government has given enough support to attract consumers to purchase.

- **Plug-In Vehicle Infrastructure Strategy**

8.14   In 2011, the Office for Low-carbon Emissions (OLEV) published an infrastructure strategy. The strategy outlines the commitment to growing the market in plug-in vehicles due to the contribution they, and other low and ultra-low emission technologies, can make across the economic and environmental priorities of:-

-    Climate change;

- Green growth;
- Energy security;
- Decarbonising the electricity system; and
- Air quality.

8.15   There is an assertion within the strategy that ultra-low emission vehicles are a major component in meeting the targets set out in the Climate Change Act.

- **Plugged-In Places Programme**

8.16   The Plugged-In Places programme is the key mechanism for the roll-out of recharging infrastructure in the UK and providing learning to inform the future development of a national network.

8.17   The Government initially accepted and expanded upon the previous government's policy in regard to low carbon vehicles by providing £30m in matched funding to support the development and delivery of an infrastructure of charging points. However in June 2011, it appeared to reduce its emphasis on charging points and is now promoting home re-charging as the preferred option. The view of manufacturers of electric vehicles is that this will not pose any significant problems to the growth of the electric car industry as most consumers would charge the vehicles at home the majority of the time; however Ms Elliott MP stated that:

'…this undermines the importance of giving consumers confidence they would not be caught out with a flat battery and no way of getting home'

8.18   Nevertheless, Sunderland now has 20 charging points across the city and there are plans for a further 13 (20 actual bays). The 300th charging post was recently installed in the region. To date, there are only 100 known users of electric vehicles across the North East; unfortunately the exact figure cannot be determined for Sunderland.

- **The Low-Carbon Vehicles Innovation Platform**

8.19   The Government's programme of research and development for low-carbon vehicle technologies is delivered through the Technology Strategy Board's Low-carbon Vehicles Innovation Platform (LCIVP). This was launched in September 2007 and has delivered a number of research projects targeted at low and ultra-low vehicle technologies. The programme's aims are:-

- To reduce carbon emissions arising from vehicles in domestic and international markets;
- To accelerate the introduction of low-carbon vehicle technologies; and
- To help the UK automotive sector benefit from growing demand for low-carbon vehicles.

- **The Ultra Low-Carbon Vehicle Demonstrator Project**

8.20   An individual strand of the LCVIP is the Ultra Low-Carbon Vehicle Demonstrator Project. This is a large trial over 340 electric and plug-in-hybrid cars in eight locations around the UK. The trial will provide data on the real

world use and performance of electric vehicles, driver behaviour and recharging issues to assist in the future roll out of electric cars. Sunderland City Council has three vehicles in its pool from this project, the Nissan Leaf, the Peugeot iOn and the Avid.

- **The Low-Carbon Vehicle Public Procurement Programme**

8.21 The Government's Low Carbon Vehicle Public Procurement Programme supports a trial of over 200 electric and low emission vans in a range of public sector fleets. One of the programme's van suppliers for phase one was Smiths Electric Vehicles, based in Sunderland. The trial is collecting data about the performance and usage of the vehicles which will help drive ongoing technological development; as well as providing an understanding of the existing capabilities of the vehicles. Last year, as part of this programme, the council introduced two Nissan Leafs for use as pool vehicles by Building Control and Parking Enforcement.

8.22 A full evaluation is expected from Cenex in March 2012, however quantitative data from some of the local authorities involved in the programme is referenced in section 9. Phase two of the programme will commence from April 2012, with only one of the original manufacturers being chose to provide the low carbon vehicles (which are hybrid). Up to 500 vehicles will be made available to purchase through the programme. Whilst Phase one was restricted to Panel Vans, phase two has been extended to include Chassis Cabs, Dropsides and Tippers. Sunderland City Council has expressed an interest in being involved in this programme.

8.23 Although the Government has made a commitment to the low-carbon transport agenda, given the reductions in available monies some policy changes have already taken place in the latter part of 2011, and it is questionable how sustainable this will be in the Government's view in the longer term. The stage is now being reached whereby the Government requires a return on the heavy investment it has made; which won't happen until consumer demand increases and organisations across all sectors begin to seriously consider utilising the technology available. Any perceived reduction in Government support for this agenda could prove to be a negative factor in success.

The Local and Regional Context

8.24 As previously referenced, Sunderland are involved in a number of national initiatives and there are several other local and regional policy drivers and initiatives to consider as part of a review into low-carbon vehicles and it is important that this agenda is considered as part of a wider economic, financial and environmental picture for both the council and its partners, the city as a whole and the region.

8.25 Sunderland has made a firm commitment to reduce the city's carbon emissions by 80 per cent by 2050, along with an action plan to manage and reduce emissions over the coming years.

8.26 Several public commitments have been made by Sunderland to tackling climate change through the Nottingham Declaration (signed in November 2001); the EUROCITIES Declaration on Climate Change (signed in November 2008); and the EU Covenant of Mayors (signed in January 2009).

8.27 The Sunderland Strategy 2008-2025 details a commitment to reducing the city's transport carbon emissions by developing more sustainable modes of transport. This objective cuts across the key aims of prosperous city; attractive and inclusive city and healthy city.

8.28 The Sunderland Economic Masterplan is also a key policy driver for the city over a 15 year period. Aim 2 of the Plan is that Sunderland will be;

'A national hub of the low-carbon economy by using the opportunities offered by new low-carbon technologies to stimulate economic activity in Sunderland. This Aim emphasises the city's national potential and the need to showcase projects such as electric vehicles'.

8.29 This will provide Sunderland with a platform to influence national policy and showcase electric vehicles and other low-carbon technologies. These opportunities should stimulate economic growth in the city and thereby promote the city; enhancing its reputation and attracting international investment.

8.30 The Local Transport Plan 3 (2011-2021) (LTP3), of which Sunderland sits within states that the intention in regard to climate change is;

'To reduce carbon emissions produced by local transport movements, and to strengthen our networks against the effects of climate change and extreme weather events'

8.31 The LTP3 illustrates the scale of the task ahead for the region. By 2050 it must reduce road transport CO2 emissions from a projected level of 5,591,032 tonnes down to 1,107,857 tonnes – less than a quarter of present-day levels. Emissions are actually predicted to rise over the period 2005-2050, if things remain as they are.

8.32 The recently formed North Eastern Local Enterprise Partnership (NELEP) sets out its vision to be;

'Recognised as the….European leader in the production of electric vehicles.'

8.33 In recognition of the progress the region has made to date, and in acknowledgement of the importance of a strong manufacturing base in the area to grow the economy, bringing investment and jobs, it sets out an ambition to be a leader in low-carbon industry, utilising its growing reputation in this field to secure greater competitive commercial advantage through new investments across a range of low-carbon technologies.

Fleet and Transportation in the City Council

8.34 The council operates a fleet of over 600 vehicles, involved in refuse collection, street cleaning, highway maintenance and in the delivery of many other services. A breakdown is given overleaf:

By Directorate	Vehicle Number	%
Chief Executive	26	4%
Corporate Services	5	1%
City Services	443	69%
Childrens Services	71	11%
HHAS	101	16%
Total	**646**	**100%**
By Vehicle Type	Vehicle Number	%
Bus	96	15%
Car	31	5%
light commercial vehicles with a maximum gross weight of 3.5 tonnes	277	43%
Large Goods vehicles over 3.5 tonnes	115	18%
Sweepers	20	3%
Tractors, Plant, platforms etc	107	17%
Total	**646**	**100%**

8.35 As part of the 'Sunderland Way of Working' the Fleet and Transportation Service is being reviewed. A Fleet Transport Manager was recruited in 2011 to manage a review of the transport and fleet activity across the 79 departments of the council where there is a budget for transport or fleet.

8.36 A research partnership has been formed between the council, the University of Sunderland, and other interested organisations to undertake a 3 -5 year research and development project. The areas of work are as follows:-

- Fleet analysis and assessment;
- Fleet monitoring with tracking and telemetry;
- Data collection and analysis to assess the efficiency of use and charging of the fleet;
- High level analysis of vehicle costs and environmental impacts;
- Assessment of maintenance schedules for the vehicles and availability/reliability;
- User/passenger satisfaction assessment; and
- Assessment of fleet and the development of a business case for improvements.

8.37 Part of this research project will be to pilot route optimisation software which will assess the current routes in delivering services such as refuse and recycling collections and determine whether these are the most effective in lowering emissions and reducing costs.

8.38 This project is longer term and has a wide remit that will consider all available low-carbon vehicle technologies, as well as a range of other methods to reduce carbon emissions. It will enable the council to take an informed, longer

term decision around reducing carbon emissions in its fleet. The Scrutiny Committee's conclusions and recommendations from this Policy Review will be considered as part of this.

9. PARTNER TAKE-UP OF LOW-CARBON VEHICLES

9.1 Under the terms of reference for the review, the Committee had expressed a wish to discover to what extent public sector partners were utilising or planned to utilise low carbon vehicles; however in light of the already sizeable scope of the investigation it agreed to concentrate on public transport in light of its crucial position in contributing to reducing carbon emissions for the city and region.

Low-Carbon Public Transport

9.2 A key objective of the Economic Masterplan is to encourage public sector partners to utilise low carbon vehicles in the delivery of public services and the strategy will seek to extend the plans for low-carbon public transport. The Committee therefore sought evidence from Nexus and the city's main bus operators Stagecoach and Go NorthEast.

9.3 The Committee learnt that under European legislation, the positive environmental impact rating for public transport is based on a 'Euro' rating system, ranging from 0-5, demonstrating how much pollution any particular vehicle causes. Over three years there has been a substantial shift towards using greener, less polluting vehicles across Tyne and Wear, Figure 3 demonstrates the percentage of buses operating at the various Euro standards in 2010/11 from 2007/8. Progress is being made in larger numbers of buses as Euro 3 or higher:
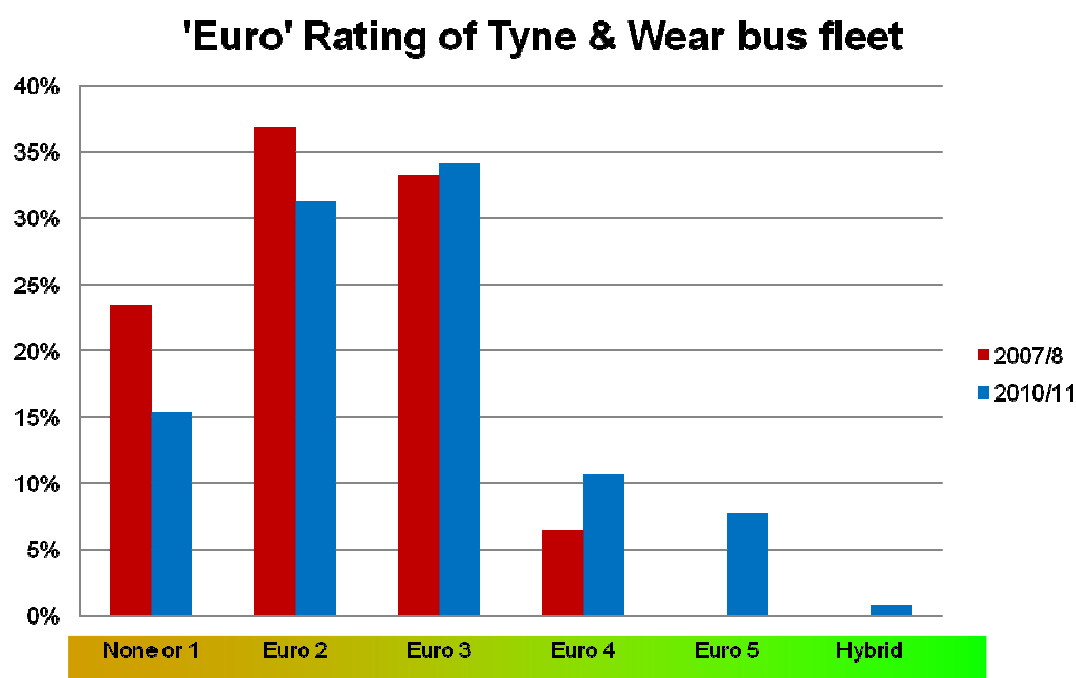
Figure 4

9.4 Figure 4 shows the distances travelled (by KM) of buses in Tyne and Wear and the relative CO_2 emissions from the fleet:

14

Distances travelled and total CO2 emissions

Figure 5

CO2 emissions per KM

Average UK car (but: 8% of the passenger capacity of a bus)
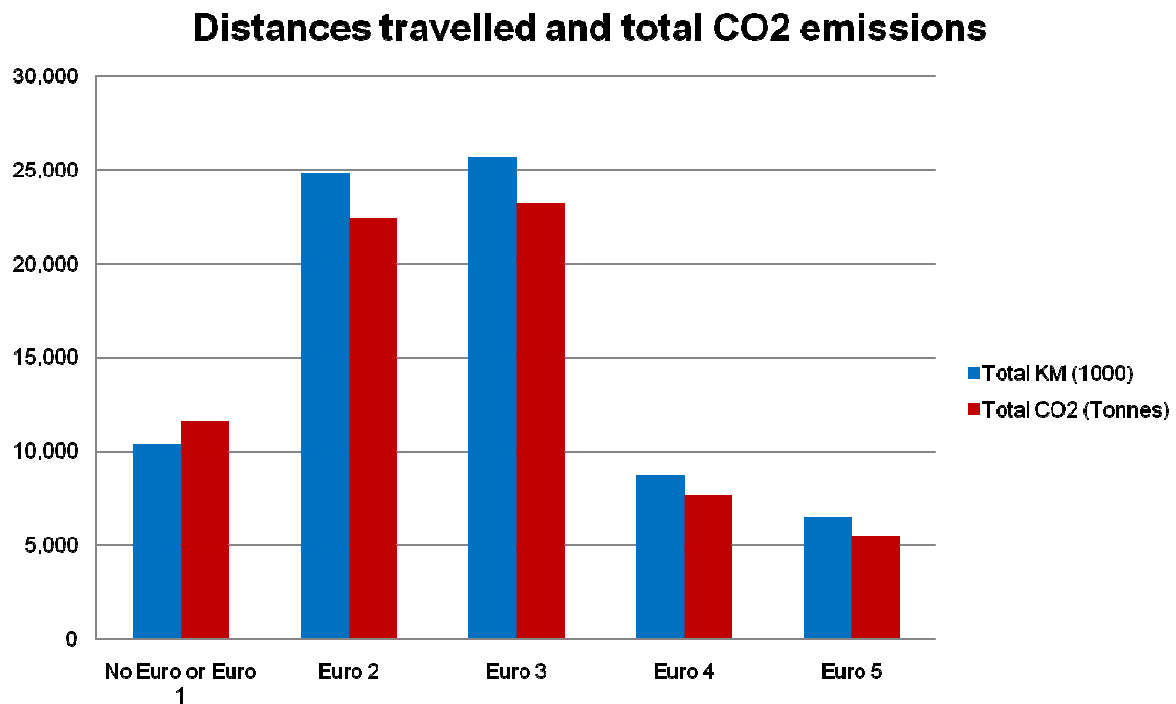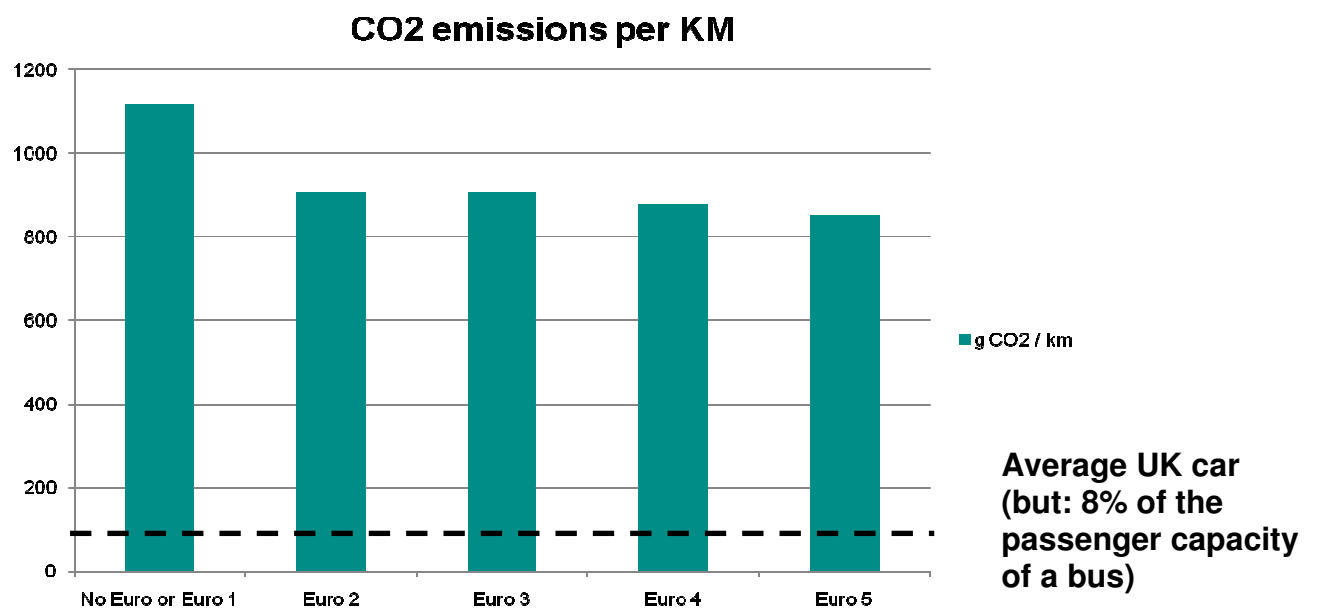
Figure 6

9.5   Figure 5 outlines bus CO2 emissions per KM. Clearly, CO2 emissions are significantly higher in comparison to cars. This is explained in part, by the loadings of buses and cars which have a significant effect on emissions; CO2 per passenger per KM is significantly lower. If a Euro 3 bus has 30 passengers each passenger will account for 30g CO2, compared to 25g CO2 in car.

Investment in Reducing Carbon Emissions

9.6   Go NorthEast and Stagecoach both reported a commitment to reducing carbon emissions. Within the last twelve months Go NorthEast has increased the quantity of Euro 5 vehicles and is now operating its first hybrid diesel/electric buses in partnership with Sunderland City Council, Nexus and the University of Sunderland. The 'Connect' service consists of two hybrid buses running between the University campuses, the city centre and the hospital. The initial performance on emissions from these buses has exceeded the specification.

9.7   Stagecoach have deployed 26 hybrid electric buses in Newcastle in 2011, as part of a £2.25m Green Bus Fund grant together with a capital investment of £5m of its own.

9.8   At present Go NorthEast's policy is to purchase new vehicles to the latest European standards with emissions to Euro 5 specification, and Euro 6 from January 2013. Fleet replacement timescales are lengthy, due to the high capital costs and the length of use needed to recover the investment. The emphasis this year and in future years will be for the Group to achieve a 20 per cent reduction in CO2 per passenger journey by 2015, through a combination of investment, new technologies, improving fuel usage, monitoring driver performance through vehicle telematics, reducing site energy and increasing passenger numbers.

9.9   Stagecoach continues to invest in modern vehicles with improved environmental performance. This investment is part of its drive to replace older vehicles and reduce the average age of the fleet. In 2012, 19 or so vehicles will be brought to the North East which will replace the older vehicles in the Sunderland fleet. This will positively impact both on the age profile and the emission standards of buses operating within the city.

9.10   The Committee was interested to note fleet replacement with higher Euro Standard buses was driven by legislation rather than cost as 'greener' vehicles actually use more fuel.

Alternative Technology/Fuels

9.11   Go NorthEast informed the Committee of its continuing investigation into technologies and alternate vehicle fuels which may provide low-carbon and more fuel efficient operation. Some examples of this would be gas buses (CNG), fuel cells, hybrids (diesel/electric), electric drives, bio-fuel 70/30 blend,

fuel additives and ethanol. Trials are ongoing or about to start on a number of these initiatives within the wider Group.

9.12 Similarly, Stagecoach are involved in a number of projects testing more sustainable alternative energy sources, including 100 per cent of recycled biofuel manufactured from used cooking oil and other food waste; biomethane manufactured from waste; and hybrid electric engines. It is also investigating the potential of hydrogen fuel cells and other technologies.

9.13 Throughout discussions the Committee found that the high capital cost of all-electric/hybrid buses was deterring bus companies from purchasing these types of vehicles, however it was impressed with the range of innovative measures being taken to reduce carbon emissions from public transport in other ways.

9.14 The Committee also learnt from Smiles Engineering Emissions Control Systems that it was promoting the use of engine repowers to bus companies across the UK. The ability to remove a Euro 3 or below engine and repower with a Euro 4, 4+ or 5, gives bus operators huge potential in terms of providing an economical alternative to purchasing a brand new bus and comply with European legislation. Engine repowers can improve fuel consumption by up to 80 per cent, with the lowest improvement at 15-20 per cent.

Fuel Reduction

9.15 Go Northeast reported a significant reduction in CO_2 of 3 per cent per passenger journey achieved since 2007/08 as a result of reductions in idling, more frequent tyre pressure checks, and driver monitoring. It now aims to reduce consumption by 2 per cent in the coming year by actively exploring measures such as:-

- Tyre technology for improvement in rolling resistance;
- Wheel/axle alignment;
- Automatic idle shut off;
- Acceleration limiter fitment;
- Vehicle performance matching route topography;
- The installation of a spill free fuel system;
- An evaluation of hybrid technologies and new engine cooling systems;
- Reviewing fuel specifications and their energy content; and
- Reducing vehicle weight through the application of composite materials - a long term process working with manufacturers.

9.16 The Committee was interested to note that akin to other low-carbon vehicles, the driver is a key component in maximising the performance of low-carbon technologies/vehicles. A lack of driver awareness can significantly lower the performance of a vehicle/increase fuel consumption. To address this, Go NorthEast have installed telematics equipment to buses to monitor engine idling, over-revving, harsh acceleration, harsh braking and speeding, recording individual performance. Stagecoach is also deploying a similar system to improve safety, reduce fuel costs and cut carbon emissions. The system monitors speed, braking, acceleration, lane handling and turning.

9.17 Stagecoach Group also reported investing millions of pounds (internationally) each year in the training of its bus driving team which includes its Safe, Skilled and Fuel Efficient Driving programme. All of the company's 14,400 drivers are required to complete the course as part of a Certificate of Professional Competence.

Increasing the Use of Public Transport

9.18 Go NorthEast alluded to the intention to grow passenger numbers as part of its strategy to reduce CO2 emissions per passenger, and the Committee continue to view this as a key driver in reducing carbon emissions from cars.

9.19 Ms Phillipson MP stated that:

'Introducing low-carbon buses will be a great help in reducing emissions from public transport. However, by incentivising and ensuring commuters use these services those reductions can be magnified'

9.20 Whilst the remit of the Policy Review does not include an investigation of the preferences and behaviours of residents the Committee felt it important to note its agreement that the longer term goal must be to encourage the use of public transport by increasing its accessibility and suitability for commuters.

10. FINANCIAL IMPLICATIONS

10.1 Woven throughout the Policy Review is the thread of value for money in the context of significant budgetary pressures. The Committee therefore felt strongly that a robust analysis was required to provide sound evidence of potential costs and savings in order to strengthen the evidence of the Policy Review. It agreed to utilise its dedicated budget to commission Cenex to undertake a detailed and expert analysis of the implications and impact of the council adopting electric vehicles into its fleet.

10.2 Cenex is an independent, not for profit company. It was chosen by the Committee to undertake this work due to its leading expertise in understanding the market opportunities for low-carbon vehicles and fuels and the measures required to aid market transformation.

10.3 Cenex used its fleet carbon reduction tool to identify the costs and environmental benefits of operating electric powered cars and 3.5 tonne vans used for typical loading and unloading operations within the council's fleet operation. It sought to undertake a host of analysis including drive cycle creation (based upon the council's key stats in Figure 5); payload profile; vehicle and drivetrain model creation; and simulation.

Sunderland drive cycle key stats		
Distance	38	miles
Avg speed	20	mph
Town driving	96	%
A/B road driving	0	%
Motorway driving	5	%

Figure 7

10.4 The electric vehicles chosen as part of the analysis were the Smart ED (car) due to its similarity to the Nissan Leaf; and the Allied Boxer ED due to its being used by other local authorities for typical council services.

10.5 Two existing drive cycles were selected for analysis, the FTP72 cycle being the most representative of the council's vehicle usage. The Artemis Urban was also selected to show how heavy urban usage impacts on environmental and cost of ownership.

Electric Car Comparison Results

Mileage Scenario	Drive Cycle	Smart fortwo ED											
		Current Energy Prices						Linear Rising Energy Prices					
		90% Peak			90% Off Peak			90% Peak			90% Off Peak		
		Year 3	Year 5	Year 7	Year 3	Year 5	Year 7	Year 3	Year 5	Year 7	Year 3	Year 5	Year 7
Base mileage	SCC - FTP72	525	369	330	446	289	250	392	146	18	312	67	-61
	SCC - Artemis Urban	361	204	165	262	105	66	167	-119	-287	68	-218	-386
Increase mileage	SCC - FTP72	389	233	194	278	122	83	155	-134	-307	36	-253	-426
	SCC - Artemis Urban	159	3	-36	21	-136	-175	-182	-532	-765	-331	-681	-914

Figure 8

10.6 Figure 8 shows the costs and savings to the council with various differing factors. At the current mileage of 10,000 and 90 per cent peak charging time there would actually be an additional cost to the council of between £330 to £525 per vehicle; however small savings of £175 per vehicle can actually be achieved based on current fuel costs, 90 per cent charging off-peak over a 7 year period.

10.7 When rising diesel and electricity prices are taken into account cost savings are demonstrated from a £61 marginal saving up to a significant saving of between £426 and £914 per vehicle.

10.8 The Committee viewed any saving as being of benefit to the council, and therefore its residents. If the council chose to replace ten of its cars this could bring savings of between £2,530 and £6,810 over a five year period and £4,260 and £9140 over a seven year period.

Electric Van Comparison Results

Mileage Scenario	Drive Cycle	Electric Panel Van (no PIVG)											
		Current Energy Prices						Linear Rising Energy Prices					
		90% Peak			90% Off Peak			90% Peak			90% Off Peak		
		Year 3	Year 5	Year 7	Year 3	Year 5	Year 7	Year 3	Year 5	Year 7	Year 3	Year 5	Year 7
Base mileage	SCC - FTP72	8569	5329	4071	8381	5140	3882	8231	4765	3280	8042	4576	3092
	SCC - Artemis Urban	8209	4969	3711	7983	4743	3485	7739	4186	2614	7513	3960	2388
Increase mileage	SCC - FTP72	8221	4981	3723	7957	4717	3458	7747	4191	2616	7483	3927	2352
	SCC - Artemis Urban	7718	4477	3219	7401	4161	2902	7059	3381	1684	6743	3065	1367

Figure 9

10.9   Figure 9 shows a very different picture to that of electric cars, this is solely due to the capital costs of larger electric vehicles at the present time. The Allied Boxer costs £64,000. Additional costs to the council range from £1367 to £8569.

10.10   The Committee considered that in light of these less positive results, at the current time the council should not consider adopting electric vans into its fleet. Nevertheless it is vital that the council should revisit this as the market evolves. Nissan are now in the final development phase for the EV200 van and it is believed that this vehicle and other coming onto the market will significantly lower the price, providing great opportunities for the council in the future.

Gauging Resident's Views

10.11   The Committee very much wanted to understand more about the views of residents in regard to the council using electric vehicles in its fleet. It was particularly concerned about the perceptions of residents due to higher capital costs, although it had been determined that should the council purchase electric vehicles this would be part of the normal replacement programme. A public consultation was therefore undertaken (Appendix 1) over a two week period at the Customer Service Centre in the city centre. The very small sample size (of 67) gives a snapshot of public opinion, however it is important to contextualise this against the total population of the city. The following question was therefore asked;

To what extent do you agree or disagree that the council should replace its vehicles with electric vehicles when they are due to be replaced?

10.12   55 per cent of respondents felt this was very important, whilst 33 per cent felt it was fairly important. This tentatively suggests support from residents for electric vehicles to be used within the council fleet when the time comes to replace older vehicles and goes some way to assuaging the Committee's concerns that the council would be viewed as 'wasting' money in times of austerity. Interestingly, those who answered 'strongly disagree' or 'tend to disagree' were mainly from the 18-24 age group.

The Opportunities and Challenges for Regional Procurement

10.13   The Committee were informed by Smith's that an audit of vehicle usage across the 12 North East local authorities found that the average daily

mileage of each type of vehicle was 67 miles or under validating the use of electric vehicles to cover the average daily mileage required.

Case Study – Fleet Analysis for 12 local authorities in North-East England

	Panel Van	Tipper	Minibus	LGV	HGV	OTHER	TOTAL
Total North-East Fleet	1016	653	572	324	381	2404	5350
% of total fleet	19%	12%	11%	6%	7%	45%	100%
Av daily mileage	31	45	67	22	55	N/A	N/A

*OTHER includes cars, small vans, tractor units, refuse vehicles, street cleaning vehicles and gritters

Figure 10

10.14 The Committee found there was evidence of a common interest in at least some of the region's local authorities in the collaborative procurement of electric vehicles and the associated support infrastructure with the aim of reducing and sharing costs to meet objectives for reduced carbon commitments and to support a developing industry in the region. Authorities like Gateshead and Newcastle have made some inroads into adopting low-carbon vehicles into fleet operations; however in the main this has been through funding from programmes like the LCVPP and the risk is that the initial capital costs deter local authorities from setting appropriate targets for introducing electric vehicles into their own fleets. It was reported that this was largely due to a lack of evidence in terms of financial and environmental benefits.

10.15 The Committee considered the evidence base provided by Cenex would prove useful in convincing local authorities and other public sector partners, suppliers and contractors of the merits of using electric vehicles. It applauded the council for the efforts it had made so far and felt there should be a continuation of Sunderland as the lead authority, working with NEPO, to gaining buy-in and commitment from the region to progressing this.

10.16 A regional solution could deliver:-

- Sustainable and innovative solutions for procuring electric vehicles to provide services to the community, sharing ideas about what is capable of being delivered and to share the resulting risks and benefits;
- Focused support by the public sector for suppliers based in the region subject to the EU competition regulations, bringing forward innovative products and services which could then be marketed outside the region; and
- Commercial benefits in reducing unit costs and sharing investment by suppliers in infrastructure and support.

10.17 If the region's public sector expenditure is to have the maximum impact on job creation and economic development; investment and commitment from the region as regards procurement would provide a stronger base for expansion of regional business into other markets with the benefit of experience in

21

winning and delivering a public sector contract as a point of reference. Other economic benefits include a standard approach to the market; in consultation with suppliers and the ability to build in social/supply chain dimensions to procurement processes.

10.18 The Committee was concerned that any investment in electric or low-carbon vehicles should benefit the local economy and bring investment and jobs for its residents but thought a significant risk to the success of such an approach was the rules around public sector procurement, which cannot discriminate in favour of local suppliers.

10.19 Consideration would need to be given to:-

- Developing a service based specification for the procurement, leasing and support of electric vehicles through a managed service provider who would then be at greater liberty to procure vehicles of choice;
- Making use of probable changes to Government policy in the next year after the decision to award the Crossrail rolling stock contract to Siemens rather than Bombardier as well as the existing ability to take into account social considerations in procurement; and
- The Department for Business Innovation and Skills' "Forward Commitment Procurement – Practical Pathways to Buying Innovative Solutions". This policy advocates a process to engage with supply markets to develop solutions for unmet needs, consistent with the Public Procurement Regulations. These principles of supplier consultation and engagement, developing a business case and governance arrangements before engaging in a formal procurement process could be well suited to this developing requirement.

10.20 The Committee stressed the importance of undertaking further investigation to properly weigh up the potential versus the risks of regional procurement, particularly as in this instance there would be very little in the way of best practice that could be consulted. It was pleased that NEPO could use its network of contacts outside of the region to establish what others are doing and determine whether regional procurement would be more cost effective and beneficial than local authorities 'going it alone' and questioned whether the NELEP have a role to play in this.

11. ASSESSING THE ECONOMIC IMPACT - SUNDERLAND AS A LOW-CARBON CITY WITHIN A LOW-CARBON REGION

Economic Masterplan (EMP)

11.1 Aim 2 of the EMP seeks to establish Sunderland as a leading UK city for low-carbon technology and production and to support the wider region in developing a sustainable, low-carbon economy. The Committee's view was that Sunderland City Council therefore has an indirect responsibility to promote and improve consumer take-up of low carbon vehicles, particularly electric vehicles and support those developing and selling low-carbon vehicles and technologies

11.2 In 2009, Nissan announced its intention to invest in a new facility to pioneer electric vehicle battery production, and the Government announced that the

UK's Low-carbon Economic Area (LCEA) for Ultra Low-Carbon Vehicles would include Sunderland. The Committee agreed with Ms Hodgson's view that success could be measured in terms of cleaner air, however the real success indicator would be retaining and attracting those in the low-carbon industry to the area, thus stimulating economic growth and employment.

11.3 Ms Phillipson MP considered that:

'Sunderland City Council, Sunderland University, Nissan and other partners have led the way in the development of ultra-low-carbon vehicles and infrastructure with charging points across the city. We should be proud of all that has been achieved so far…'

11.4 Being part of the LCEA provides the city with a significant opportunity to place itself at the front of national policy, which will enhance the reputation and image of the city and attract prospect of international investment.

11.5 This was demonstrated recently through the launch of the zero-emissions vehicle test track. Gateshead College are investing heavily in low-carbon vehicle technology. The test track at the Nissan plant is the only publicly accessible test track in the UK. It has been leased by the College for 20 years and over £1m has been invested in the development of the track.

11.6 Originally built by Nissan the track is a 2.8 kilometre, oval, low speed test track with multiple variable surfaces available for vehicle and infrastructure testing and research and testing of supporting technology.

11.7 The Committee agreed with the view that visits to the test track, Nissan and other companies in the area would substantially increase as the low-carbon vehicle industry builds and the test track becomes more widely promoted nationally through the DfT.

11.8 The Committee noted again that Nissan and the low-carbon vehicle agenda was fundamentally linked to the success Sunderland's economy now and in the future. This was illustrated by the fact that production of the batteries for the Nissan Leaf, as well as plans to produce the batteries for the Nissan EV200 and Renault Kangoo would have a tremendously positive impact on the city, not only in the creation of 300-400 jobs, but also to the various suppliers of Nissan.

11.9 Similarly, the suppliers the Committee engaged within during the Review each play an important role in both the city's economy and profile, and the Committee felt that all low carbon vehicle businesses should be supported through any means available to the council.

Brand/Showcasing

11.10 Ms Phillipson MP stated that Sunderland was leading the way in Electric Vehicles and that:

'Other cities will need to follow Sunderland's example'

11.11 This was echoed by Ms Hodgson MP who commented that:

'Sunderland already has a reputation as…the leading city in the UK in this respect, and the council's commitment to that so far has obviously been instrumental in the decision by Nissan to site production of the Leaf and battery plant here. If we are to attract further investment, I believe that it is of vital importance that this reputation is maintained and strengthened, and again the council has a leading role to play in that'

11.12 SASMI was very keen to stress to the Committee the importance they placed upon partnership working across the region to continue to strengthen it's low-carbon brand and give it a unique footing in the market. Sunderland is very much a part of regional partnerships, as part of the LEP and particularly as Nissan and Smith's are based in the city. The Committee advocated this view, and felt there was 'strength in numbers', however it was conscious that it wanted the city to retain a distinct brand of its own.

11.13 The Committee referred to a previous policy review from 2010/11 Sunderland the Place, in which it was identified that there was a need to showcase Sunderland more effectively, and 'badge' it in no uncertain terms as a low-carbon city sitting within a low-carbon region. The need for better advertising of the city's brand was discussed to ensure that visitors to Sunderland are quickly aware that they are in a city home to the automotive and low-carbon sectors.

11.14 The council's role in leading the economic agenda for the city and region is paramount, Ms Hodgson MP supported the view that the council should 'lead by example' by committing itself to ensuring that;

'as far as possible, any new vehicles paid for by the council…are low-carbon, or even electric. It should be a matter of civic pride that we are thought of as a centre for low-carbon vehicles, and moving towards a low-carbon fleet would be a powerful symbol of that.'

11.15 The council has made significant progress in promoting itself as a low carbon city with a strong automotive industry. It has been actively involved in national activity including Phase One of the Low Carbon Vehicle Procurement Programme and the Ultra Low Carbon Vehicle Demonstrator Project. Currently it has vehicles in its pool including the Nissan Leaf, the Peugeot iOn and the Avid.
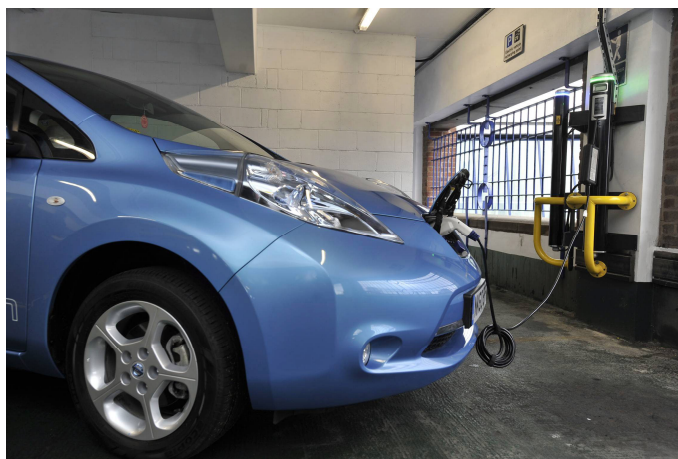
11.16 Sunderland also has a significant number of 20 charging points across the city and there are plans for a further 13 (20 actual bays), installed as part of the Plugged in Places Programme.

11.17 The Committee noted that other local authorities had already captured this sentiment, for example similarly to Sunderland, Coventry City Council is actively promoting itself as a "living test bed" for low-carbon ventures such as Intelligent Transport systems and low-carbon transport. To support this a total of 15 per cent (52 vehicles) of Coventry City Council's fleet are low-carbon vehicles and the City Council is promoting low carbon vehicles wherever possible.

11.18 Gateshead Council and Newcastle City Council have also purchased electric vehicles for use within their fleets; ranging from motorcycles to commercial vehicles. They are used for a variety of purposes such as specialist vehicles for street sweeping, rubbish tipping and coffin carrying, and multi-purpose vehicles such as repairs and maintenance, school transport and general pooled use.

11.19 The Committee recognised the progress made by Sunderland and believed that the other local authorities mentioned above had also taken the right approach to supporting the economy of the area by the simple means of raising the profile of low-carbon vehicles through its own use of them and felt this was a strong reason in itself to consider the utilisation of more electric vehicles in the council.

Research and Development

11.20 Throughout the evidence gathering the Committee were pleased to note that efforts are being made to foster innovation and progress. The Committee learnt that the research and development unit for Automotive and Manufacturing Advanced Practice (AMAP), which is part of the University of Sunderland, supports the region in being a leader for low carbon vehicles. The Research and Development function is about to start implementing the findings from its research and integrating the technologies into vehicles. The rationale for this work programme is;

- To ready the region for low-carbon vehicles;
- To learn vital lesions regarding conversions;

- To transfer knowledge to low-carbon businesses within the region;
- To develop training courses to develop the next generation of engineers and technicians; and
- To encourage entrepreneurs and innovators to invest.

11.21 An example of the type of work undertaken by AMAP was given as the Zero Emissions Project, which gives consideration to all types of low-carbon vehicles and how to develop the region as a low-carbon hub. AMAP has worked with a range of business partners to deliver this project.

11.22 AMAP aren't the only educational establishment working progressing research and development; SASMI's Skills Academy includes an Innovation Centre, home to SME's, academics and research staff aiming to encourage collaboration and generate commercial ideas.

Training and Skills

11.23 The Economic MasterPlan gives a requirement for the current and future workforce within Sunderland to be appropriately skilled in low-carbon technologies; therefore the Committee deemed that educational establishments such as schools, Colleges and Universities in the city, as well as across the wider region, are essential partners in progressing and achieving low-carbon aspirations. The Committee also made the indirect links to Aim 1 of the EMP as the University will play a key role in encouraging innovation and entrepreneurship in this field.

11.24 The Committee found that the growth of the low-carbon industry has led to a number of academic and research opportunities ranging from NVQs through to a PHD. SASMI are working in partnership with the University to deliver qualifications to support this. Qualifications include routine maintenance and repair; hazard management; electric vehicle and battery manufacture and hydrogen safety. In addition SASMI is working with Nissan to deliver a programme aimed at unemployed people, whereby upon successful completion of a 5 week programme, there is a guaranteed opportunity to take the trial for Nissan for a job within the plant. The Committee considered this to be a practical and innovative solution to providing unemployed people with skills and the chance of stable employment.

Low-Carbon Vehicle Industry

11.25 The Committee found a growing low-carbon industry in the North East region and the Committee felt it important to highlight the types of technology being developed and delivered. Four case studies are given at Appendix 2.

11.26 The Committee was impressed by some of the innovation as part of this review and considered that the council has an indirect obligation to promote and improve consumer take-up of low carbon vehicles and support those developing and selling low carbon vehicles and technologies in the region.

Future Delivery of Public Services

11.27 The Committee was aware that Government policy and legislation advocates that local authorities are not always necessarily the right public service provider and considered that this policy shift, coupled with the efficiencies the council is required to make over the coming years will increase the number of public services commissioned and procured by the council. In this instance the council should be mindful that where possible it advocates and encourages service providers to utilise low-carbon vehicles.

12. ENVIRONMENTAL IMPACT

12.1 The Committee felt the environmental impact of introducing electric vehicles into the fleet was an enormously important consideration. It therefore commissioned Cenex to undertake some specific environment analysis in addition to cost benefits. Well to Wheel (WTW) emissions were measured in the comparisons.

Electric Car Comparison

12.2 WTW CO_2 Emissions (kg CO_2 per annum):
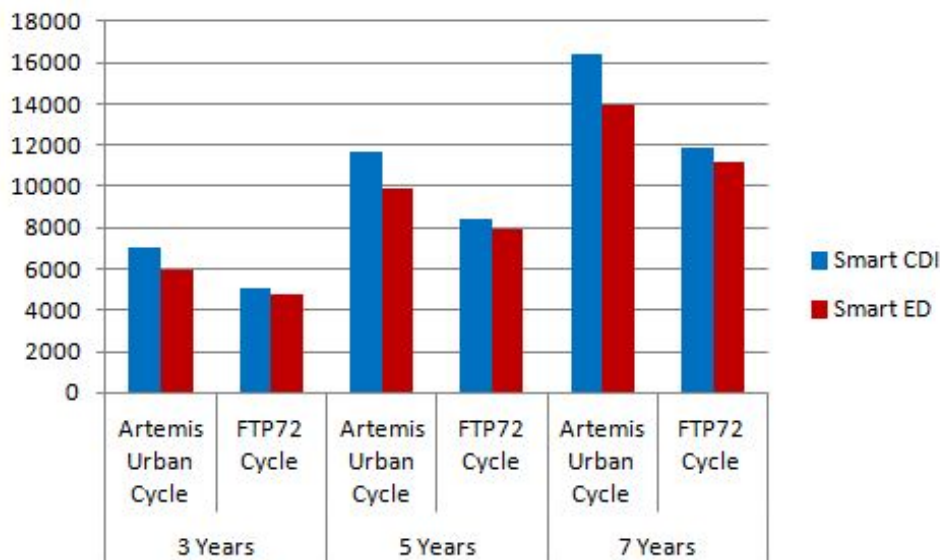
Figure 11

12.3 CO_2 emissions are more pronounced when driving 'around town', i.e. stopping and starting the vehicle at regular intervals (as would be the majority of use by the council). Emission reductions for the council would range from 9 per cent to 15 per cent per vehicle.

Electric Van Comparison

12.4   WTW CO2 Emissions (kg CO2 per annum):
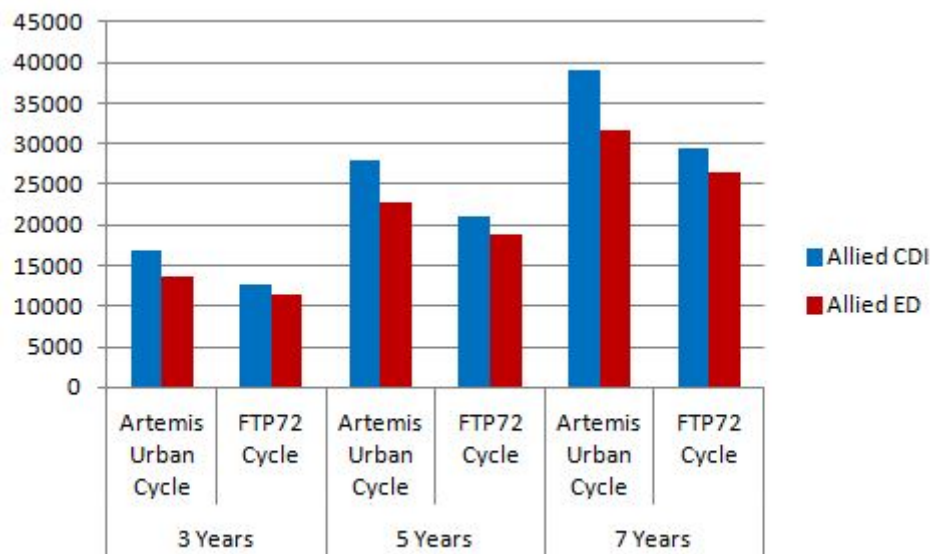
12.5   Again, the results demonstrate that CO2 emissions are more pronounced when driving 'around town'. Emission reductions for the council in this instance would range from 10 per cent to 19 per cent per vehicle.

12.6   Whilst a relatively small saving in the context of the wider emissions of the council and city as a whole, the Committee viewed these results very positively in terms of the impact the vehicles' CO2 reductions could make, to both the councils targets for reducing emissions and to the air quality of the city and the health of residents. Nevertheless, this serves to reemphasise the need for a range of measures to complement a strategy of utilising electric vehicles in the fleet.

Gauging Resident's Views

12.7   The public consultation undertaken by the Committee (Appendix 1) included some questions to seek resident's views about the environment and the role the council plays in this. Resident's were asked;

   1.   *How concerned are you about the effect of transport on climate change?*

12.8   There was a mixed response to this question. A third of respondents were very concerned about the effect of transport on climate change, whilst almost half said they were fairly concerned. One fifth did not show much concern.
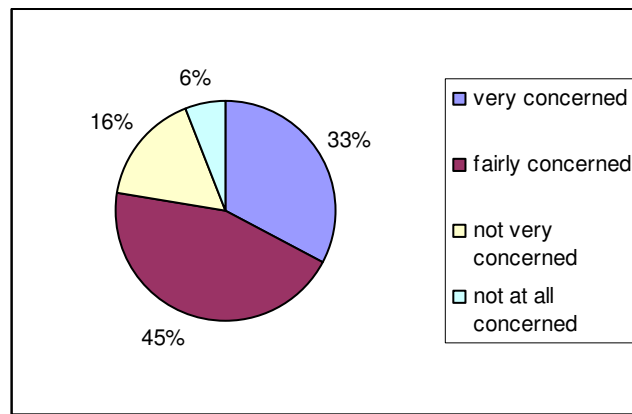
2.   *How concerned are you about exhaust fumes from traffic?*

12.9   An overwhelming 59 per cent of respondents said they were very concerned about exhaust fumes from traffic and 24 per cent of people were fairly concerned.
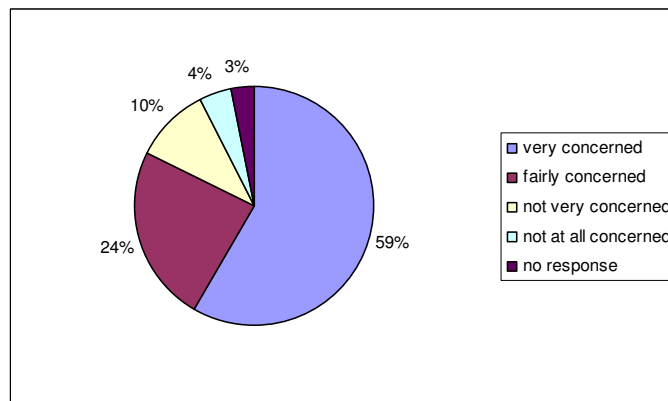
12.10   More respondents showed concern about exhaust fumes from traffic than the effect of transport on climate change. Three out of four of the respondents who said they were not at all concerned about the effect of transport on climate change said they were fairly concerned about exhaust fumes from traffic. This would indicate that the issue of climate change is more remote and intangible where as the health issues caused by the effects of exhaust fumes are important issues. Perhaps there also is a lack of knowledge around how climate change will impact upon the city in the future. The age group data has shown a trend in a lack of concern from the younger age groups (18-24 and 25-34). The trend also shows that the higher the age group, the more likely they are to be concerned about the effect of transport on climate change and the effect of exhaust fumes on traffic.

3.   *Sunderland is aiming to cut its carbon emissions by 29% by 2020 and 80% by 2050 and has an action plan to achieve this for the city. How important do you think it is for Sunderland City Council to contribute to this by reducing its own carbon emissions?*

12.11   61 per cent of respondents felt this was very important, whilst 33 per cent felt it was fairly important, demonstrating that there is support for the council in making a contribution to the reduction of carbon emissions.

12.12 Once again, those who felt it was not at all important or not very important were all from the 18-24 age category. This might suggest that younger people do not see the reduction of carbon emissions as a priority, or have a more limited knowledge or understanding of the council's role.

Manufacturing Emissions

12.13 The Committee wanted to explore the carbon footprint of manufacturing electric vehicles due to the contention that the vehicle is not truly zero emissions until the manufacturing process and the source of electricity to charge the vehicle are also zero emissions. Whilst it is true that Electric vehicles produce more emissions than conventional cars in production, they still have a far lower carbon footprint over their lifetimes.

12.14 Smith's Electric Vehicles confirmed that currently there is no industry standard against which to measure emissions as each manufacturer has very different operations, supply chains etc. That being said some targets are expected from OLEV in 2012. As a responsible manufacturer Smith's continuously monitors its carbon footprint; to make the Washington plant carbon neutral it needs to produce 200 vehicles or more per year - currently, the plant produce in excess of this amount. In addition, Smith's works with its supply chain to encourage further reductions in emissions.

Commitment to Cleaner Air

12.15 The Committee found that other local authorities have set out a clear intention to reduce carbon emissions to improve the health of its residents. When Liverpool was declared a city-wide Air Quality Management Zone, the City Council amended its vehicle replacement programme to have regard for emissions other than carbon dioxide (CO_2) such as particulate matter (PMs) and nitrogen oxide (NOx) which are harmful to human health. Diesel vehicles emit lower CO_2 emissions than petrol vehicles, but significantly higher PMs and NOx.

12.16 The savings made by having low carbon vehicles in the council's fleet have been marginal; however the City Council wants to make a clear statement of intent to reducing emissions in the city. It has extended its commitment to reducing emissions from transport by arranging for 240 employees to attend free 'smarter driving' training which will save 82 tonnes CO_2 / year when the acquired driving skills are transferred to domestic cars. In addition, a corporate Drivers Handbook has been produced which contains tips on clean driving. The handbook is currently being issued to all staff that use a vehicle for council business.

12.7 The City Council has also lowered its fleet emissions through a range of other measures, including replacing vans and larger cars with small, 'city' cars whenever possible and giving officers who have high mileage claims access to lower emission lease vehicles for business use in order to reduce the amount of miles driven in their own vehicles.

12.8 The Committee referred to the Sunderland Strategy and the many supporting policies in place which aspire for the city to be 'cleaner and greener'. It was acknowledged that the adoption of electric vehicles into fleet operations would be a significant step towards achieving this, however, this alone would not assist the city in meeting its own target of reducing emissions by 80 per cent by 2050. Instead, this should be seen as one part of a much wider drive to reduce carbon emissions from transport from the council and its workforce.

13. TECHNOLOGY/SUITABILITY

13.1 The Committee agreed to consider all forms of low-carbon transport and technology during the course of the review but took a view that there should be a focus on electric vehicles as this is of key economic importance to the city.

13.2 There remain many questions surrounding low-carbon vehicles and the Committee recognised there are still significant gaps in knowledge and understanding, not only in research and development but also in consumer/business attitudes to these products.

Electric Vehicles

13.3 Electricity is one of the practical options available as an alternative to oil, as it can be produced from sustainable sources and can be readily supplied. Charging costs are substantially less than petrol or diesel engines, from £1.03-£4.01 per 100 miles (which is the average range of an electric vehicle). Recently there have been considerable advancements in technology in regard to this type of vehicle and improvements have been made in terms of range and driveability.

13.4 The Committee found that electric vehicles would not be suitable for everybody and stakeholders in the low-carbon vehicle industry expect a realistic take up of electric vehicles would be around 10 per cent by 2020-2025, accounting for the challenges still to be addressed.

13.5 To date there has been limited take up of electric vehicles in the delivery of services, particularly in the public sector. Smith's Electric Vehicles informed the Committee that larger private sector organisations are starting to recognise the benefits of using electric vehicles and it's customers include:-

- Pepsi Co
- Transport for London
- John Lewis (transportation of customers);
- DHL (delivery of goods);
- Sainsburys (delivery of internet grocery shopping);
- TNT Express (delivery of goods);
- Royal Mail (parcel and post distribution); and

- Balfour Beatty.

Sainsburys

Sainsbury's is the third largest chain of supermarkets, operating 567 supermarkets and 377 convenience stores. In 2005 Sainsbury's Online trialled Smith Electric Vehicles (the Edison) in its home shopping delivery applications in and around Central London.   The 3.5 tonne vans were modified to meet Sainsbury's specific requirements for its urban online deliveries, with each vehicle restricted to 40 miles per hour with a range of 60 miles per day.

Each zero emission van saves 5 tonnes of CO2 per year – the equivalent of one round trip from London to Rio de Janeiro, or the entire annual CO_2 footprint of a small UK household.   Sainsbury's find that the electricity used to power its electric vehicles generates around 50 per cent less CO_2 than diesel vans, as well as reduced particulates, NOx and noise. Other key benefits realised through the trial included reduced running costs (fuel savings, congestion charge exemption, tax breaks, etc), reduced maintenance costs and improved driver safety and drivability.

Additionally, the use of greener technologies has proven to be a soft benefit as the company's stakeholders are increasingly valuing emission free operations.

The trial established the importance of having robust charging routines in place and close ties to electric vehicle maintenance providers. The electric vehicles are plugged in whenever they are at the store; there are three drop off cycle's per day and they charge for ½ hour between these runs. They return to base for the last time at around 10pm and the vehicle has its main charge overnight. Driver training has also been key in ensuring drivers are maximising the potential of the vehicle; for instance through regenerative braking.

13.6   Smith's has worked with some local authorities through the LCVPP to introduce electric vehicles into council fleets including Gateshead, Newcastle, Islington and Camden. Wakefield University has also taken up the use of an electric minibus to transport students between campuses.

Addressing Public Perceptions and the Electric Vehicle Urban Myths

13.7   The Committee understood that a number of public perceptions had built up around low carbon vehicles and in particular electric vehicles, and considered that business perceptions may mirror those of individual consumers and this is likely to be contributing to the reluctance across all sectors to embrace these types of vehicles.

- **Cost**

13.8   Smith's Electric Vehicles confirmed that that the biggest concern for business in adopting electric vehicles into fleets is the initial high capital cost. The Committee understood this was also the case for individual consumers, however it was considered important to promote the longer term view to give the appropriate context to the initial costs of purchasing an electric vehicle.

32

13.9 The Committee strongly felt that it was the ten year time period that would prove the most attractive to organisations and would give the most incentive to switch to electric vehicles, however serious questions remain as to the state of the vehicle after a ten year period, particularly where the service provided involves heavy and prolonged usage.

13.10 SASMI considered that the advent of Nissan and Renault's mass production of all-electric transit vans will increase the accessibility and usage of the electric van in fleet services by substantially lowering the capital cost for purchase. The Committee felt this would make electric vehicles a significantly more economically viable option for the Council.

13.11 An effective way of reducing cost barriers would be to provide leasing or financing arrangements and as such a number of partners in the financial sector were now signed up to assisting potential customers of Smith's. The Committee agreed that a lease option may be considered by Sunderland City Council given the difficult financial constraints within which it is now working.

13.12 Another issue considered by the Committee was the lifespan of an electric vehicle battery and costs to replace the battery. Reports throughout the evidence gathering were mixed, however it was understood that the battery becomes 80% efficient after 5-10 years, determined by the quality of the battery. A replacement battery could cost up to £10,000 - this should reduce - but only if demand and production increases.

13.13 In addition, the Committee learnt that a number of new 'second life' industries are emerging to make use of batteries that no longer have the efficiency to power an electric vehicle. Several examples were given to the Committee including:-

- Energy storage for wind farms, and in third world countries with a large supply of energy from the sun;
- As back up generators for services that require an unbreakable power supply such as banks, hospitals and the emergency services; and
- To power ships.

13.14 The second life concept for future business opportunities remains unknown but could yield substantial economic benefit dependant on what that reality may be in 10-15 years. If a strong, viable market existed, ultimately, this 'second life' would give the battery a residual value which the owner of the vehicle (in this instance, the council or other public sector bodies) could off-set against the cost of a replacement battery. It would also reduce the initial purchase price of an electric vehicle as the current cost includes disposal.

- **Vehicle Performance**

13.15 Electric vehicles are often marketed as having a 100 plus mile range however the Committee gathered from a range of sources that this could be somewhat optimistic. Unlike an internal combustion engine (ICE), electric vehicles do not produce excess heat with which to heat the vehicle, operate the windscreen wipers or use the radio. The vehicles are therefore fitted with a

3kw power system to provide this capacity. Other local authorities have found that this does significantly affect the vehicle range. In addition the topography of a route will also reduce the range. The Committee felt the council would need to consider the actual range for the city as each local area has its own unique 'fingerprint' in terms of topography and traffic.

13.16 Smith's advocated the use of electric vehicles for use within local authority fleets as vehicles tend to cover static routes over small geographical areas which are well within the range of the vehicle.

13.17 The Committee however, found that experiences of electric vehicles within council fleets were mixed. Coventry City Council reported that one user travels between Coventry and Sheffield on the M1 every day (a journey of 75 miles) and had experienced no difficulties. Gateshead also reported no issues of range; the electric vehicles in its fleet had an average range of 70, which was well above the average daily use.

13.18 Newcastle City Council had trialled a home-use project whereby staff were encouraged to take the electric vehicles home for several days to test the range availability and the suitability for home charging. There were no issues with range but there were reports that problems can occur when additional lighting or long hours are required.

13.19 Liverpool City Council found that whilst the cars drove very well there were issues with actual range, which was between 50 and 70 miles instead of 100 as listed. This greatly reduced in the winter when cars' heaters and windscreen wipers were in use more. In addition, if the vehicle is not switched off in the correct way the battery runs flat and the vehicle has to be returned to the manufacturer for up to two weeks.

13.20 It became apparent to the Committee that it was widely acknowledged in the industry that reduced range and other issues could often be attributed to the way the vehicles are driven. Smith's had found there was a range increase of up to 30% when driven by a trained driver. AMAP has also evidenced this and introduced the DrOpLET (Driver Optimisation for Low Emissions Transport), which investigated the impact of different driving styles for both battery usage and fuel consumption. It found that upon completion of the training, drivers had typically saved 25% on fuel costs whilst battery usage could be improved by up to 100%.

13.21 Those local authorities who had introduced electric vehicles into the fleet operations agreed; Coventry City Council, Gateshead Council and Liverpool City Council had all taken steps to ensure drivers were fully trained in the use of electric vehicles. This training was delivered by the Energy Saving Trust. The Committee considered that, should the Council adopt electric vehicles into its fleet, appropriate training for drivers should be taken into account, to address these issues before they occur.

- **Safety and Maintenance**

13.22 The Committee raised a concern in regard to the increased chance of road accidents due the greatly reduced noise of the vehicles. It was clarified that

electric vehicles do not operate silently however a noise generator can and has been fitted to make them more audible to pedestrians. The Committee has long promoted pedestrian safety on the city's roads and felt that issue this would be something to bear in mind, given the Council's fleet would be operating in all weathers and at all times of the day and night.

13.23 It was acknowledged that, at the present time very little was known among the emergency services about the consequences of an accident involving one or two electric vehicles in comparison with ICE vehicles. This has been recognised as an issue and Northumbria Police and Gateshead College have begun to investigate the possible outcomes of road accidents involving electric vehicles and provide appropriate training to those who would attend such accidents. In addition ElecScoot will shortly be providing training to the RAC to enable them to assist users.

- **Charging and Infrastructure**

13.24 In order to charge an electric vehicle at home an individual consumer requires a 'home charging kit' however for a larger 'fleet' electric vehicle, dedicated charging points are unnecessary; as long as the vehicle is returned to base at the end of each shift it can be charged using what is in effect an electric socket which can be installed for as little as £100.

Hybrid Vehicles

13.25 The Committee found that beside electric vehicles, hybrid vehicles were the most established technology currently available in the low-carbon market. In some respects hybrids are equally as attractive as the all-electric vehicles; whilst the emissions are higher, the requirement to charge is mitigated by the ICE contained within the vehicle.

13.26 For the delivery of some services, public transport, for example, electric vehicles are not currently fit for purpose due to the limited range, and in these cases hybrid vehicles offer a reasonable alternative to those organisations wishing to address carbon emissions through its fleet.

13.27 Go NorthEast reported that the hybrid vehicles in its fleet account for an improvement in fuel consumption of between 15%-20%, however the cost of the bus is prohibitive at £100k, even taking into account the savings made in fuel reduction. It clearly stated that until the cost reduces it would be unable to utilise this vehicle option as much as it would wish to.

13.28 The Committee considered that it would be sensible for the Council to give consideration to hybrid vehicles for the delivery of any service whereby the range was greater than 70 miles or the capacity to regularly charge an electric vehicle was not possible.

Vehicles Powered by a Hydrogen Fuel Cell

13.29 The Committee found that many people, including those in public transport and research, felt that the advantages of hydrogen fuel cell technology would be hugely important for the future as it releases zero emissions, although at

the current time several issues were still to be resolved which were holding up hydrogen as a viable option for fuelling transportation.

13.30 AMAP has been conducting research and development for the hydrogen fuel cell. Its first project consisted of an Almera donated by Nissan which was adapted to run on hydrogen gas. The project was designed to assess the characteristics of hydrogen; to check vehicle performance; health and safety issues; and the cost implications attached. The University worked with local SMEs on this project to help train them in the use of hydrogen to power vehicles.

13.31 A hydrogen tank was fitted into the boot of the vehicle, however due to the size of the tank the vehicle would not be useful as a family car. This view was echoed by SASMI who felt that the hydrogen fuel cell's main use would be SUVs, vans, buses and lorries and would therefore be a feasible option for use in the delivery of services.

Bio-fuel

13.32 The Committee found that this technology appeared to have had limited take up among local authorities, however Camden City Council had commissioned research to investigate the life cycle environmental impacts of road transport biofuels to inform the fleet procurement policy. Three biofuels (biomethane, biodiesel and biofuel) were compared to conventional diesel and petrol vehicles. Biomethane was shown to have the lowest overall environmental impacts, based on air quality and green house gas emissions. Biomethane is also a renewable transport fuel as it is derived from methane gas released during the decomposition of organic waste.

13.33 Following these results Camden embarked on a biomethane vehicles trial in partnership with Veolia Environmental Services Ltd, Iveco and Gasrec and as a result of the positive outcome of the trial and research project, Camden introduced 15 compressed biomethane vans in December 2010 manufactured by VW Caddy and Mercedes Benz.

13.34 The debate continues in regard to the sustainability of biofuels. Whilst they have the potential to provide a renewable source of fuel, there is a risk of an adverse social and environmental impact which could actually increase in carbon emissions. The Committee agreed that whilst biofuels continued to come under significant scrutiny, the Council should continue to keep a watching brief on future developments.

14. CONCLUSIONS

14.1 The Scrutiny Committee have made a number of conclusions based on the evidence gathered throughout the review. These are:-

(a) The targets set out within the Climate Change Act 2008 highlight the extent of the task faced nationally, regionally and locally, and there are significant financial and environmental implications should the target be missed. It is therefore imperative, particularly in the context of mounting budgetary

pressures, that this agenda continues to be given the highest priority allowing for the financial position of the Council;

(b)   The Fleet and Transportation Review of the Council is timely, and will be supported by the evidence gathered throughout the Policy Review. Whilst this Review places more emphasis upon electric vehicles it is acknowledged that there are limitations on their use as part of the Council's fleet and it is therefore sensible to consider all types of low-carbon technology. The longer time period of the research and development project in partnership with the University of Sunderland will give the Council the maximum scope to find the range of options that best suit its need;

(c)   Improvements to public transport in the city, and across the region will have a unique contribution to make in reducing carbon emissions and the continuation of the improvement journey in line with European legislation and beyond will be essential;

(d)   The research and analysis undertaken by Cenex provides evidence advocating the adoption of electric cars into the Council's fleet. In addition, the Council may now provide other local authorities and public sector bodies with a robust business case, not previously available;

(e)   The potential benefits of regional procurement are acknowledged, particularly in order to meet the objectives for reducing carbon emissions and supporting a developing industry in the region; however further investigation to ensure this is the better option. Additionally the opportunities afforded to regional suppliers should be maximised whilst giving due regard to EU procurement rules;

(f)   There is little doubt that, with such emphasis within the city's Economic Masterplan on low-carbon industries and technology that the success of low-carbon vehicles is fundamental to the success of the city's economy and that the Council must show itself to be leading the way if it expects other organisations and individuals to follow;

(g)   A previous recommendation of this Scrutiny Committee as part of the Policy Review 'Sunderland the Place' in regard to raising the profile of the city is ever pertinent if the city is cement its position as a low-carbon city. This should be continually reviewed to ensure the city is getting the right messages to those outside and within the city;

(h)   It is important that the Council doesn't consider the adoption of electric and other low-carbon vehicles into the fleet in isolation, and considers other appropriate measures that can be easily and readily implemented to reduce carbon emissions from transport by the Council and its workforce;

(i)   At the present time consumer confidence in electric vehicles is low. A number of 'urban myths' have built up around this mode of transport and it is reasonable to suggest that an appropriate charging infrastructure and a raised profile of electric vehicles on the roads of the city will go some way to fostering consumer confidence;

(j)   Electric vehicles drive and look the same as a traditional car, however there are distinct differences and the mishandling of an electric vehicle can reduce its performance by up to 30% and damage the battery. Effective training for drivers can, for the most part mitigate this;

(k)   The consideration of leasing vehicles rather than purchasing them outright may mitigate the financial risks involved to the Council;

(l)   At the current time the focus should be on setting appropriate goals in regard to reducing carbon emissions through the Council's fleet. Only once progress has been made in this regard can the Council effectively encourage partners, suppliers and contractors to utilise low-carbon vehicles; and

(m)   At the current time it is not financially feasible to introduce larger electric vans into the Council fleet, however as the capital costs of these vehicles reduce the Council should be ready to re-visit the cost benefit analysis. Whilst some of the technology covered within this Policy Review is at different stages and more or less was known low-carbon vehicle technology is moving at pace and the Council should fully exploit new technologies if it will enable the delivery of improved services to residents, reduced costs and protect the environment.

15.   RECOMMENDATIONS

15.1   The Environment and Attractive City Scrutiny Committee has taken evidence from a variety of sources to assist in the formulation of a balanced range of recommendations.   The Committee's key recommendations to the Cabinet are as outlined below:-

(a)   That the Scrutiny Committee be informed of the outcome of the Fleet and Transportation Review and progress in regard to implementation;

(b)   That the Council considers implementing appropriate targets for the replacement of its current fleet cars with electric counterparts based upon the findings and recommendation of Cenex with a view to revisiting the cost benefit analysis for larger vans as capital costs change;

(c)   That the Council considers an electric car pool system for its staff and that the appropriateness of extending this to the wider community is investigated;

(d)   That the Council commissions a comprehensive training programme for drivers should electric vehicles be utilised within the fleet;

(e)   That the impact of efforts made to establish the city as a 'Low-Carbon City' be continually monitored to ensure tangible benefits to the city;

(f)   That the Council considers a range of innovative methods of reducing carbon emissions from all forms of transport and keeps a 'watching brief' on the developments of technology for low-carbon vehicles;

(g)   That the Council explores ways in which to encourage partners to explore the use of low-carbon vehicles where appropriate;

(h)   That the Council collaborates with NEPO to present the business case to the region's local authorities and other public sector bodies, to gain the level of commitment required to progress this agenda;

(i)   That NEPO considers undertaking further research and analysis to ensure there is clear business case for regional procurement;

(j)   That any procurement, whether regional or the Council acting as an individual organisation, maximises the opportunities available to local suppliers; and

(k)   That the Committee receives specific progress updates on the improvements to public transport in regard to reducing carbon emissions as part of wider annual updates given by Nexus.

16.   ACKNOWLEDGEMENTS

16.1   The Scrutiny Committee is grateful to all those who have presented evidence during the course of our review. We would like to place on record our appreciation, in particular of the willingness and co-operation we have received from the below named:-

Les Clark, Head of Street Scene, Sunderland City Council

Paul Muir, Engineer, Sunderland City Council

Ian Bell, Fleet and Transport Manager, Sunderland City Council

Julie Elliott MP, Sunderland Central

Sharon Hodgson MP, Washington and Sunderland West

Bridget Phillipson MP, Houghton and Sunderland South

Geoff Allison, Smith Electric Vehicles

Bernard Garner, Nexus

Kevin Carr, Go North East

Robin Knight, Stagecoach Group

Adrian Morris, University of Sunderland

Paul Gough, Gateshead College

Dr. Colin Herron, Zero Carbon Futures, Gateshead College

Ian Taylor, North East Purchasing Organisation

Gordon Mockett, Smiles Engineering

Chris Baylis, Avid Technologies

Mark Nailis, Innova Power

Ian Allison, Elecscoot

17.   BACKGROUND PAPERS

17.1   The following background papers were consulted or referred to in the preparation of this report:

(a) Sunderland Strategy (2008-2025)
(b) Sunderland Economic Masterplan (2010)
(c) Weather and Climate Risk Management Strategy: Revision 1
(d) Local Transport Plan 3 (2011)
(e) Climate Change Act (2008)
(f) DECC: Carbon Plan (March 2011
(g) DfT: Ultra Low-carbon Vehicles in the UK (2009)
(h) Committee on Climate Change, Surface transport:
     www.theccc.org.uk/sectors/surface-transport
(i) DfT/OLEV: Making the Connection: The Plug-In Vehicle Infrastructure
     Strategy (2011)
(j) Committee on Climate Change - Third annual report to Parliament, 'Meeting
     carbon budgets' (2011)
(k) SMMT Environment: Electric Car Guide 2011
(l) RAC Foundation: Shades of Green – Which low-carbon cars are the most eco
     friendly? (2011)
(m)DECC:**www.decc.gov.uk**

18.   GLOSSARY OF TERMS

Biofuel	Biofuels are fossil fuel substitutes. They can be made from a range of agricultural crops, usually oily crops for biodiesel and crops rich in sugars or starch for bioethanol. By-products and wastes like used cooking oil, tallow and municipal solid waste can also be used to produce biofuels. Blended into fossil fuels in small proportions, bioethanol and biodiesel can be safely used in today's road vehicles.
CRT	Continuous Regeneration Traps - an emission control technology that contains a Platinum catalyst and a particulate filter. It is designed for use with large diesel engines, particularly large trucks and buses.
CNG	Compressed Natural Gas – Stored in a high-pressure container (usually at 3000 to 3600 psi) it is used mainly as an alternative fuel for internal combustion engines (such as automobile engines). It generates low hydrocarbon emissions, but a significant quantity of nitrogen oxide emissions.
CO2	Carbon Dioxide
DECC	Department for Energy and Climate Change
DfT	Department for Transport
EGR	Exhaust Gas Recirculation - In internal combustion engines, exhaust gas recirculation is a technique to reduce nitrogen oxide (NOx) emissions used in petrol/gasoline and diesel engines. It works by re-circulating a portion of an engine's exhaust gas back to the engine cylinders.
EMP	Economic Masterplan
EV	Electric Vehicle - any vehicle powered, in part or in full by a battery that can be plugged into a mains electricity supply and has zero emissions at the point of use.
GHG	Greenhouse Gas
Hybrid	A hybrid vehicle is a vehicle that uses two or more distinct power sources to move the vehicle. Most hybrid electric vehicles combine an internal combustion engine and one or more electric motors.
Hydrogen Fuel Cell	A device that converts the chemical energy from a fuel (hydrogen) into electricity through a chemical reaction with oxygen or another oxidizing agent.
ICE	Internal Combustion Engine
LCVPPP	Low-carbon Vehicle Public Procurement Programme
LCVIP	Low-carbon Vehicles Innovation Platform

Li-ion	Lithium ion battery - is a family of rechargeable battery types in which lithium ions move from the negative electrode to the positive electrode during discharge, and back when charging.
LTP3	Local Transport Plan 3 2011-2021
NEPO	North East Purchasing Organisation
NiMH	Nickel Metal Hydride – a type of rechargeable battery which uses a hydrogen absorbing alloy for the negative electrode.
NTM	National Transport Model
NOx	Mono-nitrogen oxides – A combination of NO and NO_2 (nitric oxide and nitrogen dioxide). They are produced from the reaction of nitrogen and oxygen gases in the air during combustion, especially at high temperatures. In areas of high motor vehicle traffic, such as in large cities, the amount of nitrogen oxides emitted into the atmosphere as air pollution can be significant. NOx gases are formed everywhere where there is combustion – like in an engine.
SCCP	Selective Catalytic Conversion Process – a technology which uses ammonia to break down dangerous NOx emissions produced by diesel engines into nitrogen and water.
ULCVD	Ultra Low-carbon Vehicle Demonstration
ULSD	Ultra Low Sulphur Diesel

Contact Officer: Helen Lancaster - Scrutiny Officer
Office of the Chief Executive – Scrutiny and Area Arrangements
Telephone: 0191 561 1233
Email:**helen.lancaster@sunderland.gov.uk**

Appendix 1

Environment and Attractive City Scrutiny Committee
Public Consultation – Low Carbon Vehicles

A consultation was carried out with members of public over a two week period at the customer service centre in Sunderland city centre. 67 residents participated in answering 4 simple questions to gain their views on the reduction of carbon emissions through the provision of low carbon vehicles. This is a very small sample size in comparison to the population therefore the following findings should be taken in context. The purpose of the consultation was to give a snapshot of the public opinion around the introduction of low carbon vehicles to the Council fleet.

Of the 67 respondents, 42 were female (63%) and 24 were male (36%). Responses came from a broad range of age groups, and there was a good response in particular from those aged 18-24.

Sunderland is aiming to cut its carbon emissions by 29% by 2020 and 80% by 2050 and has an action plan to achieve this for the city. How important do you think it is for Sunderland City Council to contribute to this by reducing its own carbon emissions?

61% of respondents felt this was very important, whilst 33% felt it was fairly important, demonstrating that there is support for Sunderland City Council in making a contribution to the reduction of carbon emissions.

Interestingly, those who felt it was not at all important or not very important were all from the 18-24 age category. This might suggest that younger people do not see the reduction of carbon emissions as a priority, or have a more limited knowledge or understanding of the Council's role.

To what extent do you agree or disagree that the Council should replace its vehicles with electric vehicles <u>when they are due to be replaced</u>?

55% of respondents felt this was very important, whilst 33% felt it was fairly important. This might suggest strong support from residents for electric vehicles to be used within the Council fleet when the time comes to replace older vehicles.

Similarly to the first question, those who answered 'strongly disagree or 'tend to disagree' were mainly from the 18-24 age group.

How concerned are you about the effect of transport on climate change?

There was a mixed response to this question. A third of respondents were very concerned about the effect of transport on climate change, whilst almost half said they were fairly concerned and one fifth did not show much concern.

How concerned are you about exhaust fumes from traffic?

An overwhelming 59% of respondents said they were very concerned about exhaust fumes from traffic and 24% of people were fairly concerned.

More respondents showed concern about exhaust fumes from traffic than the effect of transport on climate change. Three out of four of the respondents who said they were not at all concerned about the effect of transport on climate change said they were fairly concerned about exhaust fumes from traffic. This would indicate that the issue of climate change is more remote and intangible to residents where as the health issues caused by the effects of exhaust fumes are. Perhaps there also is a lack of knowledge around how climate change will impact upon the city in the future.

The age group data has shown a trend in a lack of concern from the younger age groups (18-24 and 25-34).

The trend also shows that the higher the age group, the more likely they are to be concerned about the effect of transport on climate change and the effect of exhaust fumes on traffic.

	No. of people concerned about the effect of transport on climate change				No. of people concerned about exhaust fumes from traffic			
	Very	Fairly	Not very	Not at all	Very	Fairly	Not very	Not at all
18-24	1	4	8	2	1	7	5	2
25-34	1	4	8	2	1	7	5	2
35-44	2	4	1	1	4	3	1	0
45-54	5	7	0	0	9	3	0	0
55-64	3	5	0	0	6	1	1	0
Over 65	6	2	0	0	6	1	1	0

When considering the responses by gender, there was a trend amongst females showing slightly more concern about both the effect of transport on climate change and the effects of exhaust fumes.

Conclusions

- There was strong support from respondents for Sunderland City Council making a contribution to the reduction of carbon emissions.

- The majority of respondents agreed that the City Council should replace its vehicles with electric vehicles when they are due to be replaced.

- Respondents showed significantly more concern for the effects of exhaust fumes than the effect of transport on climate change.

- There appears to be less concern and interest about climate change and the use of electric vehicles from younger people.

44

Appendix 2

Low –Carbon Transport Industry

Inova Power/The Hydrogen and Fuel Cell Co-operative

Inova Power has developed a hydrogen generation system which is designed for vehicle and stationary use. Recognising the demands of the consumer in terms of extending the range of electric vehicles, it is collaborating with a large EU consortium of companies in France, the UK and Spain to utilise the technology in a major fuel cell vehicle demonstration on a project called HyVan, which will produce 50-100 electric and fuel cell range extended vehicles.

Inova has approached Smith Electric Vehicles to produce the vehicles. A network has been developed, which includes County Councils (across the country), a major multiple super market chain and a port, all of which will take part as the end users of the vehicles in the UK. The project will run for 24 months and will involve the construction of a chain of H2 refuelling stations across the 3 main countries. An estimated start date for this programme will be the end of 2012.

The Hydrogen and Fuel cell Co-operative is a not for profit venture made up of 6 SME companies and Sunderland University's AMAP Institute. The Co-operative has come together as a supply chain which can deliver a hydrogen infrastructure. There are two projects currently in place, linked to building a Hydrogen Corridor to Scotland.

Inova will collaborate with Gateshead College and will be run by Aberdeen City Council. The project is part of a North Sea Interreg (an EU-funded programme that helps Europe's regions form partnerships to work together on common projects). The Co-operative is positioning itself with others to influence policy in the UK and Europe, ensuring the North East region is in the best position to influence and win funding and contracts.

In addition Inova is developing a modular design for a new type of portable refueling station and a renewable energy storage system for both wind and solar. This is linked to organisations in Canada, Scotland, Norway and the Co-operative is hoping to utilise technology from a North East Blue chip based in the Team Valley.

Avid

The AVID Technology Group Ltd is an engineering business that designs and manufactures low and zero emission vehicle technology products and specialist electric vehicles.

AVID Vehicles Ltd was set up with colleagues in ComeSys Europe Ltd with the intention of creating products for ComeSys to manufacture. The company has built a range of electric vehicles including Range Rover, sports cars, CUE-V City car, Electric UTV and supported many other projects in its first year.

There are 3 companies operating in the group; AVID Technology making components, AVID Inovations managing client projects and AVID Electric Vehicles building production electric vehicles. Chris is now focusing on business and IPR development for the group.

AVID Electric Vehicles manufactures an affordable, practical, zero emission vehicle; the eBear. This type of vehicle is known as a UTV which stands for Utility All Terrain Vehicle. UTVs are designed to go on and off road, and be used for a wide variety of applications. The global market for UTV's is around 1 million units per year.

eBear uses less than 1 pence of electricity per mile and also benefits from free road tax and 100% enhanced capital allowance (in the UK). It is available to users in the commercial and industrial sector and has many inner urban applications. It can be fitted with a range of attachment options such as snow ploughs and grit spreaders as well as different body options.

AVID Innovation licences technology and provides engineering development services for leading global vehicle manufacturers and tier 1 suppliers. It helps customers develop the vehicles and powertrain the components of tomorrow; providing expertise, knowhow and IP in control systems, electric vehicles and hybrid vehicles.

AVID Technology makes products and systems that control vehicle emissions and improve fuel efficiency with a team of specialists in the areas of drive-by-wire controls, thermal systems and mobile electronics. The drive by wire controls can be found on construction machinery, trucks, buses and niche vehicles from leading global brands helping customers to meet ever more demanding government legislation for exhaust emission quality.

AVID's advanced thermal systems are used by bus manufacturers and operators to reduce fuel consumption and emissions, and by hybrid and electric vehicle manufacturers to control the temperature of the sensitive power electronics.

Elecscoot

Elecscoot Ltd was established in 2007.

The original idea was to source vehicles from the Far East and retail them here in the UK and Europe.

We now have a power train that to date has a zero failure, meaning the company has gone from 100% return to zero returns. Elecscoot has had a brand new scooter designed and developed here in the North East, and will also be completing the Controller and BMS (what does this stand for?) in the near future which is hoped will be the best in the world market to date.

From its experience Elecscoot also recognised there was little or no training available to enable people to extend their current trade or to enter into the world of electric Vehicles. As a result of that Elecscoot has written a course which is currently being evaluated for an accreditation.

Elecscoot works with contacts in many areas including the unemployment sector and will be offering this course to those currently unemployed, particularly aiming at those aged 16 to 25. Participants can sit the course from the very start and come away with certificates allowing them to work on electric vehicles and in any sector of this industry. Once they have sat the courses and passed guarantee placements will be made available for them, thus bringing the unemployment levels down.

Elecscoot feels courses like these are invaluable to organisations such as the City Council and its garage maintenance teams. Participants can do the courses on day release, and then become certified to work on High Voltage Electric Vehicle systems, again a huge bonus for councils having qualified staff to service and repair electric vehicles.

Elecscoot also runs a basic introduction course which they highly recommend to anyone interested in the electric vehicle world and the demand there will be for qualified personnel in the very near future.

The basic course will cover the history of electric vehicles, different types of power train, film footage of caring for the environment, older electric vehicles and current models available, and some practical work where participants can observe a power train at work. The end of the course would outline what training is available, what areas will bring highest demand and the opportunity to book courses in advance. Elecscoot's electric vehicle range is also extending to the 4 wheel market, particularly the commercial vehicles.

Elecscoot feels its pricing structure is geared up to be very competitive. It will be retailing 1 particular truck, with many different applications available from £18,000 plus vat, where other companies in the sector are charging £90,000 for a medium sized commercial vehicle.

To summarise Elecscoot is a company that has grown on demand, and although a smaller company, it will be a major player in the commercial and training sectors.

Smiles Engineering (NE) Ltd

Smiles specialises in engine and emission control systems for commercial vehicles predominantly for bus and coach operators. The business activity focuses on the engineering and development of bus engine repowers and its unique selling point is the ability to remove an existing engine and insert a new engine in its place.

The business has 30 years of experience initially specialising in the machining and remanufacture of engines for a wide range of applications. During this time the company gained a wealth of knowledge, experience and workforce skill sets. In 2009, the business was acquired by Gordon Mockett with a view to developing the existing scope of the company.

The company offers a range of services including engine repowers, chassis refurbishment, emissions control systems and diesel particulate filter cleaning (car/bus).

- Emissions Control Systems

Exhaust emissions are harmful to air quality and various after market systems have been designed and marketed to fit older vehicles, which have no emission control fitted as standard.

The purpose of the emissions control process is to maintain the system and clean the particulate filters. To do this the company has invested in equipment which cleans the filters by a baking process, as recommended by the major filter substrate manufacturers. The procedure tests the filter before cleaning; clean the filter; and re-test it. Tests are compared to determine how efficient the cleaning has been and if the filter is fit for further use. Smiles customers have included Go Ahead, Arriva, Stagecoach and Travel London, amongst others, and the bus operators find this process to efficient and economical.

- Engine Repowers

The ability to remove a Euro 3 or below engine and repower with a Euro 4, 4+ or 5, gives bus operators huge potential in terms of providing an economical alternative to purchasing a brand new bus and comply with European legislation. Engine repowers can improve fuel consumption by up to 80%, with the lowest improvement 15-20%.

Stagecoach, East Scotland have provided a bus for repower and will monitor fuel economy, performance and reliability 'in-service'. After an appropriate time, an evaluation will be carried out to determine whether the repower has achieved the expected efficiency of 1.5 to 2 miles per gallon. The data gathered from this will be used to market the repower to other prospective customers.

As the business grows there will be a requirement to recruit a skilled workforce of technical employees to support the engineering design and development.

Environment and Attractive City Scrutiny Committee
Low Carbon Vehicles in the Delivery of Public Services recommendations 2011/12

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
(a)	That the Scrutiny Committee be informed of the outcome of the Fleet and Transportation Review and progress in regard to implementation	The outcome of the Fleet and Transportation review will be concluded in summer 2014. Annual updates will be provided to accompany the Policy Review Recommendations Performance Monitoring report*	Head of Streetscene	October 2012	
(b)	That the Council considers implementing appropriate targets for the replacement of its current fleet cars with electric counterparts based upon the findings and recommendation of Cenex with a view to revisiting the cost benefit analysis for larger vans as capital costs change	Fleet and Transportation Service review to establish target numbers for electric cars.

Cost benefit analysis of larger vans to be carried out annually. | Head of Streetscene

Head of Streetscene | December 2012

March 2013 | |
| (c) | That the Council considers an electric car pool system for its staff and that the appropriateness of extending this to the wider community is investigated | Fleet and Transportation Service Review to carry out and conclude on business case for electric pool cars. | Head of Streetscene | December 2012 | |
| (d) | That the Council commissions a comprehensive training programme for drivers should electric vehicles be utilised within the fleet | Training requirements to be established dependant on the outcome of actions (b) and (c) | Head of Streetscene | TBC | |

(e)	That the impact of efforts made to establish the city as a 'Low-Carbon City' be continually monitored to ensure tangible benefits to the city.	Appropriate measures to be identified and included in monitoring for the Economic Masterplan and the Corporate Plan	Head of Performance Improvement	September 2012	
(f)	That the Council considers a range of innovative methods of reducing carbon emissions from all forms of transport and keeps a 'watching brief' on the developments of technology for low-carbon vehicles.	Annual updates will be provided to accompany the Policy Review Recommendations Performance Monitoring report.*	Head of Streetscene	December 2012	
(g)	That the Council explores ways in which to encourage partners to explore the use of low-carbon vehicles where appropriate.	Share the outcomes of the service review through regional networks including holding a regional conference on low carbon vehicles.	Head of Streetscene	October 2012	
(h)	That the Council collaborates with NEPO to present the business case to the region's local authorities and other public sector bodies, to gain the level of commitment required to progress this agenda.	Share the outcomes of the service review through regional networks including holding a regional conference on low carbon vehicles.	Head of Streetscene	October 2012	
(i)	That NEPO considers undertaking further research and analysis to ensure there is clear business case for regional procurement.	Help set up and support the sharing of outcomes of the service review, including the proposed regional conference (see (g and h)

Carry out research on the regional interest in low carbon vehicles using the service review completed by | Director NEPO | October 2012

November 2012 | |

		Sunderland, using the NEPO Joint Committee protocols to support development of a strategy business case for regional procurement collaboration.			
		Carry out market engagement with potential suppliers of low carbon vehicles, with Sunderland to (a) further assess the viability of a regional procurement and (b) encourage interest in the potential procurement especially from local suppliers		December 2012	
		Local Authorities in the North East formally asked to opt in or out of a regional collaborative procurement of low carbon vehicles.		December 2012	
(j)	That any procurement, whether regional or the Council acting as an individual organisation, maximises the opportunities available to local suppliers.	The outcome of the current procurement review will include a revision of policies and practices which will include how the Council can consider the maximising of opportunities available to local suppliers in all relevant procurement activity	Head of Corporate Procurement	October 2012	
(k)	That the Committee receives specific progress updates on the improvements to public transport in regard to reducing carbon emissions as part of wider annual updates given by Nexus.	To be determined and agreed within the new arrangements for the Scrutiny Commissioning Model.*	Scrutiny and Area Arrangements in consultation with Elected Members.		

* Reporting arrangements to be redefined to reflect Scrutiny Commissioning Model.

HEALTH & WELL-BEING SCRUTINY COMMITTEE

REHABILITATION AND EARLY SUPPORTED DISCHARGE

FINAL REPORT

Foreword

Together with my colleagues from the Health & Well-Being Scrutiny Committee we have spent the last few months investigating how health and social care services are working together to support timely and smooth discharges from hospital and support independence in the community.

One of the primary aims for the council and its health partners is to help the residents of Sunderland to have long, healthy, fulfilling lives for as long as possible. Many people may need a stay in hospital at some stage of their lives, and we know that health and social care staff do their utmost to support each individual to rehabilitate. We have heard examples of a lot of good practice around smooth transitions of care and it is clear that all partners aim for a genuinely shared vision of the model that will actively promote smooth transitions. Unfortunately this is not always achieved. All too often the patients with complex post-hospital needs are delayed in hospital after they are clinically fit to leave and then once discharged, many find themselves having to be re-admitted.

We know that there are many reasons for this. The Scrutiny Committee I chair cannot hope to solve all of these complex problems with a review. Many experts have been trying to solve the problems for many years. But what we can do through this review is to make recommendations for improvement and to highlight policy gaps where efforts can be better focused. I hope this will go some way towards helping to improve services.

Our aim with this review has been to review the policies and strategies and to take evidence on the practical application of the policies to determine if they are fit for purpose. The users' experience defines the effectiveness of the policies and our evidence has focused heavily on service user experience.

I am confident the findings and recommendations in our report will go some way to achieve the aims of supporting better services.

Mention needs to be made of the contribution of the health and social care workforce to achieving these objectives. This large group of dedicated staff work exceptionally hard for the people that they care for, often under difficult circumstances.

We would like to thank all of the witnesses who provided evidence to the review. Members would particularly like to thank the co-opted members of the Committee representing Sunderland Link, Age UK, and the Carers Centre and the staff at Sunderland Link who gathered patient evidence to allow their views and experiences to be reported.

Councillor Peter Walker
Chair, Health & Well-Being Scrutiny Committee

1.   Introduction

1.1   On 8th June 2011 the Scrutiny Committee agreed to pursue a review of Rehabilitation and Early Supported Discharge. This report sets out the evidence gathering, findings and conclusions from that review.

2.   Aim of the Review

2.1   To establish how effectively health and social care services are working in partnership to support timely discharges from hospital and promote independence in community settings.

3.   Terms of Reference

3.1   The Committee agreed the following terms of reference:

1. To identify the factors which cause delays in discharging people from hospital.

2. To assess the community-based health, social care and support available after hospitalisation including intermediate care, reablement and other rehabilitation pathways and the expectations put on families and carer support.

3. To make recommendations to appropriate commissioners to consider how any gaps or perceived gaps in service provision can be addressed.

4.   Membership of the Scrutiny Committee

4.1   Members of the Committee during 2011/12 :

Councillors Peter Walker (Chair), Christine Shattock (Vice-Chair), Jill Fletcher, Bob Francis, Anne Hall, Paul Maddison, Fiona Miller, Neville Padgett, Dianne Snowdon, Debra Waller, Norma Wright and co-opted members John Dean, Ralph Price, Victoria Brown and Eihblin Inglesby.

5.   Methods of Investigation

5.1   The Committee engaged partners, stakeholders and service users as participants, observers and witnesses. This included Health, Housing and Adult Services Directorate, NHS Trusts, independent sector, voluntary sector providers, service users and their carers.

5.2   Evidence was included in scheduled Scrutiny Committee meetings held on 6th September and 19th October. Evidence gathering took place at two intensive sessions held on 23rd November 2011 and 12th January 2012.   A stakeholder event was held on 29th February 2012 with 90 invited representatives from commissioners, providers and service users.

5.3   The Committee co-opted representatives onto the Health & Well-Being Scrutiny Committee for this time-limited project. Organisations represented were Links, Carers Centre, and Age UK.

5.4   The Scrutiny Committee has also considered information contained in national guidance, research and best practice.

6.   Setting the Scene

6.1   At a meeting on 6th September 2011 the Committee received detailed service information to set the scene for its investigation of services in support of the rehabilitation and early supported discharge from hospital. The Committee was informed that City Hospitals Sunderland and Northumberland, Tyne and Wear NHS Foundation Trusts, working with multi-agency partners have developed 'Hospital transfer and discharge' policies. Key principles for discharge planning set out in policies include:

- Discharge planning will commence prior to or on admission.
- Ward staff will have ownership for individual patient transfer and discharge arrangements.
- All patients and carers will be at the centre of the discharge process and will receive a copy of the discharge checklist or discharge care plan.
- Identified equipment will be provided prior to discharge.
- For acute hospital admissions
    - every patient will have a clear documented clinical management plan within 24 hours of admission which will be reviewed daily.
    - ongoing discharge needs will be clearly identified as either simple or complex.
    - primary and community care professionals will be invited to attend a
    - case conference prior to discharge for those patients who have complex needs.
- For mental health admissions
    - a multi-disciplinary team meeting will take place within 7 days (or earlier if appropriate) and a care plan developed.
    - the service user's needs for successful reintegration into the community are considered and the care plan will make reference to support in the first week and subsequent 3 months
    - planning for discharge will take place at every review
    - there will be a care coordination review prior to discharge and relevant external agencies will be invited to attend, to review the service user's needs including assessment of risk and formulate a discharge plan.

6.2   These local policies sit within the context of the legal duties required of the NHS and local authorities regarding intermediate care and reablement.

6.3   Guidance from the Department of Health (*Intermediate Care – Halfway Home. Updated Guidance for the NHS and Local Authorities, July 2009*) defines intermediate care as a function which encompasses a range of services. This guidance sets out the principle focus of intermediate care as being *"……people who would otherwise face unnecessarily prolonged hospital stays or inappropriate admission to acute inpatient care, long-term residential care or continuing NHS inpatient care. However, those who might be facing admission long-term residential care should be considered to be equally, if not more, important than the other two groups. All older people at risk of entering care homes, either residential or nursing, should be given the opportunity to benefit from rehabilitation and recuperation and for their needs to be assessed in a setting other than an acute hospital ward."*

6.4   Thus, in most cases, intermediate care services seek to address one or more of three main priorities, namely
    1. Prevent admission to hospital
    2. Speed up hospital discharge, and
    3. Prevent or delay admission to long-term residential care

6.5   In comparison, homecare re-ablement seeks to support people and maximise their level of independence so that their need for ongoing homecare support can be minimised. Thus, its users include those who may have undergone a phase of intermediate care but also people who remain within the community requiring support to live at home and have not been in a hospital or long-term care placement.

6.6   A problem with any comparison of services such as intermediate care, reablement, rehabilitation, and personalisation is in distinguishing a model of care that is most appropriate for each individual. The Department of Health has set out what it expects service models to consist of. For planning purposes intermediate care is categorised into various services models under the 2009 guidance as :

- rapid response teams to prevent avoidable admission to hospital for patients referred from GP's, A&E or other sources, with short term care and support in their own home
- acute care at home from specialist teams, including some treatment such as administration of intravenous antibiotics
- residential rehabilitation in a setting such as a residential care home or community hospital, for people who do not need 24 hour consultant led medical care but need a short period of therapy and rehabilitation, ranging from one to about six weeks
- supported discharge in a patients own home, with nursing and/or therapeutic support, and home care support and community equipment where necessary, to allow rehabilitation and recovery at home. The arrangement may work well in specialist accommodation such as extra care housing
- day rehabilitation for a limited period in a day hospital or day centre, possibly in conjunction with other forms of intermediate care support.

6.7   In practice, homecare re-ablement should complements the work of intermediate care because it seeks to support a different phase on the continuum of care, whether that be different groups of people or the same people at a different stage of their 'recovery'.

6.8   Commonly the residential rehabilitation settings take one of two forms, namely
- Step-up: to prevent admission to acute care by taking referrals from the community or care home settings
- Step-down: to facilitate a stepped pathway out of hospital by taking referrals from acute hospitals and to facilitate return home or to a care home setting

6.9   Department of Health also require the reporting of delayed transfers of care to be submitted monthly for non-acute (including PCT and mental health) as well as acute patients. This monthly delayed transfers return reflects the

provisions of the Community Care (Delayed Discharges, etc.) Act 2003. The Act introduced responsibilities for the NHS to notify social services of a patient's likely need for community care services on discharge, and to give 24 hours notice of actual discharge.

6.10   The definition of a delayed discharge is when a hospital inpatient who has been judged clinically ready for discharge by the responsible clinician in consultation with all agencies involved in planning that patient's discharge, and who continues to occupy the bed beyond the ready for discharge date.

6.11   The Committee was informed that much work has been undertaken both regionally and nationally to understand the features of delays and consider the improvements required in discharge planning processes. The North East Strategic Health Authority has identified a number of factors that they believe may provide optimism towards joint working to address the challenges behind delays in discharge including the transfer of public health responsibilities from PCTs to local authorities and the introduction of health and well being boards and the impact of reablement and other social care funding which is flowing through the NHS to local authorities in a significant way from 2011/12 onwards.

7.   Findings of the Health & Well-Being Scrutiny Committee

Discharge and Transfer of Care Policies

7.1   Discharge and transfer of care policies are in place to manage the discharge and post-discharge process and to establish consistency and good practice. The aims of this review included reviewing these policies and taking evidence on the practical application of them in determining if they are fit for purpose. The users' experience defines the effectiveness of the policies and our evidence focuses heavily on service user experience. The best test of such complex services is whether they work well together from the point of view of the person receiving them, and whether they provide care and support in the most effective and efficient means possible.

7.2   The discharge policies aim for a 'whole system approach' intended to put the patient or service user at the centre of the service provision. Delayed transfers of care can be a symptom of problems in the way the whole system of health and social care operates. The system incorporates a mixture of organisations, people, professions, and services which have patients and service users as their unifying concern and deliver a range of services in a variety of settings to provide the right care, in the right place, at the right time. This is also the nature of the complexity around transfers of care.

7.3   At the outset of the review it was clear that all partners aimed for a genuinely shared vision of the model of services that can actively promote the smooth transition of care. Although there is 'sign-up' to integration, separate commissioning budgets for health, social care, housing and other services tends to entrench a fragmentation of services. Responsibilities lie across several different organisations, from Primary Care Trusts, to local authorities and, through personalisation, with individual service users.

7.4   It was evident to the Committee that positive work has been undertaken across the health and social care sectors to identify and resolve delays

across the health and social care system; both at an operational and strategic level.   However success relies on teams of people, not on strategies. All individuals within the system need to be given the chance to be self-critical to evaluate and improve their own role in the whole system. We heard that communication can be poor both between professionals and with patients, families and carers. The volume of cases in the system leads to pressures on one team to move the 'problem' on to the next service and patients and service users complain they are dealing with too many different people.

7.5   All partners are aware that there are areas of improvement still to be implemented to avoid delayed discharges and unnecessary re-admissions particularly when this affects the most vulnerable and frail people who get caught up in the complex issues involved. Improvement works were underway as we conducted this review and our proposals are intended to be complementary to the planned improvements.

7.6   A fully integrated system of care, support, health, housing and other services is essential, not just to provide high quality support for individuals, carers and families, but also to provide good value.

7.7   The aim of establishing such an integrated system has long been an objective through successive government policies. Fragmentation in the system is both difficult to use and expensive to provide, and funding (which comes from a multiplicity of sources, including local and national government spending programmes as well as private sources) is coming under increasing pressure from the numbers of people using the services. The quality of services delivered and the outcomes achieved are highly variable.

Case Study - Torbay Integrated Care Project

An integrated care project for older people looking at delivering services closer to home. The outcomes have successfully avoided the need for many hospital admissions through health and social care services working closely together. The results include:
- The average length of stay in hospital is low, they have few delayed discharges and there is rapid access to equipment and services that keep people out of hospital.
- A reduction in the average number of daily occupied hospital beds used from 750 in 1998/90 to 528 in 2008/09.
- For people aged 85 and over, Torbay uses only 47% of bed days for people experiencing two or more emergency hospital admissions compared with similar areas.
- Torbay is one of the best performing areas in England in the use of hospital beds and day surgery according to independent analysis conducted by the NHS Institute for Innovation and Improvement.

The importance of these results is that they provide hard evidence of the benefits of integrated care. This has been achieved in an area in which there is a much higher proportion of people aged 65 and over than in England as a whole. By bringing health and social care together, pooling budgets, and setting up integrated teams of front line staff, it has been possible to reduce the use of hospital beds and provide more services to people in their own homes.

The experiences of Torbay suggest that the cause of integrating services around the individual can be best served by integrated funding streams and integrating commissioning.

7.8   The Committee has concentrated on reviewing the policy framework rather than the precise institutional framework and we would be wary of recommending a single structural solution. A more ambitious approach is required than we are able to propose through this review. We have tried to

avoid over-prescription, with an emphasis instead on developing performance and outcome frameworks that create incentives to a more integrated approach.

<u>Avoiding Admissions</u>

7.9   There has been a longstanding ambition across the health sector to manage demand and reduce unplanned as well as planned hospital admissions. NHS trusts are doing all they can to reduce the pressures on A&E resources, including ensuring that patients use existing alternatives to A&E.

7.10   It is clear that tackling delayed transfers needs to begin with bringing about a reduction in the demand for admissions to hospital. Once a patient accesses A&E there is a likelihood they will be admitted as an inpatient. There are many reasons why people access A&E rather than alternative services. These may include:
- Limited awareness of alternative services;
- Limited availability of services out of hours and at weekends;
- Attitudes of families and carers who see hospital as the safest option;
- Poor self-management of conditions;
- Weak case management in mental health.

7.11   Most A&E referrals are self-referrals, but others are by GPs. Generally, experienced GPs make fewer referrals than inexperienced GPs and there are higher numbers of GP admissions to hospital from deputising services. There are occasions when the GP has not seen the patient and may be making a 'social admission' rather than a clinical one. Also, if someone can't get a GP appointment when they want they will go to A&E.

7.12   The capacity to provide care on a 24/7 basis is an important factor in extending the possibility of independent living, reducing hospital admissions, and further reducing admissions to care homes when people are frail or ill. For example, the Urgent Care Team comprising a team of nurses works over 24 hours 7 days a week as a community based resource to prevent unnecessary admissions. The team picks up the most vulnerable cases and this is a good resource for keeping people out of hospital but the Committee noted there seemed to be fairly low awareness of the service.

7.13   Out-of-hours services in Sunderland which provide people with an increased and more varied range of support options to people have been reviewed by the Scrutiny Committee over a number of years and aspects of the range of provision such as Telecare have been highly commended. It is also hoped that the roll out of the 111 service as the 'Single Point of Access' which will be live by September 2012 for NHS South of Tyne and Wear will make an impact on the use of emergency services.

7.14   One of the main causes for admission of patients aged 70 or over includes the treating of preventable injuries like falls which can have a considerable impact on the lives of older people, some of whom may never regain independence again.   Too many people are being admitted to hospital from entirely preventable causes. The NHS spends £600 million on treating injuries from falls and other preventable accidents at home. The prevention and management of falls is part of the government's public health strategy and one of its targets is to reduce the rate of accidents among older people

that require medical attention by at least a fifth. Multidisciplinary collaboration can reduce the number of falls considerably. During evidence gathering Members asked questions about how services work together to keep people safe, reduce the risk of harm and avoid hospital admission. In the Committee's view the risks of preventable injury for older people further emphasises the need to create a support system, which balances the expenditure on services for older people across the whole NHS, social care, housing and welfare.

7.15   Where a patient is readmitted to hospital following a recent discharge the re-admittance will take place for very good clinical reasons. However, reducing readmission rates to the lowest possible level ensures patients are getting the right treatment, both in and outside hospital after their initial discharge. In Sunderland readmissions during 2010/11 reduced to 6.1%, significantly lower than the hospitals peer group, which reported 7.0%.

7.16   The Health and Social Care Bill places the Joint Strategic Needs Assessment and the Joint Health and Wellbeing Strategy at the heart of joint working between health and social care, alongside the new duties to promote joint working. The Government has stated that through these joint strategic initiatives it will 'identify and remove barriers to collaboration and to pooling or alignment of budgets across health and social care'. Priorities in the Sunderland needs assessment include preventing hospital admissions and care closer to home. The aim is to better target advice, information and practical support and interventions at specific individuals, including at a more preventative stage which should gradually tend to reduce the major causes of admission to hospital.

7.17   Locally, it is the intention that the soon to be established Health & Wellbeing Board and the concentration on public health responsibilities will help to bring about faster improvements in public health which should in time contribute to reducing the need for admissions to hospital. The Health Board would seem to represent an obvious starting point for a radically strengthened commitment to integrated health and social care commissioning.

7.18   The development of the Sunderland Clinical Commissioning Group will have an important role in identifying and standardising best practice and promoting the engagement of GPs to assist in keeping people in their own homes. In the Committee's view real progress towards integrated care must begin with a clear commitment to create a fully integrated approach to commissioning and this integration could take place around the clinical commissioning group.

7.19   Analysis of research evidence has identified that some interventions being used in the NHS, although designed to avoid admissions, do not work. At the same time, there is evidence to support greater use of such interventions as self-management of some conditions, senior clinician review in A&E, hospital at home, assertive case management in mental health, and structured discharge planning. Evidence should be used to assess programmes having little or no effect as preventative measures with the de-commissioning of those programmes where there is evidence of little impact.

7.20   In order to successfully reduce avoidable emergency admissions, there needs to be clarity around which types of admissions are potentially avoidable and which interventions are likely to be effective for particular populations.

Planning for Discharge

7.21   Department of Health Guidance is clear that discharge planning should be initiated as soon as – or even before – the patient is admitted[1]. Discharge or transfer planning needs to start early to anticipate problems, put appropriate support in place and agree an expected discharge date. Ideally an expected date for discharge should be set within 24-48 hours of admission, and discussed with the patient and carer.

7.22   In Sunderland, approximately 20% of discharges are categorised as complex and require planning and coordination by a multi-disciplinary team. This team often spans not only a range of professionals but also a number of different organisations, which adds an additional layer of complexity to the process.

7.23   The Committee heard evidence that there had previously been a scatter gun approach to referrals in relation to preparation for patient discharge. Patients had not been central to discharge planning and appropriate exit routes were not clearly identified. This fragmentation led to health and social care staff spending unnecessary time gathering, clarifying and processing information and awaiting responses. This contributed to delayed discharges and a poor experience for some patients.

7.24   'Ward Pow Wows' were introduced with the aim of ensuring that the patient is at the centre of a more streamlined, proactive approach to discharge planning. Basically, this takes the form of a daily, structured meeting of health and social care professionals. They have initially been concentrated on the busiest wards including dementia and stroke wards. Measures of success are: reductions in inappropriate referrals; reductions in length of stay, and fewer delayed discharges.

7.25   It seemed clear that with the introduction of Pow Wows the discharge process had been improved and it was anticipated that this communication mechanism could be built on.

7.26   Pow Wows had been running for about a year and the Committee proposes that this may be an opportune time to review the ward-based discussion groups, particularly with the establishment of the Single Point of Access, this will promote multi-disciplinary consultation and more appropriate use of step-down care in a way that supports the individual patient.

7.27   Patients admitted to hospital and requiring a formal assessment will be allocated to the hospital-based social care team. The team receives 3,500 referrals a year which amounts to 40% of all adult social care assessments. Capacity in the team means that no social worker has more than 20 cases. However, the team often has a very short window to plan a care package and if the patient's condition changes the process will need to start again.

7.28   The Committee heard there is often a very limited time to carry out a patient assessment, and that this may reduce the adequacy of the assessment. Evidence was provided that the time available for assessments may limit

---

[1] DH Ready to Go? Planning the discharge and the transfer of patients from hospital to intermediate care- "*Discharge and transfer planning starts early to anticipate problems, put appropriate support in place and agree an expected discharge date.*"

10

successful outcomes which avoid re-admission. Witnesses reported that assessment was based on the presenting health problem, and excluded any underlying health issues. Planning for hospital discharge is part of an ongoing process that should start prior to admission for planned admissions, and as soon as possible for all other admissions. This involves building on, or adding to, any assessments undertaken prior to admission. Implementation of the assessment process needs to take account of this critical issue.

7.29   The assessment for, and delivery of, continuing health and social care should allow patients to understand the continuum of health and social care services, and enable them to make informed decisions about their future care. The Committee was informed that, in the view of service users, the criteria is not fit for purpose and favours cases at the extreme end of care which are, in a sense, easier to define and plan for. Evidence was provided from a carer who reported that a patient with multiple health problems did not meet the criteria despite having repeated admissions to hospital.

7.30   The Committee is aware that support for independent living has delivered choice and control for many, when compared with receiving care in a residential home or long-stay hospital. However, when re-organising support to further restrict the number of care home admissions, adequate alternatives need to be provided otherwise there is a risk of people's health and wellbeing deteriorating if they do not qualify for support.

7.31   There are challenges for social care teams in implementing care packages, particularly at holiday times and also at weekends. For example there is a huge demand for care packages just before Christmas. Patients can find themselves having to wait until the care provider can re-start the package. With the emergence of self-directed support patients admitted to hospital with a pre-existing care package may find them more difficult to have them re-started in future. The Committee also heard evidence that there can be communication gaps between the medical social worker and community social work team.

7.32   Views were expressed by families and carers that in their view patients are sometimes discharged too soon. The pressure to discharge/transfer patients and release beds, and a trend to shorter lengths of stay means that assessment and discharge planning, by necessity, is concentrated into a shorter time scale. Effective and efficient discharge practices are necessary to ensure that premature discharge is avoided and an increase in re-admissions prevented. Evidence was received that often the patient themselves believes they can go home, and feels they are safe but the support levels can be extensive for the family. In these cases re-admission can be caused by carer breakdown. Additionally, it was evident that funding a care package too early before full recovery is known will push more patients into having less choice on how their services are provided and they may face a higher risk of premature admission to care homes.

7.33   Premature discharge typically leaves the patient with some unmet needs and poorly prepared for living at home. Carers have reported that inappropriate assumptions are made about their ability to cope. Preparation to ensure medicines compliance, chronic disease management and the provision of,

and ability to use, equipment are some aspects of helping the individual prepare for life outside of hospital that require sufficient time and attention.

7.34 As part of on-going improvement work discharge training has started for all disciplines within the hospital starting with nursing staff. A discharge 'issues' form highlights issues and complaints from patients and patterns emerge which can be identified and learned from, for example, balancing the needs of the patient and the carer can be complex.

7.35 Rather than making the decision on future care needs while someone is in hospital, more step-down assessment outside of the hospital would ideally give more time for recovery so that appropriate decisions can be taken. In many complex cases enhanced assessment will be needed. Where there is doubt about the patient's ability to cope after discharge, the ideal would be to transfer the patient to another setting which enables enhanced assessment to take place. This advanced care planning would allow patients to be involved in planning their own future.

Delayed Discharge

7.36 A delayed transfer of care is experienced by a hospital inpatient when they are ready to transfer to the next stage of care, but this is prevented by one or more reasons. It is frustrating when patients cannot leave hospital because they are waiting for something such as the completion of an assessment, a care package, or community equipment.

7.37 The numbers of delayed discharges locally are set out in the tables below:

City Hospitals Sunderland NHS Foundation Trust		
2010/11	All Discharges	
	57735	
Northumberland, Tyne & Wear NHS Foundation Trust		
2010/11	All Discharges	Sunderland TPCT Discharge
	644	540
Approximately 80% of discharges per annum are for adult mental health		

7.38 The Department of Health requires NHS Trusts and Councils to record and report reasons for delayed discharges under ten headings.

Delayed Discharges Aug 2010–Sept 2011	Sunderland		NE Region	
	NHS Related	LA Related	NHS Related	LA Related
Completion of assessment	32%	25%	6%	13%
Awaiting housing	26%		6%	
Patient or family choice	13%	4%	13%	11%
Further non acute NHS care (including intermediate care, rehabilitation etc	9%		56%	
Community equipment / adaptations	7%	9%	2%	2%
Disputes	5%	1%	2%	3%
Awaiting residential care home placement	4%	12%	4%	29%
Care package in own home	3%	25%	2%	19%
Awaiting nursing home placement	1%	9%	6%	10%
Public Funding		15%	3%	13%

7.39   The highest categories contributing to delays include awaiting an assessment, care package in own home and awaiting suitable housing.

7.40   Delayed transfers of care can be a symptom of problems in the way the whole system of health and social care operates. There is a need for partner organisations to develop genuinely shared visions of the model of services that can actively prevent delays including a focus on key parts of the whole system, particularly services that might prevent admission to hospital.

Whole System Approach

7.41   It is increasingly evident that effective hospital discharges can only be achieved when there is good joint working between the NHS, local authorities, housing organisations, primary care and the independent and voluntary sectors in the commissioning and delivery of services including a clear understanding of respective services. Without this the diverse needs of local communities and individuals cannot be met.

7.42   For example, the Committee heard that the voluntary sector provides a valuable contribution in managing capacity within a whole system and often 'fill the gaps' both at the point of discharge and when they have returned home. Low level interventions can be provided by the voluntary sector to contribute to greater independence for vulnerable older people. Such examples include the provision of new slippers to prevent falls, loans of care equipment and proactive support for carers.

7.43   Age UK Sunderland provides a Hospital Discharge Service for patients without a care package or family support. Patients receive assessments from the Age UK team in the discharge lounge and receive referrals from staff on the wards as well as linking with the hospital reablement team. The Age UK service is gaining an increasing number of referrals on a daily basis and positive relationships have been built up with hospital ward staff.

7.44   The Committee felt that there was scope for promoting additional services and support networks to patients, particularly across the voluntary sector. There are still gaps that people without an assessment fall through. For example, we heard that there are gaps in staff on the wards identifying patients who could benefit from referral. Patients in the discharge lounge are 'in the system' but others slip through who may be discharged directly from the ward.

7.45   Other patients who will benefit from interventions from other sectors include people living in temporary or insecure accommodation who may have difficulty accessing primary care, which means that they do not seek treatment until their problem is at an advanced stage. Once admitted, they can present a complex medical and social picture. Patients at risk of homelessness, and in particular rough sleepers or those with a chaotic lifestyle – have poorer health than the rest of the community.

7.46   Older people are the principal 'customers' of Housing Associations with something like half of all housing association tenancies held by people who are 60 or over. The NHS, social care and social housing are most frequently used by older people, and these older people often have several needs at the same time; a need for NHS care from their GP and a specialist for a long-term condition like diabetes, a need for help with washing, dressing or getting

around that is often provided by the council, and a need for housing. The Committee heard that in Sunderland 60% of patients with heart conditions live in Gentoo properties. The evidence is therefore clear that many older people, people with disabilities and people with long-term conditions need to access different health, social care, housing and other services, often simultaneously and this requires partners *working together differently*. Unfortunately the evidence is also clear that these services can be fragmented, and those who need to rely on them often find that they are hard to access and that there are inadequate links between them.

7.47   It is clear that the independent sector can bring specific skills to partnerships with the NHS, enabling innovation, investment and transformation in integrated care services. Building capacity and partnership in care requires a strategic, inclusive and consistent approach to capacity planning. The Committee heard views that there was scope for the independent and voluntary sectors to be further involved in constructive co-operation with health and social care in providing care and support for adults.

> **Case Study - Havebury Housing Partnership**,
>
> Havebury has come to an arrangement with a local hospital about discharge. They provide a flat, at a cost of £150 a week, which stops someone potentially having to stay in hospital while the discharge programme is properly set in place, at a cost of £2,800 a week. There is research evidence of the value of having a warm and secure home, in terms of reducing demand on the health service and about the impact of supporting people through this type of partnership agreement, for example: £1.6 billion generating £3.4 billion of savings and many of those savings are in health.

7.48   Evidence shows that discharge policies benefit from joint working agreements, with the voluntary sector (and for example those working with the homeless, people in prison and asylum seekers). Successful joint working often benefits from jointly owned protocols, including with the voluntary sector, for assessment, referral, monitoring and review of services in all sectors. Joint working can be improved by :

- Making available information about who does what in the organisation, whom to contact for different purposes etc co-locating staff;
- Sharing training strategies and programmes;
- Staff spending time "shadowing" partners in other sectors or short-term secondments;
- Using the independent sector in formal monitoring mechanisms;
- Sharing records.

7.49   To make best use of the resources of all providers, tailored to the needs of particular communities, locality specific information gathering will be required to jointly commission what is needed in those localities. This will allow the right services to be commissioned in each area of the city.

Information on discharge

7.50   It is the responsibility of the care setting making the referral to ensure any previous assessment and care planning information accompanies the individual, or is transferred as soon as possible.

7.51 Transitions between care settings and services are significant points at which patients are particularly vulnerable to loss of continuity. A recent report from the Health Foundation concludes that 'poor communication, particularly during handover from one team to another, and during discharge from hospital, is the commonest cause of poor quality care'.

7.52 Patients are aware of the importance of information in continuity of care and expect GPs to know about their hospital treatment, and to have the results of investigations. They dislike having to repeat their story to different clinicians. When the processes between professionals are working smoothly they are generally invisible to the patient however it becomes apparent when co-ordination breaks down and impacts negatively on the patient's experience of care.

7.53 GPs themselves are frustrated by poor communication. A nationwide survey of GP practices carried out by the NHS Alliance in 2010 found that more than half of practices surveyed (124 practices) have seen patient safety put at risk because of poor discharge information; 7 out of 10 doctors say they have experienced instances where the clinical care of patients has been compromised because discharge information was late, incomplete or both, and when asked about the past three years 9 out of 10 say clinical care has been compromised.

7.54 In Sunderland it is generally agreed that there have been improvements in sharing relevant discharge information, including with GPs, in a timely way. The City Hospital Sunderland's 'Hospital Transfer & Discharge Policy - Transfer of Care" includes standards on a range of measures including providing documentation regarding the patient's medical management plan when they are transferred to another hospital or organisation, faxing a copy of the discharge letter to the GP on the day of discharge and ensuring that the GP is informed by telephone if an urgent visit is required post discharge. Evidence was provided of good practice in this area including nursing staff going through information with patients before discharge but there are occasions when some patients report they had been discharged with no information. GPs reported to Committee that communication is better but still patchy. Some specialities were highlighted as good practice for example intensive care send out information the same day.

7.55 We can see that preventing admission and re-admission requires active management of transitions, including timely and accurate information, good communication between hospital and primary care physicians, and a single point of co-ordination. The Committee recommends an audit the timely supply and completeness of in-patient discharge information as a useful start in setting standards and quality monitoring of information continuity.

Discharge to Community

7.56 The North East has historically had the highest levels of hospitalisation and care home admission in the country; however, in Sunderland there has been a strategy to reverse this trend and provide care closer to home.

7.57 Re-abling people within their own homes through the provision of intensive therapy and care while focusing on skills for daily living is a key policy priority for health and social care in Sunderland. The Council's aim is to eliminate the

need for admissions to residential and nursing care, and for all people to be enabled to live independently in their own home, in the community.

7.58   Members heard that the impact of reablement and other social care funding which has been flowing through to the local authority in a significant way from 2011/12 provides optimism towards addressing some of the challenges behind delays in discharges. Funding from the Department of Health is allocated to the PCT for post-discharge support. The focus of schemes in the South of Tyne & Wear has been on increasing and enhancing established services.

7.59   An evaluation of the reablement scheme in Sunderland was carried out in May 2011 by a consultancy commissioned on behalf of SOTW.

7.60   The Committee was informed that for all schemes assessed patient and staff feedback has been very positive and timeliness and quality of services has been enhanced with the investment. However, not all schemes are operating to full capacity and for some measures it was too early to assess the impact although there was a significant decrease in excess bed days compared with the same period in 2009/10 and 2008/09.

7.61   While the provision of enhanced services it to be welcomed, it was very clear from evidence received that both the service users and many professionals had limited knowledge or understanding of the services available and the distinction between the different types of support was confused. There is potential for this to be exacerbated when services start accepting direct GP or patient referrals.

7.62   Unlike the services provided by the NHS, which are largely provided free at the point of need, social care services are subject to a means test and many people will be expected to pay for some or all of their care and support. This may come as a shock to many. It also serves to sustain the artificial distinction between health and social care services, making joined-up, integrated care more difficult to achieve.

7.63   Personal budgets (one element of the personalisation agenda) allow individuals to have direct control over how their care needs are met. Following an assessment, an individual can be allocated an indicative budget that could be made available to them to meet those needs. Individuals are given the choice of an account held and managed by a local authority, a direct cash payment in lieu of services or a mixture of both.

7.64   Personalisation raises issues of how to dove-tail reablement and self-directed support. For example, in some cases an individual's reablement will be followed by a home-care package from an independent provider. In these cases home care contracts should promote continued reablement to avoid a dependency culture existing within the independent sector. Providers are likely to require training to support this culture. In other cases, people will want a Direct Payment, or to employ a Personal Assistant. This raises the issue of how to ensure effective hand-overs which maintain independent living. The disparate nature of service provision will potentially make efficient patient pathway navigation more difficult.

7.65   It is known that significant savings can be achieved by investing in expansion of reablement services. User satisfaction rates are consistently high and clear

benefits for users have been identified. To gain the full benefit of the services, there needs to be greater access and awareness of reablement, its impact and how it can complement Intermediate Care.   This could include exploring how reablement could be re-positioned to reach all those who could benefit, by becoming an integral part of the 30-day post discharge process and how it could be expanded to an admission avoidance service.

7.66   Living independently at home requires the availability of services in the community. Repeated emergency admissions can suggest a lack of effective community support. The Committee heard that sometimes unrealistic expectations can be given to patients in hospital about the level of support that will be available when the patient returns home. There may be no mention of having to wait for equipment or adaptations particularly when staff are under pressure to keep the system moving. This may support the flow of early discharge but there is evidence that support and equipment is not always available in a timely way. It is important to be honest and open with patients about the realities of going home so that things don't go wrong out of hours when patient realises nothing is available.

7.67   Evidence was received from South of Tyne & Wear Community Health Services which South Tyneside NHS Foundation Trust manages as a new model of care and partnership working across South of Tyne & Wear. Services include amongst other things district nursing, health visiting, and specialist nursing care supporting patients with diabetes, community matrons, and palliative care. The service works with partners to identify people who need help and support within the community.

7.68   The services had originally been just step-down (from the Ambulance Service). Latterly, GPs have been more involved in signposting to the team. The service supports 17,000 patients per month. Community services encourage self-referral however it is not known how many more people could benefit if the services were better known.

7.69   The Committee heard evidence of concerns following this centralisation of services, some of which have apparently worsened in exactly those areas which cause service users the most frustration, for example, ensuring that care is provided by as few professionals as possible, and being able to demonstrate good communication between professionals and with the service user and their informal care networks (cross-boundary and team continuity).

7.70   In 2010/11 District Nursing teams delivered care to 312,012 patients. Some of these patients were hospital discharges and some required care either at home or in a care setting. District Nurses work with a range of teams including 366 GPs in Sunderland over 74 bases. The current provision of district nursing services had caused concerns particularly in relation to the single point of referral and also around certain aspects of the specification e.g. link nurses and named nurses. It is not clear of the extent to which this is affecting services to patients as the review did not carry out research around this specifically but it is certainly causing frustration for clinicians.

7.71   Prior to the centralisation of the service in 2011 GP practices had a team of district nurses attached to their practice and were able to form relationships with individuals. GP practices have reported they are finding the district nursing service more difficult to access since centralisation and the current arrangement is more formal through multi-disciplinary team meetings. To

attempt to address these issues a revised service specification will be implemented using localities so the patient has the same nurse most of the time. The Committee would like to see the role of the district nurses aligned to the whole-system approach as described throughout this review and involved, as necessary, at each stage of a transfer of care.

7.72   The Sunderland Clinical Commissioning Group has started work on patient consultation and is linking in to local authority improvement work. One of the objectives is around avoiding asking patients to explain the same information to different agencies. This should help to identify and standardise best practice. Currently, GPs may not even know which social workers operate in their patch. It is hoped that through the CCG it will be able to improve knowledge and services in the five localities.

7.73   We heard evidence that more support is needed in managing medication as this could lead to re-admission if not taken properly. Various prompting devices can be used as medication reminders. They can be used when the user forgets to take medication, gets confused about which medication to take or has a complex medication regime. We would propose the investigation of a city-wide medication support solution for vulnerable people living at home.

7.74   The Committee heard evidence that while there is a range of services in the community to support people to live at home that there is too little understanding about what services are available and how to access them. For example, there seems to be limited knowledge about the ability to self-refer for many community services. Over-servicing in some areas and a confusion of when and how to use services leads to duplication and waste.

Discharge to Intermediate Care

7.75   Sunderland has a good record of intermediate services. The Council working in partnership with Sunderland TPCT, City Hospitals Sunderland and NTW established a joint intermediate care service 10 years ago, which is regarded as one of the best in the country. The Committee visited the focal point for intermediary care at Farmborough Court, a revamped nursing home, currently with access to 38 single rooms (14 nurse supported beds are currently provided by the Hospital), which concentrates on getting patients back to independent living. It was the first in country to offer intermediate care to dementia patients. The service has access to community therapy and reablement, nurse practitioners, community psychiatric nurses and GP input during the day. Training to NVQ level is available to all staff.

7.76   It was evident that a lot of work had been done in Sunderland to provide intermediate care and keep people out of hospital. Between 2008/10 significant re-design and development of intermediate care, reablement and rehabilitation pathways led to a number of new services filling critical gaps.

7.77   A variety of additional resources are available including Extra Care Reablement Flats at Cherry Tree and Bramble Hollow which will be available soon for those people who would benefit from living in a supported environment. 'Time to Think' services are also provided for people who have had a recent episode of ill health but require further time to recover while undergoing some support. The Committee visited the new Primary Care Centre at Houghton where the original specification had been limited to rehabilitation and reablement. The centre which will open fully in 2012 now

includes step-up care (just short of hospital care). A GP will be attached to the PCC 7 days a week.

7.78   The supply of services needs to provide people with genuine choice over their future care with appropriate capacity in a wide range of services that promote independence. There is still an over-reliance on institutional settings rather than community or home-based solutions. There is a tendency for vulnerable older people to default to a hospital bed at a time of crisis and subsequently become institutionalised, when an earlier intervention might well have been more effective in maintaining their independence.

7.79   The Committee has seen evidence of intermediate care services supporting timely discharge from hospital and increasing the numbers of successful transfers to independent living, however, there was concern expressed to the Committee that new facilities are not used for the 'whole-system' approach with too much emphasis on early supported hospital discharge and insufficient emphasis on prevention. It is hoped that an increased range of provision will help to prevent some hospital admissions, and reduce the number of individuals admitted prematurely to a care home.

7.80   The Committee welcomes developments towards greater joint working between health and social care to develop a more integrated model for intermediate care, reablement and rehabilitation for individuals with long term conditions and complex care needs. The quality and range of provision is to be welcomed in providing alternatives to hospital, when recuperation and rehabilitation is required.

7.81   The Committee heard that, while there is a range of provision available, there was a view that provision was not always used to best effect. It is important that the range of provision is not fragmented and that each facility can function as part of a coherent network of services to prevent unnecessary admissions and facilitate swift discharge from hospital. It was reported to Committee that there had been limited communication with some parts of the health and social care sectors, even though those individuals were referring into services, about the purpose and referral criteria for some of the new provision. There was also some confusion and concern about failure to make best use of the range of services, for example, what is available, in what circumstances to access services.

7.82   The previous system of referrals to services had been fragmented and a new improvement during the period of this review is the development of a Single Point of Access Model (SPA) for the hospital, GPs and Local Authority for routes into intermediate care and reablement.

7.83   The SPA Team commenced service on 5th December 2011, initially based in Farmborough Court but as soon as possible will re-locate to the acute hospital site with access to hospital and City Council IT systems. Referrals to the SPA can be made by any professional following the provision of basic information on a single referral form. Referrals will be accepted for both step up and step down services for people who are medically stable following an episode of acute hospital care and requiring further rehabilitation / reablement either within their home or a bed based service.

7.84   We welcome this development and it is hoped this will overcome some of the issues raised in relation to lack of clarity about when and how to use services

and will further support the transformation of the services into a single integrated service. The Committee will be interested in monitoring the success of the SPA model as it is embedded.

Discharge to care placements

7.85   Whilst it is important to ensure that discharges are timely, it is also fundamentally important to ensure that the outcome of the discharge is appropriate to individual needs. Department for Health guidance states that there is evidence that too many older people inappropriately enter long-term residential care direct from an acute hospital. Guidance recommends that such decisions should not be made in an acute hospital other than in very exceptional circumstances and rehabilitation and enablement should always be considered as the first options[2].

7.86   Currently, it is thought that the numbers of people admitted to residential care directly from hospital in Sunderland is too high. The number of hospital admissions from care homes to hospitals is also under scrutiny with a number of trials taking place in other areas looking at admission avoidance by working with GPs and concentrating on care homes that send older people into hospital inappropriately such as reaching end of life when there is nothing that can be done to alleviate the inevitable.

7.87   Solutions could include providing care staff with the training and confidence to be able to care for patients with long term conditions and those with dementia.   The Committee felt it would be helpful to explore what is expected of care homes in order to avoid hospital admissions and to ensure that all care homes provide a good standard of practice that, where evidence shows a disproportionate rate of admissions, that future contracts include arrangements for employers to be required to release staff for training.

7.88   A CQC inspection of Sunderland Adult Services in 2010 noted "Hospital discharge arrangements …. needed to ensure care homes were not asked to admit people prior to pre-admission assessments that ensured their needs could be met."

7.89   The discharge process is now through a panel to oversee decision making with regard to long term care placements. The panel was set up for quality assurance. The practical operation of the panel has typically agreed around 7 cases a week into placements. The number of individuals seeking panel assessment is higher than this, resulting in a bottleneck while cases wait to be considered. Individuals 'who are waiting to go to panel' may wait in a variety of places however evidence was provided that the panel is causing some patients to stay in a hospital bed for long periods as some patients can wait 6-7 weeks for a panel discussion. It was reported that in one case a patient had been waiting since 27 September 2011 in a hospital bed for a decision which ultimately could be overturned anyway.

7.90   The current operation of the panel reinforces the Committee's view that there should be greater focus on multi-disciplinary consultation and full utilisation of the range of step-down options. The Committee proposed that in relation to

---

[2] DH (2009) *Intermediate care – Halfway home: Updated guidance for the NHS and local authorities*.

the existing discharge panel, there is a need to review and reconfigure the model for decisions on long term care.

Patients' Views

7.91 The main focus of this report is the needs of those individuals often, but not only elderly people, who suffer from long term and chronic conditions and who need coordinated packages of care to allow them to lead fulfilling lives. People with long-term conditions are major users of the NHS. Greater life expectancy means patients can typically have several long-term conditions. One of the most challenging of these is dementia. 70% of acute hospital beds are occupied by older people, 20% of acute beds are occupied by people with dementia and 75% of residents of care homes have dementia. These individuals who constitute the 'typical' users of services - account for 29% of the population, but 50% of all GP appointments and 70% of all inpatient bed days.

7.92 The views of some of these 'typical' services users were collected through structured interviews in several wards at Sunderland Royal Hospital and the discharge lounge.

7.93 Patients and their families reported a mixed experience when discharged from hospital. Most had a very good experience while others had or some issues which had caused some concerns. A common reason for dissatisfaction was the lack of communication between clinical staff and the patients and their families. The feeling amongst some relatives and friends was that where patients were unable to understand, hear properly or speak up for themselves this sometimes compromised care as the carer was not always fully involved.

Patient Pathway – Mental Health and disability services

7.94 Issues for this service are the complexity of the cases, length of stay can be significantly longer than in the acute sector, multi-disciplinary care packages can be required and effective discharge must involve the family and carers, and in some cases advocacy services.

7.95 In order to reduce hospital admissions for this group of patients prompt assessment and treatment is required together with needs led support. The discharge policy requires that a multi-disciplinary team meeting will take place within 7 days (or earlier if appropriate) and care plan developed. To reduce the length of stay in hospital requires appropriate rehabilitation services, relevant accommodation and engaged community support. As of 1 January 2012 there were 19 people from Sunderland defined as delayed discharge in this service.

7.96 The structure and facilities linked to this service has altered significantly through the plans developed to provide new in-patient accommodation in Sunderland and South Tyneside. Known as the PRIDE Project; meaning Providing Improved mental health and learning Disability Environments. In September 2011 work got underway with the demolition of the former Ryhope General Hospital. Pride also includes work on the Dementia Care Centre at Monkwearmouth Hospital, which the members of the Committee visited and a new Memory Protection services to start in April 2012. The Committee had been consulted on the closure of two campus wards at Monkwearmouth

Hospital where people with very complex needs had been moved into the community. One of the outcomes of all of these developments is that there are many less in-patient beds and alternatives have to be found with appropriate accommodation, engaged community support and localised provision.

7.97   The Committee is aware of the stigma of mental health in the community and the type of community the person lives in is therefore very important. NTW are working with the police on tackling disability hate crime and there is a good relationship with housing partners although there can often be long delays in finding suitable accommodation. If the housing or the community is wrong the individual will end up back in hospital.

7.98   For a mental health service user who requires an in-patient admission, the original mental health social worker or health professional retains responsibility for care co-ordination throughout the hospital stay. The care coordinator needs to be in close liaison with the ward staff.

Hawthorn Ward - Outreach service

Assertive outreach teams provide long term and intensive support to people who are suffering from a mental health problem and are judged to be the most vulnerable. The outreach service has been running for 8 years and is successful at preventing re-admission to hospital. A member of staff follows the patient journey which includes early prevention. The approach proves the case for supported discharge. They support people who have historically avoided contact with mental health services.   The team strives to establish a relationship with the service user and understand his or her specific needs, hopes and aspirations. This improves the way people cope with mental health problems and helps them to live as full a life as possible, with the aim of boosting their quality of life.

7.99   Currently there are no mental health nurses in A&E or mental health social workers based in the hospital. There is however a liaison service and a crisis assessment and home treatment team which routinely works with A&E. The Committee heard that once a patient with mental health problems is admitted to hospital, there are often complex issues which make smooth discharge more challenging. Patients can be supported by this team at home as an alternative to an in-patient admission if that is appropriate for the individual.

7.100   Greater community level support may avoid the need for many individuals to present to A&E.   While it is beneficial that there are community based workers offering specialist assessment, treatment and care to adults with mental health problems in their own homes, the Committee felt this could be extended further to provide support and advice to primary care services including providing advice and training which could provide useful skills, including to help 'skill-up' voluntary sector workers. This could also extend to meeting with other providers to discuss management of patients, and undertaking shared clinical governance at community level.

7.101   The Committee believes that information received through this review provides evidence that an increased focus on mental health support within the community, through a model of clinical governance in the community would reduce the level of A&E access and subsequent in-patient care.

Carers' Views

7.102   It became evident throughout all aspects of the services we reviewed that supporting carers in their role needs to be a key element of ensuring that the reablement and intermediate care services are as successful as possible.

7.103 Sunderland has more carers than the national average and more provide care for over 50 hours a week. According to the last Census, Sunderland had a population of 280,807, of which, around 32,000 people reported themselves to be a carer. Carers in Sunderland save the economy £706.9 million per year - this is what it would cost the city if the care they provide had to be replaced. Many people do not consider themselves to be a carer therefore the true figures are likely to be higher.

7.104 As many people do not readily identify themselves as a carer, it becomes about making sure that people recognise that they can get the support that they are entitled to from being a carer. That is a major problem: to get people to identify themselves, let alone other professionals to help identify them.

7.105 The Government has taken a number of actions on identification of carers. The Quality and Outcomes Framework (QOF) is a voluntary incentive scheme that rewards GP practices for, amongst other things, identifying carers on a carers register and referring them to the local authority for assessment. The Princess Royal Trust for Carers has stated that take up for this QOF indicator has been quite high (though this does not mean that all carers have been identified). Carers UK, the Princess Royal Trust for Carers and the Royal College of General Practitioners have also been awarded funding from the Department of Health to look at using carer and GP ambassadors to support early identification of carers on GP lists.

7.106 City Hospitals Sunderland and Northumberland, Tyne and Wear NHS Foundation Trust include in their discharge policies that all patients and carers will be at the centre of the discharge process. We were aware of much good practice, however, there were also examples reported in evidence gathering of a gap between the understanding of good practice which is shown in training sessions, and what actually happens on some wards. For example, discharge discussions do not always include the carer. Sunderland Carers' Centre has the potential to support carers at discharge meetings and throughout the follow-up. Involvement of the carer would support discharge planning including the practicalities of a patient discharge. People have been discharged in their pyjamas as the family were not told it was happening so had not brought clothes.

7.107 The Committee sought the views of carers through a forum meeting and through a written survey. Due to the breadth of services that link to the hospital discharge and wider community health and social care services, there a broad range of experiences related. However, concerns post-discharge for carers can be summarised as:

- Feeling that they were not 'fully' involved in decisions about discharge
- Not being able to deal with the same support staff and having to repeat the medical history to different workers
- Poor communication with families
- Families not listened to when concerns are raised
- Roles of and access to district nurses
- Not being talked to or supported in their role as a carer
- Not being given information to help in a caring role

7.108   One carer described the discharge process as 'erratic' although in the main carers did have a contact to go to if concerned about anything post-discharge. Reference was made to the discharging of patients who may still be unwell who have to be re-admitted a few days later. The Committee had already heard that some patients do overstate their ability to cope at home in order to be discharged and carers need to be honest about what they can manage which reinforces the need for greater dialogue with the carer.

7.109   Once discharged, carers commented that Community Matrons were a valuable support and much appreciated as was the support from the Carers Centre. There are 16 Community Matrons in Sunderland working across the city and linked with GP practices. They coordinate services for people with complex needs, which may reduce admissions to hospital by providing support at home. They have clinical assessment skills, extended and supplementary prescribing skills, and supportive skills across the patient pathway.

7.110   Whilst intermediate care and reablement services have been developed locally for service users and patients the Committee felt that the potential for providing services to carers needs to be fully explored. There was also a lack of understanding about the different support services.

7.111   The Committee was informed that the Council is in the process of developing a Carers Resource Allocation System (RAS) which will deliver personal budgets for carers, to enable them to access support and respite as flexibly as possible. This system will build on existing experience from the Carers Breaks and Opportunities pilot. Although this is contingent on success in the testing of the model, it is anticipated that this will be fully operational by the spring 2012 and should afford carers a better level of choice and control over the support they need to maintain their caring responsibilities and look after their own health and well-being.

7.112   The cross-Government Carers Strategy identifies four key priorities:
   - supporting those with caring responsibilities to identify themselves as carers at an early stage, recognising the value of their contribution and involving them from the outset both in designing local care provision and in planning individual care packages;
   - enabling those with caring responsibilities to fulfil their educational and employment potential;
   - personalised support both for carers and those they support, enabling them to have a family and community life; and
   - supporting carers to remain mentally and physically well.

7.113   Despite these commitments, the NHS Information Centre Carers Survey found that only 6% of identified carers were offered a carer's assessment in 2010-11. Some 67% of carers who had been assessed said they had received a service of some kind as a result of the assessment. The most common services were equipment such as mobility aids (26%), services for the person they care for (22%) an assessment of the person they care for (21%) and information about benefits (20%).

7.114   The Committee welcomes the Government's recognition of the importance of support for informal carers and carers' assessments. The Committee is however concerned that the effectiveness of the policy is too often

undermined by the failure of GPs, social workers and others to identify carers. The Committee believes there needs to be new and more effective ways to identify carers in order to ensure that their needs are properly assessed and met. The Committee heard that discharge information passed to GPs may usefully include discharge 'coding' to identify when someone is a carer which may build additional support into the system.

7.115   As a safeguard to ensure appropriate checks are in place for carer support, and to ensure what is appropriate for the individual and the locality they live in, the Committee recommends drawing up a check list of information needed by carers which could be used as a template for discharges. This is a fitting support mechanism within a multi-disciplinary approach.

8.   Conclusion

8.1   We have spoken with people who use and work in the services and heard evidence that integration can prevent hospital admissions and support independence in the community.

8.2   This report highlights several significant issues that the Committee has identified from the substantial body of evidence received during our review. Our aim is to paint a picture of how a fully integrated system could be achieved with more efficient use of what is already available and the improved outcomes that it could deliver.

8.3   The Committee heard that there is a whole system approach to discharge and aftercare but every link has to work otherwise the patient doesn't get what they need. Full integration and team work is not yet fully in place and successful delivery will rely on team work, rather than on any strategy or structure.

8.4   In the future, the joint strategic approach has the potential to provide a platform whereby self-assessment, resource allocation, and the individualisation of a range of health and social care / welfare / education / training can be articulated in a structured manner. Such a platform will undoubtedly generate better outcomes and savings in social care including the potential to deliver a range of other benefits including reduced hospital admissions and supporting personalisation.

8.5   The work currently being co-ordinated through new partnership structures will also address public health factors which should in time contribute to reducing the need for admissions to hospital. This needs to include health education with people being made more aware of how to manage their health in the long term.

9. Recommendations

9.1 The Committees key recommendations to the Cabinet are as outlined below:

1. Policies and strategies should have an overarching emphasis on developing performance and outcome frameworks that create incentives towards a more integrated approach. To ensure oversight of the whole system approach described in this review, these recommendations should be referred to the Health & Wellbeing Board, with oversight of delivery of the actions by the Adults Partnership Board.

2. In order to successfully reduce avoidable emergency admissions, further clarity is needed around which types of admissions are potentially avoidable and which interventions are likely to be effective for particular populations.

3. A review of the ward-based discussion groups should be carried out based on an assessment of their success against the measures and in the context of the establishment of a Single Point of Access.

4. An audit of the timely supply and completeness of in-patient discharge information is required to set standards and quality monitoring of information continuity.

5. How to achieve greater access and awareness of reablement, its impact and how it can complement Intermediate Care should be explored. This should include how reablement could be re-positioned to reach all those who could benefit by becoming an integral part of the 30-day post discharge process and how it could be expanded to an admission avoidance service.

6. The Committee would like to see the role of the district nurses aligned to the whole-system approach as described throughout this review and involved, as necessary, at each stage of a transfer of care.

7. A working group should investigate possible solutions for a city-wide medication support model for vulnerable people living at home.

8. Where evidence shows a disproportionate rate of hospital admissions from care homes, future contracts should include arrangements for employers to be required to release staff for training.

9. In relation to the existing discharge panel, there is a need to review and reconfigure the model for decisions on long term care.

10. An increased focus on mental health support within the community, through a model of clinical governance in the community would reduce the level of A&E access and subsequent in-patient care.

11. There should be a check list of information needed by carers which could be used as a template for discharges.

10.   Acknowledgements

The Scrutiny Committee is grateful to all those who have presented evidence during the course of the review. We would like to place on record our appreciation in particular of the willingness and cooperation we have received from those named below:

Contributor	Subject Area	Date
Jean Carter, Deputy Executive Director, HHAS Ailsa Nokes, Strategic Lead for Long Term Conditions, NHS South of Tyne and Wear	Setting the Scene	6 September 2011
Bev Atkinson, Managing Director of Community Health Services for NHS South of Tyne and Wear	Community Health Services	19 October 2011
Olwen Pollinger (Service Development Officer), Parkinson's UK (North East Regional Team)	Parkinson's Patient Pathway	23 November 2011
Louise Hedley and Brenda Walker The Stroke Association (North East Region)	Stroke Patient Pathway	23 November 2011
Victoria Brown Age UK Sunderland	Hospital Discharge Team	23 November 2011
Eibhlin Inglesby, Sunderland Carers Centre	Carers Focus Group	23 November 2011
Houghton Primary Care Centre	Site visit of facilities	6 December 2012
Dr Ian Pattison, Chairman, Sunderland Clinical Commissioning Group	How GPs work with and are supported by other services	12 January 2012
Norman Wilson, Social Work (Team Manager), Health, Housing & Adult Services Susan Martin (RLN) City Hospitals Sunderland Divisional Discharge Co-ordinator Carol Harries, Director of Corporate Affairs, City Hospitals Sunderland	Hospital Transfer & Discharge Policy and Social Care Support Services	12 January 2012
Caroline Wild, Head of Partnerships Gail Kay, Directorate Manager, Northumberland, Tyne & Wear NHS Foundation Trust	Discharge from mental health and disability services	12 January 2012
Anne de Cruz, Manager Karen Wright, Rehabilitation Service Manager Sharon Marshall, Deputy Centre Manager Farmborough Court	Visit by Councillors to Farmborough Court and meeting with residents	16 February 2012
Neil Revely, Executive Director Jean Carter, Deputy Director, Health, Housing & Adult Services Ailsa Nokes, Strategic Lead for Long Term Conditions, NHS South of Tyne and Wear	Community Event at Stadium of Light	29 February 2012
Mike Lowthian, Christine Swain, Janet Butler Sunderland Link	Patient Evidence gathered at Sunderland Royal Hospital	February / March 2012

11. Background Papers

- CQC Inspection Report Sunderland Adult Services 2010
- City Hospitals Sunderland NHS Foundation Trust – Hospital Transfer and Discharge Policy (July 2011)
- Northumberland Tyne and Wear NHS Foundation Trust Policies on discharge planning
- Proposed Structure for Intermediate Care and Reablement Strategy Development in Sunderland
- Sunderland Reablement report (May 2011)
- The Community Care (Delayed Discharges) Act (2003)
- CQC Inspection Report of Sunderland City Council's Adult Social Care (2010)
- DH The Operating Framework for the NHS in England 2011/12
- DH National Stroke Strategy (2007)
- DH Ready to go? Planning the discharge and the transfer of patients from hospital and intermediate care (2010)
- DH Intermediate Care – Halfway Home Updated Guidance for the NHS and Local Authorities (2009)
- DH Discharge from hospital: pathway, process and practice (2003)
- LAC (2003)14 (changes to local authorities charging regime for community equipment and intermediate care services, June 2003

12. Key Terms

Assessment	A process whereby the needs of an individual are identified and their impact on daily living and quality of life evaluated.
Avoidable admission	Admission to an acute hospital, which would be unnecessary if alternative services were available
Care management	A process whereby an individual's needs are assessed and evaluated, eligibility for services is determined, care plans drafted and implemented, and needs are monitored and reassessed.
Care package	A combination of services designed to meet a person's assessed needs
Care pathway	Care pathways are described variously as integrated care pathways, clinical pathways, critical pathways, care maps, or anticipated recovery pathways. A care pathway is an agreed and explicit route an individual takes through health and social services.
Delayed transfer of care	A delayed transfer of care is experienced by a hospital inpatient who is ready to move on to the next stage of care but is prevented from doing so for one or more reasons.
Intermediate care	A service that: • is targeted at people who would otherwise face unnecessarily prolonged hospital stays or inappropriate admission to acute inpatient care, long term residential care or continuing NHS in-patient care.

	• is provided on the basis of a comprehensive assessment, resulting in a structured individual care plan that involves active therapy, treatment or opportunity for recovery. • has a planned outcome of maximising independence and typically enabling patients and service users to resume living at home. • is time-limited, normally no longer than six weeks and frequently as little as one to two weeks or less. • involves cross-professional working, with a single assessment framework, single professional records and shared protocols
Multidisciplinary team (MDT)	A group of health care workers and social care professionals who are experts in different areas with different professional backgrounds, united as a team for the purpose of planning and implementing treatment programmes for complex medical conditions. They work in a coordinated manner depending upon the patient's needs and the condition or disease being treated. MDT is used interchangeably with another term, interdisciplinary team.
Personalisation	A social care approach described by the Department of Health as meaning that "every person who receives support, whether provided by statutory services or funded by themselves, will have choice and control over the shape of that support in all care settings".
Pow Wow	City Hospitals Sunderland Foundation Trust Ward Pow Wows take the form of a daily, structured meeting of health and social care professionals to discuss and agree the interventions required to facilitate a safe and timely discharge for those patients who are medically stable enough to participate in assessments. The word Powwow relates to a tribal gathering by those who have vision and can promote healing. .
Reablement	Reablement complements the work of intermediate care services. Reablement seeks to support a different phase on the continuum of care providing services for people with poor physical or mental health to help them accommodate their illness by learning or re-learning the skills necessary for daily living. In reality, the intermediate care and homecare reablement phases for specific individuals may overlap.
Rehabilitation	A programme of therapy and reablement designed to restore independence and reduce disability.
Sheltered housing	Specially designed accommodation, available for rent or purchase, mainly for older people. Some sheltered schemes are called 'extra care'.
Step-up and Step-Down	Commonly the residential rehabilitation settings take one of two forms, namely

Care	• Step-up: to prevent admission to acute care by taking referrals from the community or care home settings
	• Step-down: to facilitate a stepped pathway out of hospital by taking referrals from acute hospitals and to facilitate return home or to a care home setting
Transitional care	Care provided to a person who is not able to be placed in their home or the permanent setting. It can be used, for example, while someone is awaiting major adaptations to their own home.
Whole System Approach (in health and social care)	Ways of working which consider not just the discrete contributions that individuals and organisations can make, but how the whole system works together and interacts to form a wider complex system in which local intelligence is used to understand the impact of changes in one part of the system on everything else.

13. Appendices

Appendix 1 Parkinson's Patient Pathway
Appendix 2 Stroke Patient Pathway
Appendix 3 Patient Consultation
Appendix 4 Improvement Work

Parkinson's Patient Pathway

Parkinson's Disease (PD) is a complex and incurable condition, but its effects can be mitigated through effective management and timely intervention. This can only be achieved through liaison between patients, doctors and other health professionals. There is a rounded pathway for Parkinson's patients and it was reported to Committee that the hospital discharge process had improved for PD patients.

There are over 700 people with Parkinson's on the City Hospitals Sunderland neurology database and several hundred more with additional complex conditions under care of the elderly, including referrals from South Tyneside and Durham.

A Parkinson's Patient Group is located within Sunderland hospital. This has been meeting for 5 years working on continuously improving the patient experience. At any one time there may be 20 PD patients in the hospital. It was felt that although the pathway was much better for this group of patients there were still patients getting 'lost' in the system. The Committee heard that once a Parkinson's patient was in hospital they may remain in hospital longer than other patients because of medication issues.

The main issues for this group of patients in relation to hospital admission, discharge and support in community settings, related to medication and a need for specialist knowledge about PD by those delivering care and support, including once they have left hospital. The options for PD patients on being discharged may be affected by knowledge of the condition and the expertise in the community.

A lack of specialist support in the community may be contributing to higher hospital admissions for this group. It was reported to Committee that outreach specialist nursing care including working to care homes would assist people to live with the condition away from hospital. Additional improvements could be achieved with access to respite day care to provide carer relief, palliative day care and greater levels of training for all health and social care staff in Parkinson's, its conditions and medication.

Patients believe that support from specialist nurses is particularly important because generalist community health professionals may have little knowledge or awareness of the complexities of managing a long-term neurological condition. It can also be difficult to access services quickly and out-of-hours services may be variable in capacity and quality.

Those advocating for PD patients believe that Farmborough Court was underused due to a lack of awareness and misunderstanding that the service doesn't take PD patients. The service was cited as an example of good care and support for PD patients and for the help with enablement prior to the patient returning to their own home. However it was felt there was cautiousness about pursuing a nursing level of care for this group of patients.

City Hospitals Sunderland has reviewed the reasons for readmission of Parkinson's patients and this has led to a formally agreed set of criteria for earlier involvement of palliative care. This was shared with local GPs to enable patients to be added to the Community Palliative Care Register earlier in the course of their disease.

Stroke Patient Pathway

Starting with the National Stroke Strategy in 2007, there has been a national, regional and local drive to improve services and outcomes for patients suffering a stroke. Good progress has been made in Sunderland in treating and preventing stroke. The Committee heard from the Stroke Association which is a great advocate for further work to improve post stroke rehabilitation and help in the long term.

The Committee heard that effective discharge is vital for the good care of this group of patients. A holistic care plan needs to include physical, psychological and rehabilitation needs. Ideally, there will also be a care plan for the carer, including training on moving and handling and how to engage with professionals.

Although the hyper-acute stage of the stroke pathway can be classified as emergency care, patient experience is still important. It is important to ensure that patients receive the most appropriate care, at the most appropriate time and in the most appropriate environment. Good practice models indicate that direct admissions to a stroke ward help to achieve these standards.

Previously most stroke patients who arrive at hospital by ambulance have been admitted to a stroke ward after spending time in A&E or on a general ward. This could result in delays in patients receiving the specialist assessment and treatment that they urgently need and leads to longer stays in hospital.

City Hospitals Sunderland has been developing stroke services in line with the National Stroke Strategy. The Acute Stroke Unit (ASU) has moved to a 40 bed facility in the new ward block on the Sunderland Hospital site. The unit has dedicated and trained stroke nurses and therapy staff, who provide care and therapy within the ward area. This move will enable the Trust to achieve its objective of treating the majority of stroke patients on a dedicated acute stroke unit for most of their stay.

On 13th June 2011 South of Tyne & Wear launched a new model for hyper-acute stroke services across three NHS Foundation Trusts – the Queen Elizabeth, the Sunderland Royal and South Tyneside Hospitals. Patients are seen at their local hospital and managed through a rota system of specialist consultants using telemedicine to review and treat patients. The new referral process will mean that the North East Ambulance Service will take patients to their nearest local hospital from pick up via A&E. This will enable all patients suspected of having a stroke to be reviewed by a stroke physician 24 hours a day, seven days a week.

After discharge stroke patients have to adjust to the impact of a stroke and changes to their life at home. They require community-based rehabilitation to ease their move from hospital back into the community. Early access to rehabilitation can restore movement, improve recovery and reduced delayed discharge.

Stroke rehabilitation requires a range of community services including physiotherapy, speech and language therapy and occupational therapy. Inadequacies in community provision would be detrimental to recovery. The Community Stroke Rehabilitation Team (CSRT) was launched in September 2009 offering home- based rehabilitation and health promotion for stroke patients. The team has close links with hospital and community social services and patients are seen within 2 days of hospital discharge. The service works within Sunderland Royal Hospital to introduce patients to the service receives and receives referrals from health and social care

professionals and self-referrals. The service is funded this year by both the PCT, and the Local Authority through their grant scheme. There are significant demands on the service and capacity is an issue. There is also uncertainty about how future personalised services will impact on continuation of the service.

The Committee heard evidence that access to various services can be patchy. There is an issue of demand outreaching capacity and improvements would require additional resources. However, better information sharing and better co ordination of all support services would make better use of existing services.

The main issues for this group of patients on discharge are not enough information on discharge and occasional poor communication along the stroke patient pathway, the need for more joined up care and efficient transfer back into the community. Joint discharge care planning with other relevant agencies and services would support a more integrated approach.   Aspects that were valued were review after leaving hospital and long term into the community and having someone to talk to about how they were coping.

It was evident that there are good support groups available in the community but this is not always made known to individuals at discharge. The Stroke Association makes available a variety of information and are proactive in making contact with patients but there are still patients falling through the gaps.

Health and social care could help with this by ensuring that the patient's details are transferred with their consent from hospital to adult services so that an appointment is initiated in the community. Community support groups can help by advertising the existence of their groups, sharing information at their groups.

33

<u>Views of Patients (during the discharge process)</u>

70 patients completed a questionnaire with support from Sunderland Link. Patients were interviewed in the discharge lounge of Sunderland Royal Hospital over two weeks during March 2012. In accordance with good practice, the hospital has established a discharge lounge where patients can wait for medication or transport home once they no longer require the level of nursing care offered on an in-patient ward. The discharge lounge was until recently 'chairs only' and the hospital has now provided beds for patients who may be waiting some time.

1.   Before Going to Hospital

Patients were asked if anyone talked to them before going into hospital about how they would cope after they were discharged.

37% said that the nurse at their doctor's practice had discussed this with them, and 27% had been spoken to by their doctor however, many patients in contact with either a social worker, district nurse or GP practice had not talked this over with anyone.

2.   Leaving Hospital

<u>Discharge arrangements</u>

54% of patients described their discharge arrangements as good with only 20% commenting that some aspect of their discharge could have been better. The majority who were satisfied commented that the system was prompt, accurate, and everything was explained. Reasons given by those with some concerns included:

- Length of time waiting in the discharge lounge (10%). The main reasons for waiting were waiting for an ambulance or family to collect them or for medication.
- Others commented that not enough information had been given to them about what was happening to them (19%) for example, not knowing time of discharge or being given different discharge times caused some to have to wait longer for family pick up.
- A small number commented on issues relating to comfort in the discharge lounge, particularly if they had been waiting for a long period, for example, access to reading material, refreshments including water.

<u>Involvement in Discharge</u>

19% said that they felt that they (and their carers/relatives) were fully involved in the care assessment process (about managing at home after hospital discharge) with only 13% saying they could have been more involved.

<u>Delayed Discharge</u>

56% of respondents said that their discharge was not delayed (from the point that the hospital doctor/hospital staff indicated that they could be discharged). Of those who experienced a delay, reasons given included:

- Further observation required

- Waiting for a stretcher
- No hoist (staff could not move patient)
- Waiting for medication (13% said that their discharged was delayed because they were waiting for drugs to be delivered from the hospital pharmacy)
- Waiting for ambulance (20%)
- Awaiting letter for doctor (7% discharge delayed waiting for final discharge documents to be signed by a doctor/consultant)

Only one respondent had their discharge delayed until a care package could be arranged at home or at a residential or home.

<u>Information on Discharge</u>

77% said that when they left hospital they felt they had sufficient information about how to take any new medications or treatments.

<u>Discharge Lounge</u>
82% said the Discharge Lounge was very good. Patients liked the TV, the environment (quiet, plenty of light), and some said it was much better than previous lounge. Others said the staff were helpful.

A few comments for improvement included :
- Lacked privacy
- Access to refreshments
- Occasionally noisy
- Didn't have information about what was happening
- No reading material
- Very basic, just like another ward.

A number of comments were made about parking arrangements and how far families have to walk to collect patients from the discharge lounge (see general comments at section 5)

The average length of time waiting in the discharge lounge, at the point of interview, was 1.7 hours, with the shortest length of time half an hour and the longest 7 hours.

Before leaving most patients said they were advised to contact their own doctor and, if relevant, were referred to other groups/societies you could contact (e.g. Stroke society).

3.   After Leaving Hospital

16% of those interviewed needed a reablement / health improvement plan to prevent or assist in the prevention of further visits to the hospital. This plan included details about follow up visits to outpatients and diet information relevant to the illness.
43% were given a copy of discharge information but only 11% said that their doctor had the discharge documents available when they first attended the surgery.

4.   Overall views of hospital attendance
79% said they were always treated with respect and dignity by the hospital staff, with only 13% saying some of the time.

74% received nursing assistance when required all of the time, with only 5% saying some of the time. Comments included "Very comfortable and treated well".

5. Patients were asked to give their three most important suggestions for improving the hospital service provision:

A. Communication / Information

A number of general comments were received in relation to keeping patients informed about what was happening to them e.g. family / carers being told what is happening to the patient, more information about when they will be going home, or when an ambulance will arrive for them. In one case ambulance arrived to collect patient but a two-man lift would be needed so the patient had to wait a further 1.5 hours extending stay in the discharge lounge to 7 hours.

The communication system at the point of discharge seemed to cause confusion for some patients relying on the patient contacting carer / family and telephone communications from wards to discharge lounge where appropriate, alongside handwritten lists in the discharge lounge. Sometimes patients were not aware if their family had been contacted and the system seems to put unnecessary stress on the nursing staff. Where patients need the NEAS for transport, an estimated date and time of discharge and the actual time should be communicated and basic information prior to discharge should include the persons capacity, weight and post code.
It should be noted, examples of very good communication with patients awaiting discharge were experienced, for example, when staff went out of their way to keep patients informed about what was happening to them.

B. Practical Arrangements

Parking was an issue particularly as it seemed to be awkward for patients being picked up from the discharge lounge. Several mentioned that relatives had received a fine and the location of the discharge lounge was contributing to length of time for pick up.

One relative there to collect a patient commented on the distance from the reception to the discharge lounge and thought she might need a wheelchair because it was too far to walk unaided.

Another patient reported having two people to collect her as the time limit on the parking did not allow enough time to collect her and return to the car. One driver would stay with the car and move it to prevent a parking fine.
It was suggested the lounge should be located on the ground floor with a few designated pick up bays for families to collect a patient.

C Comfort / Cleanliness

Issues relating to comfort, cleanliness and practical arrangements were mentioned, specifically, noise, temperature, refreshments, reading material, places for personal belongings, and cleanliness of bathrooms.

Some felt that the discharge lounge lacked privacy for discussions and some patients were in discharge lounge in pyjamas/nightwear.
It was not clear how patients would call for assistance in the lounge. There was some uncertainty about the regularity of food / snacks being available to patients and organisation of the ambulance service could be improved.

Improvement Work

At the time of this review a strategy group had been established with the aim of developing a Joint Intermediate Care and Reablement Strategy. The Council and PCT were also developing a new set of measures covering a number of different perspectives on performance.

The improvements will aim to achieve the best distribution, redesign or development of capacity that minimises the number of patients whose discharge is delayed and maximises outcomes and value for money. This model should critically take into account the increasing proportion of older people in the population. It should also focus on key areas affecting delayed discharge such as chronic disease management, admission avoidance schemes, reducing assessment times, attitude to risk management and specialist housing/care home provision.

Multi-agency Hospital Discharge – Rapid Process Improvement Workshop (RPIW)

In March 2010 SoTW led a multi-agency RPIW focusing on hospital discharge processes with the intention of the reduction of overall lead time the hospital discharge process on three care of the elderly wards at the Royal Hospital Sunderland within existing resources.

Improvement measures identified were encapsulated into four themes.

> 1. Referral process to social care (inappropriate or incomplete)

There was a scatter gun approach to referrals in relation to patient discharge leading to unnecessary time spent gathering, clarifying and processing information. This contributed to delays and poor discharge experience for the patients. Key issues were referrals being made to inappropriate teams and discharge planning was driven by bed pressures rather than patient focus.   The solution was the implementation of a system known as PowWow bringing together multi-professionals to make timely decisions about referrals.

> 2. Full multi-disciplinary team work (no social work)

A problem was identified with lack of hospital social work into routine multi-disciplinary meetings which created delays in the patient pathway and also frequent readmissions for certain patients.   A protocol pathway was developed to include all relevant people. It is also necessary to look at re-admission trends and prevent unnecessary admissions by mistake proofing.

> 3. Patient experience (fragmented)

It was identified that patients, families and carers felt that there was poor communication between themselves and professionals leading to confusion on discharge. A key issue was availability of information in each area with no standard practices for providing patient information. The solution has been to simplify and standardise information about the patient with a single patient file used by everyone.

4. Assessment and discharge (significant readmission)

It was identified that discharge policy did not seem to inform discharge practice. A 'visual control' was developed which depicts the discharge pathway including roles and responsibilities.

City Hospitals Sunderland Project

During 2010/11 the hospital undertook significant improvement work to improve processes within the hospital. In spring 2011 a project took place to improve patient flow and eliminate 'bed batching'. The intention is to implement a 'pull' system for admissions onto the base wards by declaring beds to the bed managers as soon as the bed becomes vacant and then re-utilising the bed within 1 hour. Work is ongoing to implement a full system. In addition, the Trust increased the use of the discharge lounge by introducing obligatory use as part of the patient's discharge.

Multi-Agency Delayed Discharge Project

In February 2011, HHAS and SOTW established a 'delayed discharge project' to review current discharge pathways. Key areas were identified which it was felt were the greatest cause of delays:

- Lack of streamlined pathways to reablement
- Limited access to transitional 'step-down' accommodation

Actions proposed included:

- Development of a joint strategy for intermediate care and reablement
- Development of a shared gateway to intermediate care and reablement with standard criteria for referral and assessment
- Development of a Compact for working collaboratively
- Agree a standard set of performance and outcome metrics for all providers of intermediate care and reablement
- Review access to services out of core hours
- Review steps in discharge process including panel process
- Increase focus on mental health within pathways as well as physical health needs
- Review accommodation options and address gaps in service to meet need
- Explore reablement for carers
- Increase capacity and skills in the community around nutrition, hydration, continence, and medication support
- Explore Care Navigator role to support individuals with complex needs through their journey from admission and post discharge

---

Contact Officer: Karen Brown, Scrutiny Officer 0191 561 1004
                         karen.brown@sunderland.gov.uk

Health & Well-Being Scrutiny Committee
Rehabilitation and Early Supported Discharge: Policy Review recommendations 2011/12

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
(a)	Policies and strategies should have an overarching emphasis on developing performance and outcome frameworks that create incentives towards a more integrated approach. To ensure oversight of the whole system approach described in this review, these recommendations should be referred to the Health & Wellbeing Board, with oversight of delivery of the actions by the Adults Partnership Board.	•			
(b)	In order to successfully reduce avoidable emergency admissions, further clarity is needed around which types of admissions are potentially avoidable and which interventions are likely to be effective for particular populations.	•			
(c)	A review of the ward-based discussion groups should be carried out based on an assessment of their success against the measures and in the context of the establishment of a Single Point of Access	•			
(d)	An audit of the timely supply and completeness of in-patient discharge information is required to set standards and quality monitoring of information continuity.	•			
(e)	How to achieve greater access and awareness of reablement, its impact and how it can complement Intermediate Care should be explored. This should include how reablement could be re-positioned to reach all those who could benefit by becoming an integral part of the 30-day post discharge process and how it could be expanded to an admission avoidance service.	•			

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
(f)	The Committee would like to see the role of the district nurses aligned to the whole-system approach as described throughout this review and involved, as necessary, at each stage of a transfer of care.	•			
(g)	A working group should investigate possible solutions for a city-wide medication support model for vulnerable people living at home.	•			
(h)	Where evidence shows a disproportionate rate of hospital admissions from care homes, future contracts should include arrangements for employers to be required to release staff for training.	•			
(i)	In relation to the existing discharge panel, there is a need to review and reconfigure the model for decisions on long term care.	•			
(j)	An increased focus on mental health support within the community, through a model of clinical governance in the community would reduce the level of A&E access and subsequent in-patient care.				
(k)	There should be a check list of information needed by carers which could be used as a template for discharges.				

Management Scrutiny Committee
Policy Review 2011 – 2012

Demonstrating Local Accountability

Draft Report

Contents

1   Foreword from the Chairman of the Committee

It gives me great pleasure to be able to introduce the Management Scrutiny Committee's policy review on self regulation.

The landscape of local government inspection and assessment is changing with central government's removal of large aspects of the current regime. However with the removal of 'top down' regulation comes a greater responsibility on councils to ensure that accountability and transparency exists at the local level around the organisation and service delivery. The Local Government Association have on behalf of councils looked to develop an approach which supports this new agenda

The Management Scrutiny Committee has looked at a number of aspects of this new 'self regulation' agenda and the emerging self regulation tools being developed through a series of interactive workshops. These workshops have proved extremely useful in not only gaining a clear understanding of self regulation and the associated mechanics, but also how this is being implemented and developed in Sunderland.

There is a clear role for scrutiny within the self regulation model, providing one of a number of robust mechanisms for accountability and transparency. Scrutiny plays a key part in the council's governance arrangements and with the advent of self regulation will continue to provide both a voice for concerns of the public and a critical friend challenge to the Cabinet.

It is also worth noting that many of the principles of good self regulation are already imbedded in the councils work and the work of scrutiny, through the policy reviews that are conducted by committees on an annual basis.

The important issue for scrutiny and the council, as a whole, in moving forward is to ensure that the self regulation measures put in place are proportionate and fit for purpose, reflecting the best interests of the organisation and communities which they serve. However scrutiny develops in the future there is a clear role for members and the scrutiny function in providing a degree of accountability through its continued work and policy review studies.

Finally I would like to thank my colleagues on the Management Scrutiny Committee for their valuable input and contribution throughout the course of this piece of work. I hope that the review and its recommendations can help to add value and develop further the self regulation role within the Council.

Councillor David Tate, Chair of the Management Scrutiny Committee

2 Introduction

2.1 At the meeting of Management Scrutiny Committee held on 16th June 2011, following discussions regarding the Work Programme, the Committee agreed to focus on the development of the Council's approach to self regulation and the role of the council's scrutiny function in supporting self regulation and improvement.

3 Aim of the Review

3.1 The overall objective of the review is to look at the appropriateness and effectiveness of the Council's emerging self regulation framework, and in particular how the scrutiny function can contribute to performance improvement.

4 Terms of Reference

4.1 The title of the review was agreed as 'Demonstrating Local Accountability' and its terms of reference were agreed as:

(a) To understand the emerging self regulation agenda and how the council is responding;

(b) To look at the role of scrutiny in the Council's self regulation framework;

(c) To consider what techniques the Council could use to provide accountability to, and engagement with the public and local communities in performance management issues, and;

(d) To look at examples of good practice from across the region and country in relation to the policy review.

5 Membership of the Committee

5.1 The membership of the Management Scrutiny Committee during the Municipal Year is outlined below:

Cllrs David Tate (Chair), Kath Rolph (Vice-Chair), Florence Anderson, Graeme Miller, Michael Mordey, Robert Oliver, Paul Stewart, Peter Walker, Susan Watson, Amy Wilson and Peter Wood.

6 Methods of Investigation

6.1 The work and evidence gathering in respect of this review was undertaken through a series of interactive workshops dealing with a specific aspect of self regulation. The workshops covered the following themes:

(a) The Sector led Approach;
(b) Peer Challenge;
(c) LG Inform and The Knowledge Hub;
(d) The Role of Scrutiny in Supporting Self Regulation.

6.2 Throughout the course of the review process the committee gathered evidence from a number of key witnesses including:

3

(a) Mike Lowe – Head of Performance Improvement – Sunderland City Council;

(b) Caryl Macbeth – Associate Lead for Performance & Improvement– Sunderland City Council;

(c) Kelly Davison-Pullan - Lead Officer for Corporate Performance – Sunderland City Council;

(d) Lee Wilson - Performance & Intelligence Officer - Sunderland City Council;

(e) Meg Boustead – Head of Safeguarding– Sunderland City Council;

(f) Graham King – Head of Strategic Commissioning HHAS– Sunderland City Council;

(g) Mark Edgell – LG Improvement and Development Regional Associate – Local Government Group

6.3 All statements in this report are made based on information received from more than one source, unless it is clarified in the text that it is an individual view. Opinions held by a small number of people may or may not be representative of others' views but are worthy of consideration nevertheless.

7 Findings of the Review

Findings relate to the main themes raised during the committee's investigations and evidence gathering.

7.1 What is Self Regulation?

7.1.1 The Coalition Government has a commitment to the replacement of the burden created by Whitehall oversight and inspection with greater local public transparency and accountability, allowing councils and other local public bodies to focus on frontline services. The Government has acknowledged the significant costs to local councils, both direct and indirect, and the scaling back of upward reporting to government and the reduction in inspection and assessment has been welcomed by Local Government. In its first year the Government introduced a range of proposals, and changes in regulation. Those already announced have included:

- Dismantling of the national performance management framework that covered councils including;
    - The abolition of Comprehensive Area Assessment (CAA);
    - The end of Local Area Agreements (LAAs);
    - The abolition of the Place Survey;
    - The replacement of the National Indicator Set with a single, comprehensive list of all the data that local government is expected to provide to central Government;
    - The end of annual ratings/performance assessments of adult social care and children's services; and,
- Disbanding of the Audit Commission.

7.1.2 Although the Government is scaling back routine inspection and assessment to ensure that this is proportionate, risk based, outcome focussed and reduces the burden upon councils, this isn't universal across the inspectorates and some elements of inspection still remain. The impact of the reducing burden is being felt disproportionately across councils. While major assessments of councils (e.g. CAA and LAA) and adult social care have gone there are still significant inspection and assessment frameworks, particularly within Children's Services, where services have only experienced a marginal benefit in reduced inspection.

7.1.3 Part of this disparity can be explained by the fact that inspection and assessment is viewed by Government and the inspectorates as continuing to have a role in high risk areas such as safeguarding children, as well as in ensuring the integrity of public spending.

7.1.4 There are expectations from the Government that while scaling back the inspection regime, there is still a requirement of Council's to ensure that they are evidencing and providing assurances to stakeholders on the delivery of priorities and outcomes. In the absence of significant external regulation and inspection as well as the Government's commitment of not replacing one layer of bureaucracy with another, the Local Government (LG) Group put forward proposals for sector-led self regulation and improvement. This would in effect be a replacement for the current top down inspectorate led performance management framework.

7.1.5 In October 2010, the Local Government Association (LGA) conducted a consultation with the local government sector on a new approach to self-regulation and improvement. The consultation solicited 120 responses from individual councils and almost 200 additional council responses made through regional improvement and efficiency partnerships (RIEPs). Councils agreed with the basic proposed principles:

- that councils are responsible for their own performance;
- that stronger local accountability drives improvement; and,
- that councils have a collective responsibility for performance in the sector as a whole.

7.2 Self Regulation: An Approach

7.2.1 The consultation conducted by the LGA in October 2010 led to the publication in February 2011 of 'Taking the Lead' which sets out the LG Group's approach to how self regulation and improvement could work in practice. In doing so, the LG Group stresses that it is not setting out a prescribed system to be adopted by all local authorities recognising that it does not want to replace one burdensome national framework with another. However there is an expectation for councils to take steps to enhance the way they are held accountable locally and to continue to support each other.

7.2.2 There are two key principles which the LG Group identifies as fundamental to the new self regulation approach. These are:

- Local authorities are responsible for their own performance and for leading the delivery of improved outcomes for local people in their area; and,

- Local authorities are accountable to their local communities. Stronger accountability through greater transparency helps local people drive further improvement.

7.2.3 Some of the approaches are not new and the LGA are identifying that there are a number of tools and techniques that are available and being used by local authorities to assist in developing and promoting self regulation. A number of these tools and techniques will already be familiar and effectively incorporated into local authority planning and performance frameworks. The review recognised that the use of many of these techniques will of course be at the discretion of councils relating their appropriateness to the local setting, but the LG Group does set out a series of techniques including:

- Encouraging resident feedback from a range of channels (e.g. councillor surgeries, surveys, complaints, comments and compliments, and mystery shopping);
- Using social media techniques to gather information;
- Using deliberative techniques such as citizens juries and participatory budgeting;
- Consulting with the public on proposals affecting them;
- Publishing regular performance information allowing the public to understand how well the council is meeting its objectives (e.g. annual report);
- Publishing on-line expenditure in line with national requirements, in a way that the public can understand;

6

- Making use of the role of scrutiny to challenge and improve council and partner services;
- Taking stock of the councils own performance to identify areas for improvement and risks;
- Making use of opportunities to be challenged by peers;
- Seeking and welcoming support from the sector as and when required; and,
- Developing elected members to fulfil their role in this new environment.

7.2.4   The 'Taking the Lead' publication sets out a seven point support offer from the LGA that will help local authorities to develop the opportunities that self regulation and improvement offers. One of the key features within the new approach is the emergence of sector led approaches which are being developed by specific sectors eg Adult Social Care , Children's services with sector specific responses being developed at national and local levels in some areas.

7.2.5   The remit of the review focussed on the key aspects of the LGA 'offer' but members acknowledged and recognised the existence and deployment within Sunderland ofof a range of mechanisms and systems which currently support local transparency and accountability, and the importance of enhancing and adapting measures to ensure local accountability without creating any additional layers of bureaucracy.

7.3   The LGA Seven Point Offer

7.3.1   The LGA seven point offer is a range of 'free' tools and support offered to councils to help strengthen local accountability and transparency. The LGA have brought the existing tools and support undertaken by a range of support organisations together under one single framework, the idea being that if they are in one place it is easier for councils to gain access to the tools and support. The important point to note is that none of the tools are mandatory, it is up to the Council to consider how and when to use them.

Local Accountability Tools

7.3.2   One of the elements of the new approach is around working with councils to develop tools for enhancing how councils are locally accountable to citizens and communities, including online guidance "showing how new and existing tools can be brought together to provide regular feedback to local people"[1], a local assessment tool, piloting new ways of gathering information about citizens' views of services and a series of offers from the Centre for Public Scrutiny. It was recognised that the offer here was not a single tool, or a prescribed approach, but rather an approach that draws on a range of existing and new tools.

Peer Challenge

7.3.3   Peer challenge is not a new technique but it is a proven tool for improvement. In fact since April 2004, almost 70% of councils have had some sort of peer challenge and during Comprehensive Performance Assessment (CPA) and Comprehensive Area Assessment (CAA), councils that made use of peer challenge improved their ratings to a greater extent than those that did not. Where the new peer challenge differs is that it is voluntary in nature and is intended to complement the work of councils, it is also an aspect of self regulation that the Management Scrutiny Committee explored in depth during their evidence gathering and these findings are detailed later in the report.

---

[1] The Seven Point Offer - Local Government Association website

7.3.4 *Peer Support*
The LGA is also offering up to five days of free member peer support for all councils undergoing a change of political leadership and is intended to support the new leader.

7.3.5 *Knowledge Hub*
Councils have always learned from each other and find this extremely useful in developing but often it is difficult to find the time, resources or right information. The LGA is investing on behalf of the sector into a new web-based service creating a single window to improvement in local government. The Knowledge Hub has the potential to become the definitive online environment for local government to produce and capture its own knowledge. It will offer a suite of free online tools and services to help councils innovate and improve together. Again this is an aspect of self regulation which the committee has explored in some detail and is discussed later within the report.

7.3.6 *Data and Transparency*
In parallel with the Knowledge Hub will be LG Inform a place for councils to provide and access data in an open source environment. The aim of LG Inform will be to assist local authorities in the analysis of performance and outcomes, helping councils build the evidence required for informed decision making, reducing costs and improving services.

7.3.7 *Leadership Support*
The LGA has pledged to continue to provide development support for political and managerial leaders as part of the seven point offer.

7.3.8 *Learning and Support Networks*
The LGA will also support networks of officers and councillors at national and sub-national levels, working with sub-national groupings of councils and the relevant professional associations, to share good practice and to provide timely support.

7.4   The Sector Led Approach

7.4.1 As part of the review Members were made aware of some of the emerging sector led approaches and looked at some of the tools that have been and continue to be developed around self regulation as well as understanding the changes to inspection arrangements in key service areas.

Self Regulation in Adult Social Care
7.4.2 It was noted that the previous regime of inspection included the National Performance Assessment Framework which was conducted annually by the Care Quality Commission (CQC). From this annual inspection councils received an annual judgement and rating which covered the seven dimensions of social care. The judgement highlighted areas of strength and agreed areas for improvement, essentially acting as an action plan for the forthcoming year.

7.4.3 Members noted that during the 9 years of this inspection regime Sunderland City Council's Adult Social Care was rated as excellent (in 8 of the 9 years) or good following inspection.

7.4.4 Members were advised hat the previous inspection arrangements had been abolished with new arrangements based around sector led improvement as follows:

- Nationally led by the Association of Directors of Adult Social Services (ADASS), the Local Government Group (LGG) and CQC;

- Co-ordinated through Promoting Excellence in Councils' Adult Social Care Programming Board; and,

- A regional approach developed by the North East ADASS.

7.4.5 Members enquired as to how the regional approach had been developed and it was reported that it had four principal components:

- To develop a consistent approach to performance management arrangements;

- To provide support to those councils formerly judged as 'Adequate';

- To develop a regional programme of service development; and,

- To start a regionally funded pilot of proposed arrangements.

7.4.6 One of the key local accountability tools that members were advised was being developed in this area was what was called a 'Local Account'. This was designed to be an annual self assessment of the performance of local social care services. The review was advised that this was an emerging tool and also informed that the development of the Local Account in Sunderland was ongoing with discussion around the exact content of such an account. It was noted that local accounts are designed to build on the work that councils are doing in relation to their engagement with the public and service users around priorities and outcomes. The potential for local accounts to become a key vehicle for accountability to the public was acknowledged by Members as well as identifying it as a useful way of informing self improvement activity locally. The local account would become an annual process for adult social care and from 2012/13, and Members saw this as an opportunity for scrutiny to provide the requisite challenge and review function in respect of the local account, and in so doing enhancing accountability within the local authority.

7.4.7 The review was reminded that the sector had in 2011 developed aa new outcomes framework for adult social care in 2011 was much more service user focused, with a measures of outcomes that was more person centred.

7.4.8 On a regional basis Members were advised that a 'buddy' arrangement with other North East councils was to be used to develop a sector led approach to peer reviews for social care. It was acknowledged that locally there was agreement on the main standards that councils will judge each other on, these were noted as:

- Reablement;
- Personalisation;
- Prevention; and,
- Safeguarding.

7.4.9 Members enquired that if moving to a self assessment framework had the potential to lead to complacency? However it was understood that for example in preparing

9

local accounts there was a need for councils to be honest and robust in their assessment, to provide a balanced view of what works well and where improvements can be made. The views of service users would also act as a balance within the approach. The use of a regional peer review would also provide an external challenge to the council's own views.

Children's Services – Safeguarding

7.4.10 The review was reminded of the Ofsted inspection process and in particular the annual unannounced inspection which lasts approximately 2.5 days, it was noted that Children's Services had been inspected on Tuesday 25 October 2011. Running in parallel with this was the announced inspection which is a far more detailed inspection lasting for up to 2 weeks.

7.4.11 It was highlighted that recent policy developments would change the Ofsted inspection framework. The main drivers being the recent agreement with partner inspectorates to develop a fully joint multi-inspectorate framework for the inspection of local area arrangements for the protection of children from 2013/14; and the recent agreement with the Department for Education to pursue a regulatory change that will allow the streamlining of arrangements for the inspection of looked after children services.

7.4.12 In December 2011, Ofsted, HMI Probation, HMI Constabulary and the Care Quality Commission, with the involvement of HMI Prisons where appropriate, agreed to develop a joint inspectorate framework for a multi-agency inspection of services for the protection of children. Ofsted have committed to developing a detailed project plan by 31 March 2012, and expect to implement a new joint framework during 2013/14. In the meantime an interim single inspectorate framework will be used by Ofsted from May 2012 to inspect local authority arrangements for the protection of children.

7.4.13 Currently, Ofsted is required to undertake discrete inspections of local authority adoption agencies and local authority fostering services every three years. The Department for Education have agreed to pursue a change to the regulations which would allow Ofsted to integrate these separate inspections into a single integrated 'children looked after' inspection. It was anticipated that following a consultation period a new programme for inspection would begin in April 2013. It was also noted that as well as combining these inspections together there would be more focus on the performance of safeguarding services within local authorities.

7.4.14 The Management Scrutiny Committee also recognised that the Children's Services Directorate had commissioned a peer challenge from the LGA to support improvement planning and inspection preparations for the safeguarding service. This review was free to the council as it was funded by the Government. It was seen as extremely beneficial to both the service area and the council as a whole. In preparing for this review an honest and frank self assessment was to be completed. It was also noted that the Children Young people and Learning Scrutiny Committee would be part of the peer challenge process and it was intended re-visit this peer challenge once it had been conducted as part of future evidence gathering.

7.5 Peer Challenge Process

7.5.1 One of the major aspects of self regulation is the Peer Challenge process and the Local Government Association (LGA) is keen to promote this tool through the offer to all councils of the opportunity to have a free corporate peer challenge between now and March 2014.

7.5.2 Peer challenges from the LGA differ from previous inspection regimes like Comprehensive Area Assessment (CAA) in that they are undertaken by the sector for the sector are less prescriptive and are aimed at improvement rather than purely judgemental. Peer challenges can be undertaken across a whole organisation i.e. council or local strategic partnership or a specific service area or theme e.g. safeguarding, regeneration etc

7.5.3 As the LGA states peers i.e. officers and members from other council's will very much be at the heart of the process[2], with teams consisting of a mix of officers and elected members that best reflect the main focus of the peer challenge and ensure councils receive the most appropriate challenge. Members were also informed that these team compositions were agreed with councils in advance and in fact the selection of the peer challenge team could be as important as the peer challenge itself. A similar point was also raised at a recent regional scrutiny network meeting and Mark Edgell, LGA Regional Associate, about the credibility of peer challenge teams and it was confirmed that the selection process was conducted between councils and the LGA to ensure the challenge team were suitable and credible for the organisation to be reviewed.

7.5.4 Members were aware that the Council had used peer challenge at both corporate and service level over the last few years. In gaining a greater understanding of the role and benefit of peer review/challenge Members of the Management Scrutiny Committee looked at the scrutiny peer review undertaken in 2008 and also received feedback from the most recent peer challenge undertaken, that of the safeguarding service as highlighted earlier in the report. In addition to these service specific peer reviews, consideration was also given to the corporate peer reviews of the council and the Local Strategic Partnership which had taken place in advance of the former Comprehensive Performance Assessment (CPA) and Comprehensive Area Assessment (CAA).

7.5.5 The scrutiny peer review took place in 2008 and was based on the 4 principles of good scrutiny, namely the critical friend challenge, reflecting the voice and concerns of local communities, taking and leading the scrutiny process and impacting on service delivery. The peer review team was made up of 2 IDeA Officers and one elected member.

7.5.6 The review team initially carried out a survey via questionnaire to get the views of a variety of members and senior officers and were on site for days during September 2008 where documentation was reviewed, interviews held, focus groups organised and scrutiny committee meetings were observed. The key points and benefits to this approach from the experience of the scrutiny service was that:

    (a)   The peer review provided an independent view of the service free of any personnel or historical prejudices;

    (b)   The peer review was the ideal driver for change and improvement within the service area;

---

[2] Taking the lead: The Local Government Association's peer challenge offer. LGA Nov 2011

11

(c)   The review also provided a reality check; and,

(d)   The review was tailored to suit both the service and organisation.

7.5.7   Members did raise the issue that at the time of this peer review Cabinet Members were not involved and it was recognised that the views of Cabinet Members would be just as relevant in such a review and add a further dimension. Members agreed this was worth bearing in mind for any future reviews.

7.5.8   It was also highlighted by Members that there can sometimes be a tendency to report an objective as having been achieved when this may not be the case. It was identified as being very important that any recommendation arising from a peer review/challenge was signed off only when completely achieved.

7.5.9   The Head of Safeguarding, Meg Boustead, also attended this evidence gathering session to provide some informative feedback from the very recent peer challenge undertaken in the Safeguarding service.

7.5.10 The initial point to raise from this peer challenge was how useful it was in providing a different perspective on the service based on the knowledge and experience of peers who knew safeguarding services themselves. The peer challenge process also highlighted how the process allowed the peer challenge team to take learning and new ideas away with them and in this way good practice was being shared across the sector. To this end it was noted that the Head of Safeguarding was keen to pursue the opportunity to become a national peer not only to increase her own learning but to be able to bring innovative and different ways of operation back to Sunderland.

7.5.11 Another of the advantages of the peer challenge was noted as the high degree of honesty that took place during discussions and the less guarded approach than can often be the case during a formal Ofsted inspection. It should also be noted that the peer challenge process is much more flexible and adaptable to the needs of the host council than tin the past and there is greater scope for honest assessments and discussions based on self awareness and mutual understanding with peers. As mentioned previously Sunderland City Council decided the remit and focus of the safeguarding peer challenge but it should be noted that the new style peer challenge is not a detailed service assessment or driven by external requirements or a standard set of Key Lines of Enquiry (KLOE).

7.5.12 Members explored the accountability issues around the action plan resulting from a peer challenge and how it was important to share this, as well as any learning from the peer challenge with the scrutiny function. It was highlighted that scrutiny committees would be the most appropriate vehicle to hold any such action plan to account. Scrutiny would provide for transparency in the process as well as allowing service areas to be able to demonstrate progress in relation to actions within an action plan.

7.5.13 It was recognised that self regulation would not work without the requisite peer challenge and perhaps a more regional arrangement would be required in the future. It was certainly clear that the input and thinking that is needed to prepare for such a process was very important. In fact it is testament to the old adage that you only get out of such an exercise what you are prepared to put in.

7.5.14 It was noted by Members that the 'old' style peer challenge was very much about providing a benchmark and lacked the flexibility of the new style challenge. It was interesting to know that the peer challenge had identified new areas of work and had also helped to shape the community leadership programme in Sunderland.

7.6   The Knowledge Hub and LG Inform

7.6.1   As self regulation is a new and developing process there are a number of key resources which have the potential to be extremely useful for local authorities. The LGA seven point offer identified a number of, essentially free, resources that are there to support local authorities and help them develop their own self regulation approach. The report has already explored the peer challenge aspect to this offer but two other resources merit closer investigation, the Knowledge Hub and LG Inform.

7.6.2   The Knowledge Hub is essentially an on-line platform that allows the building of professional networks. It has the potential to be extremely useful to both individuals and organisations as the hub will collect information and data from local authorities. The Knowledge Hub will be available for anyone to join who has a .gov email address which includes Members and officers of Sunderland City Council. The hub works in a similar fashion to Facebook and allows individuals to join various groups on the hub or create new groups. Groups focus on a particular issue and allow for a sharing of information, thoughts and/or opinions, e.g. groups could be created to discuss recycling, high cost credit or low carbon vehicles etc. This is in essence providing a vehicle for the collection of knowledge from a sharing of experiences.

7.6.3   As the network on the Knowledge Hub increases and becomes much broader in focus it could have real potential for use in the scrutiny field and in particular for gathering evidence and opinions in relation to the various policy reviews that are conducted. There is also the potential to hold web chats and conference calls through the hub which could reduce travel and expenditure implications.

7.6.4   Another potential implication of the Knowledge Hub is to support programme delivery, professional development and also build professional networks that allow local authorities to learn from the experiences of others. Members recognised one of the key drivers for the Knowledge Hub was that of cost effectiveness and the efficient use of limited resources.

7.6.5   Local Government (LG) Inform is an online service allowing councils to collate and compare essential data at both high and detailed levels. LG Inform draws on data from central and national sources, such as government departments and the Office for National Statistics (ONS). Councils also have the ability to use LG Inform to input their own local data. Users will be able to gain insights into current performance from the results of data comparison which could ensure more careful and informed decision making based on the available evidence. Longer term, the full service will be hosted within the LGA's other online tool – the Knowledge Hub.

7.6.6   LG Inform includes components of performance management, benchmarking and data analysis. The Metrics Library contains national data sets that show local performance against the national picture. It was interesting to note that local authorities were also showing interest in uploading local data and sharing this with other councils, similar to benchmarking. LG Inform also contains tools to interrogate the Metrics Library to present and analyse data; e.g. bar charts, graphs, pie charts

etc. All these tools can be used to customise reports within LG Inform so that information can be shared.

7.6.7 Scrutiny Members queried who would be responsible for the data on LG Inform and it was noted that this would be one of the key challenges for the local government family. Previously compliance returns for national indicators etc was mandatory and the audit commission and other inspectorates used to collect this information but in the changing landscape of local government performance it is now a matter of 'goodwill', it will very much be up to individual authorities to decide on which data sets they continue to share and also what new data sets are developed.

7.6.8 Members were advised that the Council was reviewing the benefits of utilising the LG inform as part of its performance management arrangements. Members were advised that it was still very much in its developmental stages, currently had limited value and it was noted in relation to this aspect that Sunderland was looking to develop protocols to ensure that any data provided had been through appropriate data validation checks and to ensure the quality and accuracy of the data. The onus to supply and input data onto LG Inform was very much with local authorities and it could be argued that this was where LG Inform would succeed or fail. Members were keen to learn that discussions were taking place in the North East about developing a basket of indicators for benchmarking across the region that are seen as relevant to the area, of which something similar is underway in the London Boroughs.

7.6.9 Members also recognised the potential benefits of such tools and resources for both Elected Members and Officers of the Council and felt that training for key stakeholders including Members, Scrutiny Officers, Account Managers should be made available.

7.7   The Role of Scrutiny in Self Regulation

7.7.1 Within an environment of decreasing governmental prescription and inspection and a greater freedom for local authorities to exercise more accountability and transparency there is a crucial role for local arrangements in holding local decision makers to account. Overview and Scrutiny Committees are an integral part of these local arrangements and are well placed to take a significant role in the development and practice of self regulation.

7.7.2 Research carried out by the Office of Public Management has identified 8 important principles for effective internal review and challenge within local authorities:

(a)   A clear role & purpose within the council's governance arrangements;
(b)   A valued contribution to good governance;
(c)   Focus on important or key issues;
(d)   Lead and build organisational confidence in challenge;
(e)   Use strong evidence basis for reports & recommendations;
(f)   Aim to influence the council;
(g)   Develop a non-party political and inclusive culture; and
(h)   Provide the foundation for review and challenge of organisations outside the council.

7.7.3 Members in discussing these 8 principles noted that in reference to scrutiny the aim was to influence the Cabinet, rather than the council, by way of the policy reviews conducted and the recommendations put forward as a result. Members highlighted

the importance of the various governance vehicles including scrutiny having the ability to make Cabinet and the decision makers stop and think.

7.7.4 In discussing scrutiny's ability to focus on the key issues it was acknowledged that the work programmes of the various committees reflected an awareness of corporate priorities and the wider concerns of the public. It was also noted that the views of the public, community groups and key stakeholders was frequently taken into account during evidence gathering as part of the policy review work undertaken by the scrutiny committees. Another important aspect of engaging with the public is the ability of scrutiny committees to co-opt members of the public, professionals or experts in a specific issue onto a committee to broaden and enrich its knowledge in a certain issue. Scrutiny committees in Sunderland have been particularly effective in this area and the Children, Young People and Learning Scrutiny Committee and the Health and Wellbeing Scrutiny Committee have both been at the forefront of using expertise from a wide range of stakeholders and partners to strengthen the committees.

7.7.5 The issue of a non-party and inclusive culture was also discussed and it was recognised that scrutiny had strived to remain relevantly non-political and inclusive. However there was also the acknowledgement that scrutiny operated within a political arena and had local politicians at its very heart and there was always the need to be mindful of the potential political dimension.

7.7.6 Members at the workshop also highlighted the difficulty in engaging organisations outside the council. Members had experienced first hand the difficulties in getting organisations to attend scrutiny meetings, particularly where there was no statutory obligation for an organisation to attend. The Health and Wellbeing Scrutiny Committee was noted as an exception and had been able to engage and challenge outside bodies effectively.

7.7.7 Members recognised that the majority of the principles outlined were already being carried out effectively within the scrutiny environment and noted that the policy review work of the various committees used many of these principles routinely. It was therefore acknowledged that scrutiny was already well placed within the organisation to offer effective internal review and challenge.

7.7.8 The Centre for Public Scrutiny has undertaken work around the self regulation agenda and produced an accountability works for you framework. This aims to be a flexible, proportionate, locally-led framework that allows for the investigation of decisions, becoming more accountable and transparent and better involving local people. It was pointed out that the framework was not an accreditation regime, an assessment or tick box exercise. Importantly it can be used for any scale, size or location and tailored to that organisations precise need.

7.7.9 Some of the key benefits of the framework included:

(a) Enhancing public trust – think and act constructively on good governance;

(b) An Opportunity – to introduce more thinking around accountability, transparency and inclusiveness to decision making process;

(c) Improve productivity and performance - provide assurance to the public through a robust local governance regime as central government inspection is scaled back;

15

(d) Delivering better services – the framework can help to build better, more responsive and more effective services for clients and customers; and

(e) Working in a different way – the framework can help to prepare the way for successful commissioning, shared services and partnership working.

7.7.10 The CfPS have been piloting the framework with a number of organisations over the last six months. The organisations worked with have found that the framework has provided them with significant assistance both in improving their governance arrangements, and getting them ready for major transformational change. **Appendix 1** of this report provides further details on these pilots.

7.7.11 Members were also informed that in discussions over the 4 workshops the various strands to self regulation, it was important to remember that although much of the landscape was changing there were still a number of inspection regimes that remained. The Head of Performance Improvement highlighted the recent Ofsted inspection of safeguarding and looked after children in Sunderland which demonstrated that robust inspection still existed and in particular to those services related to the most vulnerable in society.

7.7.12 Members also expressed concern at how self regulation would be able to detect local government 'failure' and that this was potentially the next big issue. It would be important and would require good self awareness for individual councils to define under performance. The development of regional networks was also seen as positive and could provide a collective response, which could have greater weight, to national consultations and policy direction. Members highlighted that scrutiny already worked on a regional level with a North East Regional Network for scrutiny embers and officers and also a regional health network. The risk of fragmentation as evident and members acknowledged the need for regional, sub-regional and local scrutiny had never been stronger in light of the self regulation agenda.

7.7.13 Members also pointed out that it was important not to become over reliant on outside bodies in relation to Sunderland's approach to self regulation. Members recognised that the scrutiny function in Sunderland had developed and progressed into an effective mechanism within the local authority and this should be the starting point for future development in light of self regulation.

8 Conclusions

The Committee made the following overall conclusions:-

8.1 The self regulation agenda is a major shift in direction from central government. There is now a greater focus for local authorities on developing and monitoring ftheir own performance and ensuring transparency and accountability. The importance of council's evidencing service delivery and the impact of outcomes takes on much greater significance. This is a new and emerging agenda and one that will require local authorities to develop their own approaches that are fit for purpose, and proportionate as well as looking to the sector as a collective for support and additional resources.

8.2 The Local Government Association has looked to lead the way and offer support and guidance to local authorities around this agenda. The publication of 'Taking the Lead' in 2011 highlights the responsibility on councils to ensure they are held locally

16

accountable and continue to support each other through self regulation. The LGA acknowledge that this is not a prescribed system for adoption and throughout this review Members have stressed the importance of developing and using measures and metrics which best reflect the priorities of this local authority. The LGA seven point offer is also useful in that it provides a number of tools, techniques and resources which can help local authorities in enhancing their own approaches. These tools and techniques are a mixture of existing and new approaches and can provide useful support particularly in these times of limited resources.

8.3   Adult social care is heading along a pathway of sector led improvement and there is very much a regional approach in this respect. The local account is a cornerstone of accountability within adult social care services and will provide the evidence in relation to public engagement, service priorities and outcomes. There is a real opportunity for scrutiny to provide an aspect of the challenge and review in respect of the local account. This would ultimately enhance lines of accountability within the service directorate and the local authority.

8.4   While there is a large degree of scaling back in relation to inspection regimes certain frameworks and assessment remain, in particular those within Children' Services. A recent Ofsted inspection of safeguarding within the local authority highlights just how much of this inspection regime remains. The benefits of peer challenges are highlighted within the report and the resulting action plans that arise from such challenges are extremely valuable to service and outcome improvements. Again scrutiny is well placed within the authority to hold such action plans to account, and similar to the local account, can provide the evidence to demonstrate progress and improved service outcomes.

8.5   The Knowledge Hub and LG Inform are valuable new resources for local authorities. However, their value is tempered by the non-statutory nature of these resources. It is very much up to individual organisations on how they feed into this resource and there is a danger that data could be patchy, inaccurate or incompatible. The local authority and performance officers must decide how to take this forward and make sure that dialogue is ongoing at both a regional and national level to ensure that this resource provides a useful tool to local decision makers across the region and country.

8.6   The benefits to this resource were clearly identified by Members of the Committee and it was highlighted that such a resource should be available to both Elected Members and relevant officers. As the Knowledge Hub and LG Inform develop and expand it would be advantageous to look at training Members and key officers in how to interrogate and get the most from such systems.

8.7   Scrutiny is well paced to be a key piece of the self regulation framework. The majority of the principles outlined for effective internal review and challenge are already imbedded into the way scrutiny operates within the local authority. It will be important, as the self regulation agenda develops, that scrutiny plays an integral part in the accountability framework of the organisation. As new governance arrangements are imbedded to comply with central government legislation there is risk that new structures and models could effectively bypass or not involve the scrutiny function. It will be important that the organisation looks to address this as feasibly as possible to ensure scrutiny is not undervalued and continues to provide elected members with a key role in challenging and hold the organisation to account.

9 Draft Recommendations

9.1 Management Scrutiny Committee has taken evidence from a variety of sources to assist in the formulation of a balanced range of recommendations. The Committee's key recommendations to the Cabinet are as outlined below:-

(a) That the council takes up the LGA's offer of a free corporate peer challenge to support the council's improvement journey;

(b) That the council considers, where appropriate, peer challenges in those service areas where the use of peer challenge is seen as aiding improvement;

(c) That the findings of peer challenges and inspections and assessments, including the adult social care local account, are reported through the scrutiny process as part of the governance processes of the council;

(d) That all elected members and relevant support officers including account managers and scrutiny officers are afforded the opportunity to gain an awareness, understanding and ability to utilise the Local Government Knowledge Hub;

(e) That scrutiny champions and scrutiny officers use the Knowledge Hub as a source of information and data in relation to policy review work; and

(f) That the council remains aware of the developments to sector led approaches, including the Knowledge Hub, as part of the self regulation agenda ensuring that such approaches are adapted and adopted, as appropriate, into the council's performance management framework.

10. Acknowledgements

10.1 The Committee is grateful to all those who have presented evidence during the course of our review. We would like to place on record our appreciation, in particular of the willingness and co-operation we have received from the below named:-

(a) Mike Lowe – Head of Performance Improvement – Sunderland City Council;
(b) Caryl Macbeth – Associate Lead for Performance & Improvement– Sunderland City Council;
(c) Kelly Davison-Pullan - Lead Officer for Corporate Performance – Sunderland City Council;
(d) Lee Wilson - Performance & Intelligence Officer - Sunderland City Council;

(e) Meg Boustead – Head of Safeguarding– Sunderland City Council;
(f) Graham King – Head of Strategic Commissioning HHAS– Sunderland City Council;
(g) Mark Edgell – LG Improvement and Development Regional Associate – Local Government Group.

11. Background Papers

11.1 The following background papers were consulted or referred to in the preparation of this report:

(a)   Taking the lead: self-regulation and improvement in local government. Local Government Group. 2011
(b)   Accountability works for you. Centre for Public Scrutiny. 2011
(c)   Accountability works for you: interim report. Centre for Public Scrutiny. 2011
(d)   The seven point offer. Local Government Group. 2011

Appendix 1

CfPS Accountability Works For You Framework

Pilot Studies

19

The framework involves five separate stages – the formation of a project group, a high-level evaluation, in-depth analysis of a couple of key cross-cutting issues, the formulation of an action plan and finally evaluation and monitoring. As part of the process of developing the framework, we have been working since February 2011 with a number of organisations to work through these stages. Work with two of them – both local authorities – has progressed far enough for us to be able to draw serious conclusions from observing the framework operating "in practice". Because some of their and our findings on the strength of their governance structures were quite challenging, we have agreed for the moment to anonymise them in the publicity we produce.

Council A is a county council operating the leader and cabinet model for decision making. It is high-performing, and has had some significant successes in engaging with the public in an innovative way around budgeting and decision-making (having been cited by a number of organisations as an exemplar of good practice in this regard). However, in the face of organisational change, coupled with a feeling that opportunities for meaningful, continued community engagement have not been followed up, they considered that more work was necessary to ensure that accountability and transparency issues took centre stage. They wanted to look at the way that our framework could help them to open up decision-making and improve productivity.

For council A the high-level evaluation (HLE) was carried out as a desktop exercise by officers. The HLE started to explore some of the underlying governance issues. It crystallised a number of issues – and opportunities – which had previously been difficult to discern or describe. In particular, it helped the council to understand what accountability means in an era where Audit Commission inspection is being removed, being replaced by a more citizen-focused attitude which highlights the need for direct democracy and/or more responsive decision-making.

CfPS worked with council A to extract some cross cutting themes from the HLE. The intention in doing this was to move away from the temptation to adopt individual process solutions to particular, isolated problems or concerns highlighted by the HLE itself. The three main areas for further investigation were:

The need for more local and streamlined decision making. The HLE suggested that decisions had in the past been made centrally. This may reflect wider issues around organisational culture and control. Moving to a more locally-based system for making some decisions would involve a significant change in approach.

Performance and improvement. This links in with plans for local engagement and wider issues around accountability. It was thought that there may be cultural issues to tackle in ensuring that information is made available in such a way that allows constructive comment on matters relating to improvement – particularly through overview and scrutiny.

Broader cultural attitudes. It was apparent that there was a culture of compliance and reaction to external stimuli; an understanding of the importance of public involvement, but a lack of managerial and executive commitment to see it through; an unwillingness to cede control over decision-making to others under certain circumstances (particularly to the public).

Steps were principally put in train to tackle these three issues as part of the development process for a Performance Management Strategy. This combines the in-depth analysis and action-planning in the AW4U framework.

At the time of writing, the strategy is still in draft. As it stands it places more of an emphasis on integrating the views of the public, partners and non-executives in the decision-making process. It suggests the establishment of an entirely new, and quite radical, approach to business planning, typified by transparency and openness. Authority A have committed to continue working with us as these plans develop.

Council B is an urban council with an executive mayor. Suggestions have been made that decision-making – including by individual senior decision-makers – is geared towards supporting and protecting particular interest groups rather than the community at large.

Council B is consequently keen to enhance the way that the mayor engages both with the community and with other councillors, and to enhance its governance arrangements overall. Transparency is seen as particularly important in gaining and building public trust.

Further to evidence from two scrutiny reviews carried out in 2010/11, and conversations amongst several council colleagues, a HLE was carried out. As with council A, this was a desktop exercise.

As with council A, the HLE found that there was more of an emphasis on the process, rather than the outcomes, of accountability and transparency. In particular, there is perhaps too much of an emphasis on set-piece consultation rather than ongoing inclusion. There seemed to be a disconnect between governance/decision-making and local residents that may arise from this approach. Business planning appeared opaque, making it difficult for the public or non-executives to influence decision-making. There was not much evidence that, apart from meeting statutory requirements, the council makes information available in a way that is actually useful to service users. Accountability and governance across partnerships are also fragmented. When it is considered, accountability is discussed as a standalone issue, rather than as an integral part of wider improvement.

At this stage, the process for deciding which issues to take forward for further discussion is under way.

Lessons Learned

The organisations we've worked with have found that the framework has provided them with significant assistance both in improving their governance arrangements, and getting them ready for major transformational change.

Investigating, evaluating and improving governance can be perceived as risky – but there are substantial potential rewards for organisations that do so;

Commitment to using the framework needs to be given from the top of the organisation, recognising that that the framework can, and should, be challenging;

The framework needs to be shown to be flexible, while still providing a useful tool which is not too vague. This has been a difficult tension to resolve, but the latest version seems to strike the right balance;

Organisations using the framework need to put aside enough time to plan their work. Adequate resourcing is also needed, which is why CfPS has developed an offer alongside the framework itself of external assistance, provided by our Expert Advisers;

The "high level evaluation" (the part of the framework that involves a series of questions about the culture of accountability, transparency and involvement in the organisation) can be carried out as a desktop exercise, but further investigations require the involvement of a wider group of people – including councillors, service users and communities;

External assistance may be crucial at certain key stages in the framework – such as the identification of cross-cutting themes for further investigation and drawing up clear action plans.

What Happens Next

Since February, there has been refining of the framework. In particular:

built in to the high-level evaluation a series of "positive" and "negative" qualities to help people understand more clearly the questions that are being asked;

amended the whole framework to give more of a clear emphasis to the importance of equality and fairness in dealing with the public and other stakeholders;

explained more simply how the in-depth analysis element of the framework might work;

provided three hypothetical, but realistic, examples of organisations using the framework, to make it more real and relevant to prospective users;

put in more detail about the in-depth analysis that follows the high level evaluation.

We are now publishing the revised methodology for the use of the framework. This will be used for the next group of organisations who decide to use the framework. As organisations use it, and come back with their comments, we will continue to refine it. It is important that our methodology continues to change and develop as the context in which it's used changes and adapts. We will make sure that future changes are made in an understandable and transparent way by ensuring that updates happen at regular intervals, and making clear when this occurs. We are planning to make the first revision to the framework in October 2011.

By October 2011 we hope that our work with the pilot councils will have been completed. At that time, we will publish a final report, with full information on the difference that using our framework has made to their culture and approach. We will also provide an update on other participants, including CfPS itself, which is using the framework to evaluate its own governance and accountability arrangements.

Management Scrutiny Committee
Demonstrating Local Accountability: Policy Review recommendations 11/12

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
(a)	That the council takes up the LGA's offer of a free corporate peer challenge to support the council's improvement journey	SPPM will • Coordinate with LGA to identify a suitable date for a corporate peer challenge in spring 2013 • Coordinate a scoping meeting involving the LGA, Leader and Chief Executive to agree the scope and focus of the peer challenge • Identify an approach which ensures that the peer challenge is integrated into the council's performance management framework and informs the corporate planning process for 2013/14	Mike Lowe Head of Performance Improvement SPPM	June 2012 September 2012 September 2012	
(b)	That the council considers, where appropriate, peer challenges in those service areas where the use of peer challenge is seen as aiding improvement	SPPM will • Work with Directorates to identify where appropriate the use of peer challenge to support service improvement	Mike Lowe	April 2013	
(c)	That the findings of peer challenges and inspections and assessments, including the adult social care local account, are reported through the scrutiny process as part of the governance processes of the council	SPPM will • Work with Director of Health Housing and Adult Services to report the Local Account through the scrutiny process	Mike Lowe and Graham King Head of Strategic Commissioning HHA	June 2012	

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
		• Work with the Director of Children's services to report the findings of the Ofsted inspection of safeguarding and looked after children through the scrutiny process	Mike Lowe and Meg Boustead Head of Safeguarding Children's Services	September 2012	
(d)	That all elected members and relevant support officers including account managers and scrutiny officers are afforded the opportunity to gain an awareness, understanding and ability to utilise the Local Government Knowledge Hub	SPPM will • Agree mechanism for dissemination of the details of the LG Knowledge Hub to all members, account managers and scrutiny officers • Include details in the corporate training programme to raise awareness of the resource	Mike Lowe	September 2012	
(e)	That scrutiny champions and scrutiny officers use the Knowledge Hub as a source of information and data in relation to policy review work	SPPM will • Agree with scrutiny team how the LG knowledge Hub resource will be used to support future policy reviews	Mike Lowe Charlotte Burnham Head of Areas and Scrutiny	September 2012	
(f)	That the council remains aware of the developments to sector led approaches, including the Knowledge Hub, as part of the self regulation agenda ensuring that such approaches are adapted and adopted, as appropriate, into the council's performance management framework	SPPM will • Continue to monitor and review national and sector led approaches to self regulation as they are developed. • Ensure provision of high quality advice regarding the adoption of sector led approaches as they emerge with appropriate Directorates	Mike Lowe	April 2013	

**Management Scrutiny Committee
Policy Review 2011 – 2012**

At What Cost? The Effects of High-Cost Credit and Illegal Loan Sharks on Local Communities

Final Report

Contents

1   Foreword from the Chairman of the Committee

It gives me great pleasure to be able to introduce the Management Scrutiny Committee's policy review on illegal loan sharks and high-cost credit.

People borrow money every day from small common transactions for everyday living through to large sums for homes, cars and other expensive items. The majority of people will use fairly conventional means to borrow money such as credit cards, personal loans and mortgages, but there is an increasing trend towards high-cost credit and unlicensed lenders.

High-cost credit or payday loans have had a meteoric rise to prominence and are now very much in the consciousness of everyday people. They have a visible presence on the high street and in town centres as well as a prominent media profile through newspapers, TV and radio adverts. Many people see this type of loan as quick, convenient and hassle-free and for many, this is the case providing a quick fix in a crisis or helping to bridge a gap between paydays. However, this is not the situation for all and an increasing number of people are falling into serious debt as a result of falling behind with the payments and the crippling APR's of such loans.

There has been a lot of media coverage around payday loans and the tactics of these companies in targeting particular groups of people and rolling over loans when such individuals fall into further difficulties. It is as a result of pressure from MPs and this intense media spotlight that the Office of Fair Trading (OFT) has launched a review into 50 payday loan companies investigating if they are in fact deliberately targeting vulnerable people.

Loan sharks are the last resort for those who often see no way out of their ever deepening financial situation. They operate without a license from the OFT and therefore illegally provide money to people. Many loan sharks use techniques of intimidation, psychological threats and violence to exert control over their victims, and this can escalate to victims being involved in drug dealing, theft and prostitution to supplement payments to the loan shark. It is perhaps surprising then to learn that many victims initially view the loan shark as a friend or are recommended to them by one of their own friends.

The committee has gathered a wide range of views and evidence in undertaking this piece of work and is delighted that the Illegal Money Lending Team is working in Sunderland. This team together with key partners from across the city is looking to gather information and intelligence from communities and individuals that will lead to prosecutions, prison sentences and ultimately the removal of loan sharks from Sunderland.

Finally I would like to thank my colleagues on the Management Scrutiny Committee and all the officers and witnesses who have contributed to this piece of work. The issue is not going to go away, but if we as a council can work with our partners and other agencies we can provide viable options for people to make better informed choices about their own financial situation.

Councillor David Tate, Chair of the Management Scrutiny Committee

2   Introduction

2.1   At its meeting on 14th July, 2011 following discussions that had taken place at the Cabinet meeting held on 22nd June 2011 the Committee considered the possibility of a study into the effects on communities of high interest money lenders and illegal loan sharks.

3   Aim of the Review

3.1   To look at the various means by which people borrow money and the effects this can have on their lives and the wider communities in which they live.

4   Terms of Reference

4.1   The title of the review was agreed as 'At What Cost? The effects of high-cost credit and illegal money lending on local communities and its terms of reference were agreed as:

(a)   To identify and understand the types of money lenders available to people living within Sunderland;

(b)   To investigate and identify the overall levels of debt, the levels of interest charged and some of the selling techniques employed by money lenders;

(c)   To explore the issues that members of the public face in relation to debt and the impact that money lending can have on individuals and communities as a whole, and;

(d)   To look at examples of good practice from across the region and country in relation to the policy review.

5   Membership of the Committee

5.1   The membership of the Management Scrutiny Committee during the Municipal Year is outlined below:

Cllrs David Tate (Chair), Kath Rolph (Vice-Chair), Florence Anderson, Graeme Miller, Michael Mordey, Robert Oliver, Paul Stewart, Peter Walker, Susan Watson, Amy Wilson and Peter Wood.

6   Methods of Investigation

6.1   The approach to this work included a range of research methods namely:

(a) Desktop Research;
(b) Use of secondary research e.g. surveys, questionnaires;
(c) Evidence presented by key stakeholders;
(d) Evidence from members of the public at meetings or focus groups; and,
(e) Site Visits.

6.2   Throughout the course of the review process the committee gathered evidence from a number of key witnesses including:

(a)   Tony Quigley – Head of the Illegal Money Lending Team (England)
(b)   Richard Reading – Principal Trading Standards Officer
(c)   Joan Reed – Strategic Change Manager
(d)   Alan Caddick – Head of Housing
(e)   Liz St Louis – Head of Customer Service and Development
(f)   Justin Collins – Mortgage Rescue Officer
(g)   Theresa Finch – Christians Against Poverty UK
(h)   Gavin Hennessey – Bridges Community Bank
(i)   Dorothy Gardner – Sunderland MIND
(j)   Malcolm Hays – Hays Credit
(k)   Neil Gillespie – Hays Credit
(l)   Peter Kenyon – Ramsdens Financial Ltd
(m)   Pallion Action Group
(n)   Shiney Advice and Resource Project

6.3   All statements in this report are made based on information received from more than one source, unless it is clarified in the text that it is an individual view. Opinions held by a small number of people may or may not be representative of others' views but are worthy of consideration nevertheless.

7 Findings of the Review

Findings relate to the main themes raised during the committee's investigations and evidence gathering.

7.1 UK Debt: The Facts and Figures[1]

7.1.1 The total UK personal debt at the end of December 2011 stood at £1,451 trillion, with the average household debt being £7,948 (excluding mortgages) and £55,823 (including mortgages).

7.1.2 331 people a day, or every 4 minutes 21 seconds, someone will be declared insolvent or bankrupt while every 14 minutes 17 seconds a property is repossessed, meaning banks and building societies are writing off some £15.68m of loans on a daily basis.

7.1.3 The Citizen Advice Bureau deals with 8,652 new debt problems each working day and figures released by the Consumer Credit Counselling Service (CCCS) suggest that their average client has to work until 4pm on a Wednesday, each week, just to earn enough money to repay their unsecured debts. The average person contacting CCCS in 2010 owed a total of £22,476 in unsecured debt, and faced a monthly bill of £675.52 simply to meet repayments. This made up an alarming 58% of CCCS clients' average monthly earnings of £1,173.23 after tax.

7.1.4 Total credit card debt in December 2011 was £55.8bn. During November 2011 an average of 304 purchases were made in the UK every second using debit and credit cards, based on figures from the UK Cards Association. Furthermore on a daily basis, purchases using plastic cards were worth £1.252bn during November.

7.1.5 At a focus group Members were informed that Sunderland was typical of many cities across the UK in relation to public borrowing and levels of debt. However it was noted that the North East region was suffering from higher levels of unemployment than the countrywide average. It was also identified that there were a large number of credit sources within the city including 8 traditional pawnbrokers and a number of weekly payment companies such as Brighthouse, Payday loan companies and the Credit Union.

7.1.6 In Sunderland the average unsecured debt according to CCCS 2010 figures was £17,772 per individual, slightly below the North East average of £18,254. Breaking this down still further the CCCS identified that male unsecured debt in the region was on average £19,535 with Sunderland males again being slightly below this average with £18,921. The picture is very similar when looking at females with the North East average being £16,910 and Sunderland females having around £16,454 of unsecured debt.

7.1.7 The table below shows the debt enquires and amounts of debt handled between September 2010 and August 2011 by first tier contracted advice services in Sunderland. This first tier of contracted advice includes Citizens Advice Sunderland (based in Washington), Sunderland Advice Service (Sunderland North and Sunderland South), Sunderland Advice Project (Sunderland South) and Shiney Advice and Resource Project (Coalfields).

---

[1] Debt Statistics supplied by Credit Action

5

Month	No of debt enquiries	Amount of debt handled	Average amount of debt handled
Sept 2010	168	£472,238.75	£2,810.94
Oct 2010	131	£438,343.20	£3,346.13
Nov 2010	154	£333,419.50	£2,165.06
Dec 2010	119	£285,676.97	£2,400.65
Jan 2011	225	£1,195,191.68	£5,311.96
Feb 2011	201	£1,494,503.90	£7,435.34
March 2011	233	£1,302,262.63	£5,589.11
Apr 2011	105	£532,192.91	£5,068.50
May 2011	139	£884,722.12	£6,364.91
June 2011	169	£635,271.70	£3,759.00
July 2011	139	£659,900.00	£4,747.48
Aug 2011	131	£779,087.78	£5,947.23
Total	**1,914**	**£9,012,811.14**	**£4,708.89**

Figure 1: Debt Enquires to First Tier Contracted Advice Services in Sunderland
Source: Sunderland City Council

7.2   The Types of Loans and Borrowing available to Local People

7.2.1   Members recognised that there were a number of ways in which people can borrow money for the short, medium and long term and these are often dependent on a person's credit history, employment and risk to the lender. In order to gain a better understanding of the credit scene Members identified the principle routes for potential borrowers.

7.2.2   *Personal Loans*
Personal loans are clearly more suitable for borrowing larger sums of money over a longer term. Costs can vary across lenders and may depend on if the loan is secured or unsecured. Secured loans are borrowed against an asset such as a home or car, meaning if the person is unable to repay the loan, the lender can sell the asset to recoup their investment. You may be charged less interest on a secured loan but there may be extra fees. Unsecured Loans do not require such a guarantee but there is still a legal obligation to repay the loan. The lender can take court action to get recoup funds, and this could involve substantial costs and ultimately affect an individual's credit rating.

7.2.3   *Credit Unions*
Credit unions are owned and run by their members, for their members. Some credit unions may lend to individuals as soon as they become a member, while others will lend once an individual has shown the credit union that they are able to save regularly. The APR on their loans is capped by law at 26.8%, and they often charge much lower interest rates on loans than other lenders.

7.2.4   *Home Credit (Doorstep Lenders)*
Home credit, or a doorstep loan, is where an individual borrows money and the lender calls at their home to collect the repayments. The loans are usually for smaller amounts but can be charged at a high rate of interest for borrowing in this way. The law states that home credit lenders have to be licensed by the Office of Fair Trading (OFT). If someone is offering to lend money on the doorstep they must have a lender's licence or other authorisation, if they do not, then they are operating illegally.

7.2.5   *Social Fund Loans*

6

Certain benefits entitle a person to help from the Social Fund for one-off expenses. Pay back of the loan is still required but there are no interest charges. These usually take the form of a crisis loan to help with an emergency, or a budgeting loan to help with vital costs like food and clothing or funeral payments.

7.2.6 *Payday Loans*

A payday loan is a cash advance that is loaned over a short period of time, usually until the next payday. Each year some 1.2 million people in the UK resort to payday loans as a temporary means of getting by and a total of £1.2 billion is borrowed in the form of such loans every year. Taking out a payday loan is meant to be a temporary measure. Short term loans that are not paid back in time will accrue huge interest rates, and debts can quickly spiral out of control. Some of the better known payday loan companies charge interest rates of over 2,500% APR. One of the biggest attractions of the payday loan is that anyone can apply for one no matter what credit rating. For most payday loans the only eligibility criteria is to be resident in the UK, over 18 years old, have a job with a regular payday and an active bank account. Other attractions of such products are centered on the convenience and speed of the application process.

7.2.7 *Pawnbrokers*[2]

The origins of pawnbroking can be traced back over 3,000 years to the Chinese, and the industry as we know it today can be traced back to fifteenth century Italy and the noble Medici family. Pawnbrokers, like banks, earn their income on the interest charged on loans secured by a pledged item. Goods are accepted into pawn following an on-the-spot valuation of goods. The customer and pawnbroker will then agree a sum to be advanced and the pawnbroker presents a completed document known as pre contract information. It allows the customer to confirm that they are happy to accept the terms of the loan, and if this is the case the customer then signs the actual agreement which provides details of their rights and protection under the Consumer Credit Act 1974 as well as the terms and conditions of the loan. The customer also receives as part of the document itself a pawn-receipt for presentation when redeeming the goods. Such agreements are for a minimum period of 6 months and customers have the right to withdraw from the agreement within 14 days as well as making partial or full early repayments.

7.2.8

When the loan and the interest are paid, the goods are returned to the customer. If the customer has not repaid the loan during this time and the loan was over £100 he will receive notice that the property is due to be sold giving him a further statutory period of 14 days in which to redeem. The pawnbroker must obtain the true market value on the date of sale ensuring a fair price is obtained for the customer, with any amount over that due to the pawnbroker going back to the customer. Contrary to popular myth, only where the loan is for less than £75 does the pawnbroker gain title to the goods,

7.2.9 *Rent-to-Buy Retail Credit*

A hire purchase, or rent-to-buy, agreement is a mechanism for borrowing money in order to make a purchase of goods that cannot be afforded outright. A hire purchase agreement is a form of secured loan that gives the lender certain rights over the borrower by their entitlement to repossess the goods in certain circumstances, until the HP agreement has been completed. Hire purchase agreements are governed by the Consumer Credit Act 1974, and the goods hired are governed by the Supply of Goods (Implied) Act 1973. Some of the biggest high-

---

[2] Information supplied by The National Pawnbrokers Association of the UK

street names in this area include BrightHouse and CashConverters. With an HP agreement the goods are hired to the borrower for a specified period of time, in which the consumer will have to pay weekly or monthly payments towards the total amount payable. The total amount payable is based on the cash price of the goods, plus interest over the period of the agreement and any additional charges which may be levied on top. The goods remain the property of the lender until the HP agreement has been completed in full.

7.2.10 *Logbook Loans*

Logbook loans are secured on a car or similar vehicle that is in the ownership of the borrower. This means that if a payment is missed, the lender may repossess the vehicle. A 'bill of sale' agreement is signed transferring ownership of the vehicle to the lender. The lender also keeps the registration documents and they own the car until the loan is paid off in full. These types of loans usually have a very high rate of interest (APR typically 300-500%) and are a very risky way to borrow money due to the fact that the lender does not require a court order to repossess the vehicle. Also if the vehicle sells for less than the amount owed on the loan, the remaining balance is still an outstanding debt.

7.2.11 *Illegal Money Lending (Loan Sharks)*

Loan sharks are people who lend money without a licence from the Office of Fair Trading. Loan sharks are often well known in the community and source their customers through word of mouth. As loan sharks are not licensed they operate outside the law and are very likely to offer a loan on very bad terms with extortionate rates of interest, resort to harassment and threats of violence if a borrower gets behind with repayments and will apply pressure into borrowing more from them to repay one debt with another. It should not be underestimated that people involved in illegal money lending practices will invariably be involved in other illegal activities too.

7.2.12 It can be seen that there are a number of avenues available to individuals in relation to the borrowing of money which range from the very traditional routes of banks and building societies, through new thriving enterprises including payday loans to the illegal practices of loan sharks. One of the key issues, as this review will highlight, is that for many the traditional and safer routes are often unavailable due to credit history or other circumstances leading many to borrow money from other types of borrowers and take less conventional routes.

7.3   High-Cost Credit

7.3.1   The consumer credit landscape has changed significantly in recent years, with the traditional routes of lending through banks and financial institutions being scaled back. According to the Bank of England between 2007 and 2009 the amount of unsecured credit being offered by lenders had declined every quarter and has not picked up.[3] However, for high-cost credit the story is very different. High-cost credit has witnessed substantial growth while the more traditional routes have reduced, with some provision continuing to grow through these difficult times. Payday loans have seen the fastest growth, but there has also been growth in home credit providers, pawnbrokers and rent-to-own credit. The latter in particular seems to have established a small, but significant position in the provision of credit to low income households[4].

---

[3] Bank of England 2011 Credit Conditions Survey: Survey Results Quarter 3
[4] A Vicious Cycle 2011: The Heavy Burden of Credit on Low Income Families. Barnardo's

7.3.2 As already reported the rate of personal insolvencies is around four times higher than in 2004, and during 2010 reached an all time high. The growth in personal insolvencies could be mirrored by an increasing number of people who have reached the end of the line in accessing credit through formal, licensed routes. Barnardo's recognised that this problem could get worse once the country begins a sustained economic recovery, as lenders look to pursue debts accumulated when the economy was struggling, similar to previous recessions. One of the key drivers for individuals accessing unlicensed credit is their inability to access traditional routes and licensed credit providers. The best available estimates indicated that 4% of those who are refused credit from elsewhere turn to illegal lenders, and that 82% of those that access unlicensed credit do so because they have no other choice in relation to credit.

7.3.3 In speaking with Credit Providers, Members of the Committee discovered that the typical client profile was one of a low income family that was state dependent, with the vast majority living in rented accommodation. The gender split on average being 60% female and 40% male with a typical borrowing sum of between £200 and £300.

7.3.4 The credit providers also highlighted the importance of the relationship between their agent and the borrower. Members were informed that typically agents working for the credit provider lived in and around the area that they worked in. Interestingly agents were typically female age between 35 and 65 and worked on a part-time basis. It was also reported that the majority of clients preferred home collection (80-90%) with only a small number coming into the office to pay their weekly amounts.

7.3.5 Perhaps one of the most interesting things that members discovered speaking to credit providers, operating in Sunderland, was around their bad debt performance. Hays Credit informed the committee that they rejected on average 85% of new credit applications, and every prospective new client was subject to a credit reference check and home visit. It was noted that the company had a large number of repeat client business. It was also noted that Hays Credit had very minimal default charges and were very receptive to the up and down nature of their client's finances and circumstances. Also the company's local collection agents were in a good position to assess client's individual circumstances. Ramsden's Finance also highlighted the high decline rate of their company and it was noted that 90% of new applicants were declined. Again a lot of the company's business was repeat custom from a trusted client base.

7.3.6 Both companies used a simple application form followed by credit reference checks that included checks against bankruptcy and insolvency to confirm the information on the application form. An assessment was then made on the information collected. Members were informed that the process typically took 72hrs, but for existing customers this could be an almost instant decision. The credit providers did stress that there was a greater risk for bigger companies with much higher default rates. Members noted that very often these larger PLC businesses were driven by investors and the necessity to continually increase their customer base and volume of lending.

7.3.7 With the high decline rate for new credit applications highlighted by the credit providers interviewed there was a concern that this was reducing the options for some borrowers still further leaving them with fewer opportunities. It was perhaps an option that local credit providers when rejecting borrowers could signpost these

9

individuals to the local authority who could then provide advice and guidance on financial issues. In working collaboratively with reputable service providers could help to reduce those borrowers using the higher-end credit providers or resorting to illegal moneylenders. This will not stop borrowers using such means but it could give individuals who are actively looking to borrow money the information to make a more informed choice.

7.3.8 Payday loans have emerged as a major source of credit in the UK over the last few years for many people who need money to bridge the gap between one payday and the next. According to research around 55% of payday loan users are under the age of 35 and 60% are not married or cohabiting, with approximately 70% have a household income less than £24,500. It is also interesting to note that the majority of UK payday loan borrowers are based outside of London and the South East of England, with most being in the North of England and Scotland closely matching the income and socio-economic traits of borrowers.

7.3.9 Many payday loan borrowers are or have been in debt, with the situation exacerbated by the global financial crisis and recent recession. The banking crisis has also had an effect in two ways on the way people look to borrow money. In the first instance due to the crisis, banks have become more reluctant to lend money and have tightened up their procedures making it more a more difficult and rigorous process to borrow from traditional financial institutions. Secondly the ease and quickness of payday loans are seen by many as their main attraction, and if paid off in time such loans are very often seen as the ideal short-term solution.

7.3.10 Research has indicated that many borrowers use payday loans due to this speed and ease but just as much a draw is the anonymity of the process and in particular the on-line access to funds.[5] In speaking with credit providers it was their view that customers on a low income/budget were generally good with money, through necessity. Members believed in the importance of developing the financial literacy of people and the importance of getting into schools and making young people more financially aware. It was acknowledged that people will make choices about their own financial situations, and as stated many will make the right decisions but it was important to help or facilitate them to make more informed choices. Bridget Phillipson MP also reported that in speaking with constituents they are overwhelmingly in favour of action to regulate, protect and educate people about the risks of high-interest credit. One of the key issues emerging from this review is about how people can be made to think differently about credit, debt and other financial matters.

7.3.11 Members recognised that the whole issue was a family learning issue and it was reported that the West Yorkshire Trading Standards team had held workshops with family groups to support people and families in relation to financial awareness. Throughout the evidence gathering for the review it was clearly identifiable that there was a role for the information and guidance that the Council offers to its customers and that it would be important in these financially difficult times to develop our customer services appropriately. It was also felt to be important to consider how the council works in conjunction with the voluntary sector and the wealth of support networks that currently exist. It was suggested that the idea of Sunderland's Trading Standards and Welfare Rights Teams could work jointly to provide some tailored workshops around financial awareness.

---

[5] Keeping the plates spinning: Perceptions of payday loans in Great Britian. Consumer Focus. 2010

10

7.3.12 The rent-to-own market, as already mentioned, is a sector of steady growth with those relying on such schemes paying high interest rates, as well as the initial product often being higher in price compared to prices available from other retail outlets. In taking a random product of a fridge freezer it is interesting to note that using rent-to-own could potentially cost an individual up to £1,195.44 more than if bought from a major high street retailer. A high street purchase of a Samsung fridge freezer with additional warranty would cost £597.00 outright compared to a rent-to-own purchase which would work out at a maximum £1792.44. This includes the purchase price of £703.29, the cost of credit at £309.15, the optional service care at £546.30 and content cover for the product at £234 for the term of the agreement[6].

7.4   The Office of Fair Trading - Review into High-Cost Consumer Credit

7.4.1   The Office of Fair Trading (OFT) conducted a review into the high cost credit sector and published their findings in June 2010. This review was launched due to concerns that consumers of high-cost credit, including many on low incomes, suffered from a lack of options when seeking credit, that the price individuals paid for credit was too high, and that the recession had limited suppliers' willingness to lend money.   The report identified the high-cost credit sector as consisting of pawnbroking, payday and other short-term small sum loans, home credit and rent-to-buy credit.   The report also acknowledged that this was a significant and valuable sector in the economy with loans to consumers totalling £7.5 billion in 2008.

7.4.2   The OFT review highlighted some key features and similarities within the high-cost credit marketplace including consumers need for credit, a limited tendency to search out the most suitable product or option, lower than average levels of income, and poor or no credit history. High cost credit is expensive by its very nature and this is primarily due to the low value of the loan resulting in higher administration costs per loan, high-cost business models and the incidence of missed, late payments and bad debts.

7.4.3   The OFT also concluded that the markets for high-cost credit worked reasonably well due to a number of factors including:

(a)   suppliers met the demand for easier access to their products;
(b)   they filled a gap in the market not served fully by mainstream suppliers;
(c)   the level of complaints from consumers is low; and,
(d)   in some cases lenders show flexibility with repayment difficulties and do not penalise borrowers for missed or late payments.

7.4.4   The review also identified issues with the effectiveness of competition in these markets as follows:

(a)   on the demand side – there is a relatively low ability for consumers to drive competition between suppliers due to their low levels of financial capability;
(b)   on the supply side – there is a limited supply of additional sources of credit particularly from mainstream suppliers; and,
(c)   competition on price is limited and some suppliers appear to be charging higher prices than expected.

7.4.5   The OFT review made recommendations around four major themes as follows:

(a)   help consumers make informed decisions on high-cost credit;

---

[6] Prices correct at 28 February 2012

(b)   increase the ability for consumers to build up a documented credit history when using high-cost credit;

(c)   enhance the understanding of developments in the high-cost credit sector; and,

(d)   promote best practice among suppliers of high-cost credit.

7.4.6   The OFT ultimately concluded that, in a number of respects, these markets worked reasonably well. However, it argued that many of the problems in such markets arose from more deep-seated issues, such as weaknesses in the financial capability of consumers, and any recommendations made by the OFT would only make limited differences. The OFT also considered the case for price controls for pawnbroking, payday loans, home credit and rent-to-buy credit and concluded that such measures would not be an appropriate solution to the particular problems found in these high cost credit markets.

7.4.7   The OFT found in its review that competition and greater customer education would force high-cost credit providers to reduce rates but many MP's argue that there is little competition between such lenders. In fact four companies dominate the home credit market with Provident Financial Plc having 70% of the market share[7]. This was endorsed by the Management Scrutiny Committee review which when speaking to Pallion Action Group it was identified that a majority of residents had Provident loans in the area.   There was also little evidence that consumer awareness was the problem and research conducted by Church Action on Poverty suggested that people had taken out high-cost loans knowing the risks, but continued regardless because they were unable to get a loan anywhere else.

7.4.8   The OFT review also highlighted that criticising payday loans and doorstep lending based on APR was unfair as annual rates and short-term loan solutions would always look expensive. However it was also argued that a better measure of the cost of credit was the 'total cost of credit', with door-to-door lenders charging £82 for every £100 borrowed. This can be even higher should individuals roll over their borrowing.[5]

7.5   The Impact of High Cost Credit on individuals and Communities

7.5.1   For many the use of payday loans, pawnbrokers or doorstep credit is a very positive experience. Speaking with credit providers it was found that there can be a fairly even split between using such loans out of necessity or for a one-off or luxury purchase. Some people use instant loans for a one-off purchase, (holidays, luxury goods etc) and such consumers can be infrequent or one-off users of such services. However as already highlighted for many people it is difficult to survive to the end of the month on salaries or benefit payments alone and short-term loans can provide that bridge between paydays, and as long as they are paid off in time can be of financial help.

"I have had 3 loans now with this company and I have nothing but praise for them. Great customer service, fast deposits and discrete. I have always paid my loans on time so I can't say what they are like if you fall behind. My opinion is they are great and I would recommend. Thanks very much."

Payday Loan Customer – Internet Comment

---

[7] MP Accountability Network January 2011 Briefing 2: High-Cost Credit

7.5.2 Sadly many people are already facing financial difficulties and such loans are an added strain on their lives, gradually paying more and more as debts increase. Archetypal 'Alices' – the asset limited, income-constrained employees are the key target group for short-term, high-cost loan companies. Many consumers can end up in a cycle of having to borrow more and more in order to pay back their existing debt, with some borrowers even accessing loans from several payday companies at the same time, adding to their overall repayment problem. Citizens Advice reports seeing many clients with 5 or 10 loans that they simply are not going to be able to pay back. Lenders are happy to allow loans to roll over from one repayment period to the next with added interest.

7.5.3 The proliferation of payday lenders is also a concern at national level and Sharon Hughes MP reported to the Committee that recent research by R3, a group which represents debt advisers, showed that nearly a third of people who took out payday loans had to get another to pay it off. The research also found that around 3.5 million people in the UK are expected to take one out during the first half of this year.

"A friend of mine has been using payday loans for some time now, it started with a loan of around £100, he doesn't earn a lot and thought he was desperate for the money, he made the repayment as agreed at the end of the month. His low wage and high outgoings meant that he again had to borrow just to survive the month. This continued and is still the case today, every month he pays back he again needs to borrow, due to the high levels of interest the loan amounts had to increase to what is now £600 per month! About 70% of his total monthly income. The interest on this is high and he now finds himself in an impossible cycle that he cannot recover from."

Payday loan comment - Internet

7.5.3 The impact of this on borrowers can often mean that paying back loans was at the detriment of other debts, leading to default charges and further financial burdens. As well as the obvious financial problems, it can provide individuals with health related issues brought on through emotional stress and anxiety. There can also be an embarrassment factor associated with default payments or taking out repeat or multiple loans. It should be noted that some payday loan companies will resort to a variety of methods in order to get their payments including taking money out of borrowers accounts and contacting clients at their place of employment.

"Had a loan with this company and when I fell into financial difficulty I explained that I was unable to pay, they phoned my work every day, mobile every day and even left a message at my work saying someone in their company had traveled from London to Manchester and was waiting to meet with me at a hotel near my work?"

Payday loan comment – Internet

7.5.4 The MP for Washington and Sunderland West also highlighted the proliferation of high cost credit walk-in shops in city centres and other commercial areas and believed that it would be beneficial to the residents of Sunderland if these could be discouraged within the statutory guidance on planning and business rates. The MP acknowledges that a new outlet will provide a number of jobs but adversely having such outlets easily accessible by residents will only serve to encourage the take-up of high-cost credit and unsustainable debt. There was also acknowledgement that this was an on-line growth area and there were limits to what the council can do to limit exposure of residents to such options. The MP felt that the council could be

most useful in providing accessible advice both on debt management and the range of lending options available locally.

7.5.5 Further to this the MP for Houghton and Sunderland South commented that high cost personal debt was a serious problem for constituents with 84% needing help from the Citizens Advice Bureau on debt related issues. Also, based on year-on-year comparisons, debt relief orders had increased by 15% and telephone/broadband debts by 12%[8], highlighting the importance of these issues as more and more services become accessible only online.

7.6 Illegal Money Lending

7.6.1 Illegal moneylending covers a range of activities, from persons that are actually licensed but are acting unlawfully, to the extreme of a person offering cash loans without being licensed at all (Loan Sharks). Loan Shark activity is characterised by deliberate criminal fraud and theft, with extortionate rates of interest on loans that mean borrowers face demands for payment of thousands of pounds more than they borrowed and can often never pay off the loans. Borrowers who fail to pay or refuse to pay are subject to intimidation, theft, forced prostitution and other, extreme physical violence.

Example of Loan Shark Practice 1: AF went to a loan shark when he wanted £100 to buy a car stereo that was on special offer. He agreed to pay back the entire sum several days later, and was charged £20 interest. AF, 26, of Stoke-on-Trent, had successfully borrowed money from a loan shark in the past, but on this occasion failed to pay the full amount owed on the due date, so the lender doubled the interest charge. As the debt mounted, AF found it increasingly difficult to repay the growing amounts, and missed more payments, ending up being charged £100 interest every day. Eventually the entire loan had reached £1,000 and AF was threatened with having his legs broken if he didn't pay up.

7.6.2 Statistics related to the victims of loan sharks builds a profile of the types of people who are most at risk of falling victim to such practices. Members of the committee identified the characteristics as follows:

- 65% are female;
- 75% are on benefits;
- 82% are without home contents insurance;
- 75% live in rented accommodation;
- 12% are home owners (an emerging trend);
- 56% live in social housing and 19% in private rented;
- 63% are unemployed, and;
- 18% are self employed.

7.6.3 Members, through their evidence gathering, also noted that 70% of the people that use loan sharks needed to purchase something essential for everyday life with the remaining 30% having some kind of addiction including gambling, alcohol or drug dependency. Also in looking at statistics it was interesting at this point to note some of the underlying reasons why people had used loan sharks and how they had come into contact with them:

---

[8] Citizen Advice Bureau Constituency Report: Houghton and Sunderland South 2010/2011

14

- 78% found the loan shark through a friend;
- 46% had borrowed before;
- 44% knew the loan shark before borrowing;
- 46% tried to borrow elsewhere first;
- 66% had other debts (average £7k+);
- 28% had had other benefits check, and;
- 46% considered the loan shark a friend.

7.6.4   It can be seen that illegal money lenders are the lenders of last resort although alarmingly 46% considered the loan shark to be a friend and a massive 78% of victims finding loan sharks through friends paints a worrying picture. Accessing credit in this way can be at great financial and personal cost. The National Local Government Network has already estimated that illegal lending may rise from 65,000 to 200,000 cases per year, as a result of the economic downturn.

7.6.5   An Illegal Money Lending Team was established within Birmingham Trading Standards as a pilot project in England, one of only two in Great Britain; the other pilot area being Glasgow – covering Scotland.   The remit of the team is to investigate illegal money lending activity, establish if a problem exists and, if so, bring to justice those persons carrying on this activity.   The team is made up of highly experienced investigators with a broad range of backgrounds and investigative skills.

7.6.6   The scheme, initially working across the Midlands, has already been extended to cover the North West, East of England, South East and Yorkshire and the Humber areas.   Funding for the project is provided from the Financial Inclusion Fund administered by HM Treasury and managed by BIS. HM Treasury and BIS announced that, due to the success of the Birmingham team, funding will continue and can be used to roll out to other authorities. On 29 December 2010, the then, Business Minister Edward Davey announced that £5.2 million in funds will be available to continue the national illegal money lending project for 2011/12 through trading standards services.

7.6.7   In addition, the Minister also announced that BIS intended to restructure the project by moving to a three national team model. The Minister indicated that BIS were looking to maintain front line services whilst providing a value for money project. The English team will be hosted by Birmingham City Council and will continue to provide a resource to investigate illegal money lending across England. Birmingham was chosen to lead the new, England team due to the efficiencies associated with the expansion. This was favoured against the creation of a brand new team that would attract high development and set up costs. Centralising national services was   considered to be crucial. The team, based in Birmingham, will continue to operate a "parachute in and out model", with a local presence being provided through regional officers; this being the option recommended by recent research commissioned through Policis, an independent research consultancy.

7.6.8   The official launch of the Illegal Money Lending Team in Sunderland took place on Tuesday 8th November 2011 at the Sunderland Glass Centre. The launch saw a number of presentations and group discussions around the practice of illegal money lending and how agencies and individuals can help spread the team's message.

7.6.9 Members of the Committee met with Members of the Illegal Money Lending Team to discuss their work and the success rates in terms of stopping illegal money lenders operating in England, Scotland and Wales. It was interesting for the committee to note that upto January 2011 the Illegal Money Lending Team had:

- identified over 1,700 illegal lenders;
- arrested over 500 illegal money lenders (loan sharks);
- written off over £37 million of illegal debts (money victims would have paid back to illegal lenders if the team had not acted);
- brought over 182 prosecutions had been brought resulting in prison sentences totalling over 107 years and one indefinite sentence;
- helped over 16,000 victims of loan sharks including the most hard to reach individuals; and,
- referred over 600 victims had been referred to alternate (legal) sources of financial support.

  Example of Loan Shark Practice 2: BS, aged 22 years old, had initially borrowed just £300 from a loan shark but this quickly rose to £3400 over a 12 week period. During this time, BS was frequently threatened and intimidated by the loan shark and his associates; the loan shark used BS's vulnerability to charge unrealistic interest rates. On a 4 week cycle, the loan shark would lend BS money to pay off earlier debts, charging a higher interest rate each time. In just 12 weeks, his debt had gone from £300 to £3400, leaving BS helpless. The use of threats and intimidation ultimately lead BS to take his own life on 3rd December 2005.

7.6.10 The IML Team informed Members of the Committee that Sunderland Mosaic demographic data would assist the team in terms of targeting resources on those neighbourhoods that fit the socio-economic pattern for loan shark activity, including Hendon, Sandhill, Redhill and Washington North. Targeted activities would include leaflet drops, poster displays and working with agencies already established in the areas to gather that all important intelligence. Members were informed that the IML Team recognised the benefits of trend analysis and by using the Mosaic tool would be able to identify likely hotspots and victims in particular areas. It was noted that a common trait of loan sharks was to target single mothers and seek payment through sexual favours.

7.6.11 It was also noted that Sunderland City Council had undertaken a month of action to raise awareness of the illegal money lending team working in Sunderland. As a result of this month of action an action plan was in development with a number of interested parties. **Appendix 1** of this report provides an overview of some of the key activities during the month of action. It was also noted that there was constant communications activity with the IML Team Liaison Officer assigned to the Council. Members suggested that the action plan could be reported back through the scrutiny committee as a way to monitor progress, development and achievements in relation to this issue.

7.6.12 Members also highlighted the importance of training for groups and organisations who were in regular contact with local people in order to be aware of issues, triggers to look for and ways to support victims of illegal money lending. Members also recognised the area committees and community news as potential vehicles to promote the message of the IML Team and the work it does.

7.7 The Impact of Illegal Money Lending on Individuals and Communities

7.7.1 The consequences of borrowing from a loan shark for individuals are great and the damage loan sharks can cause to communities they operate in is immense. Illegal money lending only strengthens financial and social exclusion, through weakening already limited family budgets and increasing anti-social behaviours. As already highlighted and discussed with the IML Team those unable to pay loan sharks find themselves under increasing pressure to become involved in degrading and criminal activities. The IML Team informed the Committee that activities experienced have included prostitution, drug dealing and stealing. The IML Team also reported that once a loan shark had been removed from an area there was a significant reduction in crime within the area.

7.7.2 Research conducted for the Department of Business, Innovations and Skills explains that most residents from deprived estates view illegal lenders as exploiting those who need money and the majority seeing this as also damaging to the community as a whole. However individuals who use loan sharks appear to have a different view seeing such operations providing a community service for those who can borrow from no other source.

7.7.3 As mentioned already, and an issue that has been raised in a number of focus groups, is the fact that borrowers susceptible to loan sharks generally have no access to legal forms of credit. Interestingly users of illegal credit tend to have more chaotic lifestyles than users of high-cost credit with a proportion having drug, alcohol or mental health problems.

7.7.4 Illegal money lending tends to occur in tight-knit communities with lenders well known within such communities through a strong social network. The IML Team informed the committee that relationships between borrowers and loan sharks will often start friendly and, as already highlighted loan sharks are often referred by friends and thought of by borrowers as friends. However the relationship will ultimately be based on fear, intimidation and violence.

7.7.5 The detrimental effect of loan sharks on individuals and communities can, as shown, be severe with rising crime, violence and nefarious activities taking place on resident's doorsteps. Breaking down community barriers is an important aspect of the IML Team's work, people need to see that there is support and solutions to their situation. The IML Team will 'piggyback' onto other community events or initiatives to get their message across often using promotional materials including beer mats, posters, business cards etc. It can be a slow process and it should not be forgotten that many of these people live in fear and their confidence is extremely low. The positive impact of the IML Team and the high profile publicity around convictions of loan sharks can provide the confidence for people to come forward and give information.

7.7.6 The IML Team also informed the Committee of the 'U' Choose Initiative which had been undertaken in Middlesbrough where the community had been empowered to decided upon how the proceeds of illegal money lending, seized in that area, should be used for the benefit of the local community as a whole. Members were advised that the intention was that this sort of initiative would be rolled out across other Local Authorities. Other ways in which the proceeds of crime had been used had included the production of banners to inform communities of where they can get help from the Illegal Money Lending Team and the holding of community fun days where help and advice was also available.

17

7.7.7 The effects of illegal money lending on individuals and communities can also be measured by the impact of removing a loan shark from operation in an area. In their evaluation of the illegal money lending pilots, POLICIS found that in removing a loan shark, victims are spared the anxiety of having to find money to pay such debts. Also the relief this can bring from the constant worry can have positive benefits around mental health, quality of life and general well-being.

7.7.8 One of the key issues that emerged from sessions with ShARP, Pallion Action Group and the question and answer session that followed the Shontal Theatre Performance was around illegal money lenders being untouchable and potential safety issues for people coming forward. One of the key tasks of the Illegal Money Lending Team is to break down these barriers and while more and more individuals are coming forward the climate of fear and reprisals generated by illegal lenders is alive and well. With this in mind and in discussion with Pallion Action Group it is evident that the barriers to persuading victims to come forward do still remain.

7.7.9 Illegal money lenders do depend on their ability to control and intimidate their victims and it is this that provides the perception that they are beyond the remit of the law. This is a difficult barrier to overcome and relies heavily on the enforcement authorities' ability to put such individuals out of action. Although it will also be as much about community perceptions that lenders have been removed and sufficient time is given to allow such communities to move on. This is where the work of the Illegal Money Lending Team, Local Authority, local media and community and voluntary groups is most important. Once a lender has been removed it is important to flood that community with support, advice and guidance to allow them to move on and away from such a sphere of control.

7.8   Alternative Support and Provision

7.8.1 The Financial Services Authority (FSA) commissioned a baseline survey of financial capability which indicated that many people, regardless of background or income, lacked the ability to manage their finances effectively. In particular those on the lowest incomes (which included single parents, the unemployed and people on sickness or disability benefits) were least likely to cope financially.

7.8.2 There are a number of free debt advice services available to people which offer advice and guidance in dealing with mounting financial debts arising from among other sources traditional loans, high-cost credit and illegal lenders. However, there are also a rising number of paid for advice services offering debt consolidation solutions but taking up to 35% of an individuals disposable income to provide such solutions. The credit providers that the committee contacted highlighted this as an area for concern particularly as similar advice and debt management solutions were available from organisations like the Citizens Advice Bureau, Credit Counselling Service, Sharp, Pallion Action Group or Libra and most importantly their advice was free. Promotion of Sunderland City Council's Advice and Benefits web page was also identified as important as it provides a wealth of knowledge and information that can guide residents to advice, support and guidance.

7.8.3 The Money Advice Service has recently outlined its objectives for co-ordinating personal debt advice services from 1 April 2012. This follows the Government's request to the Service to initiate a new era of free advice provision. Its focus will be to ensure timely help is provided to customers and that consistently high standards of advice are applied across the country wherever over-indebted customers may

turn. The main features of this new approach are to put customers first and main themes include:

(a) a commitment to automatic referral of customers by creditors to an effective advice service so people get the best advice for their needs before a crisis is reached;

(b) improved availability of "triage" services for customers, so those who need it get the right kind of timely advice online, on the phone or face-to-face, with a solution satisfactory to both creditors and debtors;

(c) increased participation of creditors in "fair-share" arrangements; and

(d) more consistent and higher standards of service delivery wherever customers go.

7.8.4 The Money Advice Service will co-ordinate the work of debt advice organisations to help meet the needs of people seeking such support. It will build on the work by partners across the UK and, following a transitional period, new arrangements will be in place from the autumn of 2013. Key to its approach is the recognition that debt advice not only improves the wellbeing of individuals, it can increase collection rates for creditors, reduce court costs and help cut down on repossessions.

7.8.5 An important factor that Members heard time and again during this review, was that there needed to be viable alternatives to the high-cost and illegal credit that those on the lowest incomes and the most financially excluded from society felt was there only source to additional income. Credit unions are one such alternative, a cooperative organisation owned and democratically controlled by its members. The aim of credit unions is to provide loans at fair and reasonable rates, but perhaps more importantly they also aim to get people to save as well as borrow and provide training for their members to make them confident about money.

7.8.6 The credit union in Sunderland (Wearside First) has had issues in the past and has not been as successful as perhaps it should have been. Members met with the Chief Executive of the new Bridges Community Bank and were informed that Wearside First had gained approval from FSA to change into a Community Bank and would be known in future as Bridges Community Bank. To further strengthen the credit unions position it has also joined forces with South Tyneside's Credit Union, enabling them to enjoy savings on economies of scale e.g. a shared IT system. It was further reported that a community bank was a small organisation offering basic lending services, Bridges Community Bank have 10 staff and were also supported by volunteers. There had also been a re-branding exercise and there were now several collection points throughout the city.

7.8.7 The Chief Executive of Bridges Community Bank also explained that the credit union can help the most vulnerable individuals through debt consolidation and enable their clients to reduce their monthly out goings. All clients would be encouraged to open savings accounts, even if they only save £1 a week. Clients were also offered advice and encouraged to borrow less. In looking to encouraging people to save it was noted that there were a number of initiatives including looking to begin financial education in schools by getting young people to save. The organisation has found that there were several generations of families that, for a variety of reasons, had never saved, and this directly impacts on encouraging young people to save. It was noted that approximately 17 schools in South Tyneside participated in the savings programme, plus one of the Academy's and it was hoped this model could be introduced into schools in Sunderland.

19

7.8.8 Promotion of the new Bridges Community Bank would be important to its success and it was noted that the bank had begun with leaflet drops, although there was on average only about 1% take up on such drops, the majority of business came through word of mouth. It was also noted that the organisation was not allowed to cold call on potential clients. It was also suggested that the Community Bank could attend the area committee meetings and make contact with Voluntary and Community Network in Sunderland to make the organisation known.

7.8.9 Members also met with another organisation who provided help and support to those in financial difficulties, the Christians Against Poverty (CAP) organisation. CAP started 15 years ago and now has 190 centres around the country, with a head office in Bradford. CAP work in partnership with the church offering free debt advice. Initially they make a home visit, set a manageable budget and negotiate with the clients creditors, and can often due to their relationship with creditors reduce or eliminate further interest charges. The applicant has a CAP account, they make one payment into the account then CAP make the payments to their respective creditors on their behalf. They are unable to go overdrawn on their CAP account and all clients are given a caseworker to provide support and advice. Like the credit union CAP also encourages people to save. It was noted that CAP may not be able to provide this support if the client was involved with illegal money lending practices as this would be outside their sphere of operation.

7.8.10 Another free resource available to local people is Libra Sunderland, a direct link to a network of advice organisations across the City of Sunderland. The aim of Libra is to promote local advice services and providers and in so doing increase the access to advice for people in Sunderland. Libra Sunderland provides a resource for signposting to a number of local advice and support groups covering a variety of issues including debt and financial management.

7.8.11 Members also visited SHARP (Shiney Advice and Resource Project) to investigate the work being done by a third sector organisation and to ascertain the financial climate in local communities. Sharp was established in 1981 and is a local advice and support agency that has used welfare rights as a vehicle for community development. It was reported that SHARP was not experiencing any people coming to the organisation with issues relating to illegal money lending. There was an acknowledgement of mounting debt issues within the community mainly due to people's circumstances changing through loss of employment or other changes which have ultimately affected their income.

7.8.12 It was reported that SHARP were dealing with a number of debt issues the majority being either doorstep loans or catalogue debts. Again like CAP and other similar organisations SHARP will make offers to creditors on behalf of clients and these will more often than not be accepted as well as a cessation of any further accruing of interest charges. It was also highlighted that SHARP mostly dealt with people who were unemployed or on benefits they very rarely had contact with people who were in full-time employment.

7.8.13 SHARP were also looking to add further services to their support which looked at the underlying issues like unemployment, wellbeing and health. SHARP were looking to work with job linkage and health providers to begin a multi-agency approach which would provide signposting from one organisation to another. SHARP also highlighted the impending welfare reform legislation which would have a huge impact on people's financial stability and the advice centre was beginning to

20

see an increase in people with issues associated to the implications of the Welfare Reform Bill.

7.8.14 In discussing the Welfare Reform Bill it was highlighted by Bridget Phillipson MP that one of the possible changes will be on the Social Fund. The government is to abolish the fund and give this money to local authorities to administer and distribute similarly. The MP for Houghton and Sunderland South expressed concern as to whether this money would be entirely replaced at a local level and if it would continue to fund emergency one-off expenses. Scrutiny Committee members were interested to determine how this fund would be administered locally and the possible implications of such changes would be to the delivery of the fund.

7.8.15 Evidence was also gathered from Pallion Action Group (PAG) which provided support and advice to residents living in the west of Sunderland. The PAG looks to give people advice and guidance to ensure people can make an informed choice and that the illegal money lenders are not even the port of last resort. One of the key issues noted on visiting PAG was the ease with which young people can limit their own credit opportunities through ill informed decisions. It is a very easy cycle to fall into and PAG explained that young people can easily get credit to begin with and it usually begins with a mobile phone contract. Once signed up the young person then does not like the phone or wants a better model so stops paying the contract and moves to another company. This affects their credit rating and reduces their borrowing opportunities in the future, this was noted as a major issue.

7.8.16 PAG also highlighted the importance of work with schools from primary through to secondary to highlight the importance of money management and the benefits of saving. The concern was that schools already have pressures on their curriculum and this may just be a further burden to this, it would be important that anything promoted to schools can be integrated into activities already being delivered. However, there are many young people from poor families are excluded from many of the school activities due to their cost. It could be that schools are encouraged to promote saving within the school for pupils that can then pay for school trips. This can educate pupils about the value of saving, provide an opportunity for those currently excluded to participate and it can be geared to be affordable for parents.

7.8.17 Further to this the MP for Houghton and Sunderland South, in canvassing constituents, found that a majority thought that children should be taught about personal finance in school.

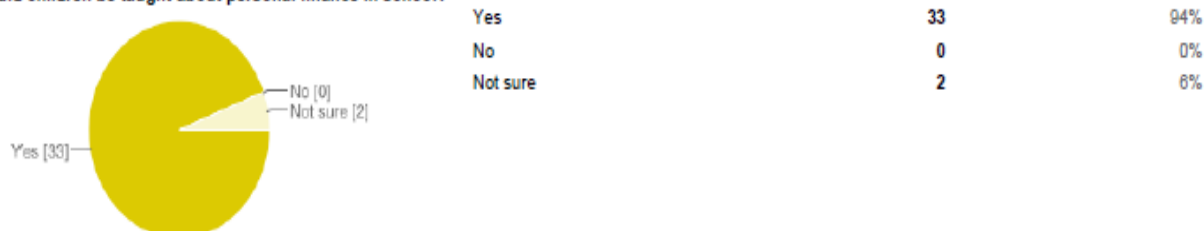Q4 Should children be taught about personal finance in school?

Yes	33	94%
No	0	0%
Not sure	2	6%

Figure 2: Houghton and Sunderland South constituents response to financial education in schools

8   Conclusions

The Committee made the following overall conclusions:-

8.1   The current state of the UK economy is one of unemployment, debt and financial insecurity. The North East has suffered higher levels of unemployment than other areas and is an area that is particularly vulnerable to issues surrounding debt. Sunderland is typical of many cities across the North East and many residents struggle to make ends meet having limited avenues available to them for accessing additional credit.

8.2   There is a multitude of ways to borrow money ranging from the traditional routes through banks and building societies through to high-interest credit companies and ending at the illegal money lending trade. It is often those most disadvantaged and vulnerable in society that are the most limited in their choices when it comes to borrowing money. Provident loans, payday lenders and right-to-buy credit are often the key borrowing mediums of many people who struggle to access the more mainstream routes, due to the ease of access and proliferation on the high street. For those who struggle at the very bottom where all avenues of credit have been exhausted there is the loan shark who is often well known in the community and recommended by a friend.

8.3   Barnardo's have highlighted that a key driver for individuals accessing unlicensed credit is through an inability to access licensed credit providers. It is interesting in speaking with credit providers operating in Sunderland to see just how many new applications were rejected. There is a danger that a number of these people may turn to unlicensed credit providers or higher-cost credit operators and it would be beneficial if credit providers could signpost rejected applicants to the local authority who could provide advice and guidance.

8.4   People need to have confidence and awareness around their own financial circumstances to make informed decisions. For many this is not just an individual issues but one that has an impact on the whole family. Working with local support groups there is a potential opportunity to raise financial awareness in local communities and signpost people to support groups and credible sources of credit. Empowering people to make better informed decisions around finances can only help families and communities and hopefully deter many from turning to unlicensed lenders.

8.5   High-cost credit providers are increasing in popularity due to the speed and ease of access to money, they are also creeping into our consciousness through heavy media advertising and an increasing high street presence. For many people these can be an ideal short-term solution to bridge a gap between paydays and unexpected expenses, for others it is a spiral into mounting debts and crippling interest charges. The Office of Fair Trading review into high-cost credit sector did conclude that the markets worked reasonably well. However there is currently a campaign in Parliament for a cap on the cost of credit, and more generally to highlight the practices of high-interest lenders. The campaign has been well reported in the media and hopefully may have raised awareness to the pitfalls of such loans.

8.6   In fact the OFT have recently announced it is to investigate 50 payday loan companies to see whether they are deliberately targeting vulnerable people. The OFT intends to pursue lines of enquiry which look at:

(a)   loans being given with adequate checks to ensure that the borrower can afford to repay the loan;

(b)   the inappropriate targeting of particular groups of people with unsuitable and unaffordable credit;

(c)   rolling over loans which escalate the charges making the loans unaffordable; and

(d)   the fair treatment of borrowers who get into financial difficulties.

8.7   It is also worth highlighting that Sunderland City Council has very recently undertaken a study of the effects of high-cost lending on consumers. This report contains a number of case studies relevant to Sunderland and highlights some of the pitfalls of this ever increasing market. It would be useful to submit this research to the OFT to support their review and provide evidence from a Sunderland perspective. The report and its findings would also be welcomed by the Management Scrutiny Committee as a compliment to this review.

8.8   The Illegal Money Lending Team operating in Sunderland is a positive step for removing unlicensed lenders in the area. To promote this in and around Sunderland the local authority has undertaken a month of action which has proved extremely positive. The campaign has had media exposure at Sunderland's Stadium of Light, there has been work undertaken with schools and a performance by a theatre group of a hard hitting play about loan sharks. This work will continue and an action plan is to be developed to continue this work and develop some of the positive outcomes that have followed the month of action.

8.9   Throughout the review there has been the issue of how to break the power that a loan shark can have on a community. There is still a stigma attached to being labelled a 'grass' and there is also the fear of recriminations from the loan shark if found out. In speaking with local community groups it is clear that people are reluctant to come forward and it will be important to promote the positive outcomes of removing a loan shark from an area, and that it can be done. Key frontline workers, from a variety of agencies (e.g. Gentoo Housing), should be trained to look for the signs of loan shark activity within an area, as well as looking to these front line workers within communities to help build trust and promote the key messages around this agenda. It is important that information and intelligence is gathered from as many sources as possible to build a picture to allow the Illegal Money Lending Team to take decisive action.

8.10   Another key issue that has been a common theme throughout the review has been around what would replace high-cost credit and illegal money lending. It must be remembered that frequently the people using these solutions to money problems often have no other option, unlicensed credit is the choice of last resort. Unlicensed credit is an illegal debt and it does not have to be paid back, removing a loan shark can provide that breathing space for those in debt. An individual who all of a sudden is not paying a major part of their limited income to a loan shark may find the additional money can help them to cope and move on.

8.11   The credit union can provide communities with the ability to save and also provide loans and a much more affordable rate. It is true to say the credit union in Sunderland has not flourished as well as others in the area and the country

generally, but merging with South Tyneside's Credit Union can provide a much stronger base for it to move forward in the future. It will be important for the new Bridges Community Bank to promote its business and develop a broader client base, there is certainly opportunities to work with community and voluntary groups in and around Sunderland to get those most in need involved with the bank. It would also be advantageous if the local authority could explore ways in which it can positively promote this new venture to help maximise its potential for success.

8.12   The local authority has a wealth of information, knowledge and expertise within its organisation that can help signpost and support people to make informed choices for a long-term solution and future. The benefits and welfare page of the council's website is a key resource for information as well as the customer contact centres which can provide support on a range of debt related issues. It is important that the local authority promotes the help available through its work with a range of partners and in collaborative relationships with key stakeholders. This can ensure that information around advice and guidance is promoted as widely as possible and targeted at those most in need of support.

8.13   The culture of modern society is built on credit and debt, it is a must have now world that worries about the consequences later. Many people do not understand the true value of money and the long term implications of their actions now. Education and an appreciation of money and money management for all ages are important. Schools have a key role to play but it is not feasible to ask schools to add further topics to their curriculums. However, it could be possible to build such issues into school life and there are opportunities to show young people, from an early age, the benefits of saving. Schools could start savings clubs for pupils and get parents to save a nominal amount every week which could contribute to school trips. Parents could also see the benefits by not having to pay out for a trip all in one go or that they cannot afford it and their child is unable to go on the trip.

8.14   These are all small things that can contribute to helping individuals, families and communities to manage their debts, look to alternative solutions and make better informed choices. This issue of debt, poverty and those that exploit this situation is deep rooted in our society, but through the work of the Illegal Money Lending Team, Local Authorities and community and voluntary groups there are the beginnings of a greater awareness of just how people are being exploited throughout England. In times of recession and economic downturns it is often those that are least able to cope that suffer the most, the local authority and its partners continue to tackle these issues to support communities and local people.

9   Draft Recommendations

9.1   Management Scrutiny Committee has taken evidence from a variety of sources to assist in the formulation of a balanced range of recommendations. The Committee's key recommendations to the Cabinet are as outlined below:-

(a)   That Trading Standards explore the potential for developing a relationship or agreement with local credit providers to signpost rejected credit applicants to appropriate sources of guidance or support either in the Council or local community;

(b)   That the local report being undertaken, by Trading Standards, into high cost lending in Sunderland is submitted to the Office of Fair Trading review into payday loans as evidence, as well as presenting the findings to the Management Scrutiny Committee;

(c)   That the Management Scrutiny Committee receives updated reports on the progress and achievements in relation to the action plan that is to be developed following on from the initial month of action around illegal money lending;

(d)   That the Illegal Money Lending Team in partnership with Trading Standards, Welfare Rights and key partner organisations look to promote the benefits and build trust relating to their work around loan sharks through a variety of media including area committees and LMAPS;

(e)   That Trading Standards and Welfare Rights look to explore possibilities with community and voluntary sector organisations in providing training sessions on financial management and debt related issues in local community settings;

(f)   That an initial publicity strategy is developed to ensure that the first conviction/arrest in Sunderland of a loan shark has positive media coverage with an aim to enhance confidence and assurance in communities and individuals who are in similar situations;

(g)   That work is undertaken to promote the local authority website as an important resource for information around debt management, financial information and local advice services;

(h)   That the council looks at how it can encourage schools to explore the potential for school savings clubs that can help young people and families in promoting the value of saving;

(i)   That new media outlets including the app and android market, twitter, other social media and text messaging be explored and evaluated for promoting and targeting messages about high-cost credit and illegal money lending to young people who are potentially most at risk;

(j)   That the Council looks at ways to promote and support the newly re-launched credit union, Bridges Community Bank, as a viable alternative to high-cost credit and illegal money lending.

10.   Acknowledgements

10.1   The Committee is grateful to all those who have presented evidence during the course of our review. We would like to place on record our appreciation, in particular of the willingness and co-operation we have received from the below named:-

(a)   Tony Quigley – Head of the Illegal Money Lending Team (England)
(b)   Denise Meek – Illegal Money Lending Team
(c)   Richard Reading – Principal Trading Standards Officer
(d)   Joan Reed – Strategic Change Manager
(e)   Alan Caddick – Head of Housing

(f)   Liz St Louis – Head of Customer Service and Development
(g)   Justin Collins – Mortgage Rescue Officer
(h)   Theresa Finch – Christians Against Poverty UK
(i)   Gavin Hennessey – Bridges Community Bank
(j)   Dorothy Gardner – Sunderland MIND
(k)   Malcolm Hays – Hays Credit
(l)   Neil Gillespie – Hays Credit
(m)   Peter Kenyon – Ramsdens Financial Ltd
(n)   Pallion Action Group
(o)   Shiney Advice and Resource Project
(p)   Bridget Phillipson MP Houghton and Sunderland South
(q)   Sharon Hodgson MP Washington and Sunderland West

11.   Background Papers

11.1   The following background papers were consulted or referred to in the
       preparation of this report:

(a)   Bank of England 2011 Credit Conditions Survey: Survey Results Quarter 3
(b)   Citizen Advice Bureau Constituency Report: Houghton and Sunderland
        South 2010/2011
(c)   MP Accountability Network January 2011 Briefing 2: High-Cost Credit
(d)   Keeping the plates spinning: Perceptions of payday loans in Great Britian.
        Consumer Focus. 2010
(e)   A Vicious Cycle: The Heavy Burden of Credit on Low Income Families.
        Barnardo's. 2011

APPENDIX 1

Sunderland City Council Month of Action on Illegal Money Lending

There were **four themes** for the activities held during the month of action:

Awareness raising

It was considered important to raise awareness of illegal lending in the city, therefore a stall was hosted in the Bridges Shopping Centre over two days during which time the centre had a footfall of 119,000 people. Promotional material was distributed to GP's surgeries, Taxi drivers and community centres. In addition promotional messages were

displayed in Gentoo offices and CSC where members of the public go. Furthermore 9000 beer mats were distributed to the pubs and clubs of Sunderland.

Training of key staff

Over 60 front line staff from Sunderland city council and the voluntary and community sector received training on how to spot and tackle illegal lending. One person who had attended the training clearly put this to use and shared information with the IMLT about a potential loan shark within hours of attending the training.

Media coverage

The month of action received good media coverage through a variety of media platforms. This included three newspaper articles in the local press, a radio interview with the Head of IMLT, and a radio discussion with the Principal Trading Standards Officer and IMLT staff.

Councillor Kelly was also interviewed by Sky Tyne and Wear about the issue.

Community involvement

Community involvement was a key part of the month. Gentoo hosted two family fun days on their estates, children got the opportunity to meet IMLT mascot Sharky and their parents were given information about illegal lending.

Southwick Primary School hosted a special assembly to their pupils and held a competition to design a banner warning against the perils of illegal money lending.

SAFC have been very involved with the month of action and they donated tickets to the banner winners and runners up to attend the big match between Sunderland and Arsenal. At half time the children went on the pitch and displayed the banner. The link with SAFC has been heralded as good practice by the national IMLT. The banner has also been on display at other places in eth city across the month, including the Fawcett Street Customer Service Centre.

The month of action was rounded off by the premier of 'It's only a few quid' by community theatre company Shontal being played to a packed house at The Sunderland Royalty Theatre.

28

Management Scrutiny Committee
At What Cost? The Effects of High-Cost Credit and Illegal Loan Sharks on Local Communities : Policy Review recommendations 11/12

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
(a)	That Trading Standards explore the potential for developing a relationship or agreement with local credit providers to signpost rejected credit applicants to appropriate sources of guidance or support either in the Council or local community	• Identify credit providers • Identify advice providers and remits • Develop signpost material promoting the Advice and benefits pages as an accurate source of information • Distribute material	City Services	End 6/12 End 6/12 End 9/12 End 12/12	
(b)	That the local report being undertaken, by Trading Standards, into high cost lending in Sunderland is submitted to the Office of Fair Trading (OFT) review into payday loans as evidence, as well as presenting the findings to the Management Scrutiny Committee	• Complete report • Submit to OFT • Report for Management Scrutiny Committee	City Services	End 6/12 End 6/12 End 9/12	
(c)	That the Management Scrutiny Committee receives updated reports on the progress and achievements in relation to the action plan that is to be developed following on from the initial month of action around illegal money lending	• Reports provided at regular intervals until the action plan is completed	Health Housing and Adult Services	End 3/13	

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
(d)	That the Illegal Money Lending Team (IMLT) in partnership with Trading Standards, Welfare Rights and key partner organisations look to promote the benefits and build trust relating to their work around loan sharks through a variety of media including area committees and LMAPS	• Liaise with IMLT • Present at LMAPS meetings • Report to each Area Committee	Health Housing and Adult Services	End 6/12 End 3/13 End 3/13	
(e)	That Trading Standards and Welfare Rights look to explore possibilities with community and voluntary sector organisations in providing training sessions on financial management and debt related issues in local community settings	• Identify current provision /availability of training sessions on financial management and debt related issues in local community settings • Identify gaps • Work with training providers to promote and roll out training	Health Housing and Adult Services	End 9/12 End 9/12 Ongoing	
(f)	That an initial publicity strategy is developed to ensure that the first conviction/arrest in Sunderland of a loan shark has positive media coverage with an aim to enhance confidence and assurance in communities and individuals who are in similar situations	• Liaise with IMLT • Liaise Communications Section • Develop key messages	City Services	End 6/12 End 6/12 End 9/12	
(g)	That work is undertaken to promote the local authority website as an important resource for information around debt management, financial information and local advice services	• Review current content • Identify advice providers and remits • Liaise Communications Section • Develop key messages • Update website	Health Housing and Adult Services	End 9/12 End 9/12 End 9/12 End 9/12 End 12/12	

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
(h)	That the council looks at how it can encourage schools to explore the potential for school savings clubs that can help young people and families in promoting the value of saving	• Support pilot of savings club (managed by Bridges community Bank) at Southwick Primary School • Liaise with Communication section about positive press coverage – follow up to loan shark actions • Support Bridges roll out school based savings clubs	Health Housing and Adult Services	3/12	
(i)	That new media outlets including the app and android market, twitter, other social media and text messaging be explored and evaluated for promoting and targeting messages about high-cost credit and illegal money lending to young people who are potentially most at risk	• Liaise with IMLT • Liaise Communications Section • Look to use new media outlets in relation to recommendations at a, f and h	Comms	End 12/12	
(k)	That the Council looks at ways to promote and support the newly re-launched credit union, Bridges Community Bank, as a viable alternative to high-cost credit and illegal money lending	• Liaise Communications Section /Bridges Community bank identify council role in relaunch event • Explore opportunities to promote the BCB on council internet/intranet sites • Explore opportunities to place promotional materials in council buildings/ staff payslips	Health Housing and Adult Services	6/12 3/12 3/12	

PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE

FINAL REPORT

A NEW KIND OF UNIVERSITY CITY – A REVIEW OF AIM 1 OF THE ECONOMIC MASTERPLAN

Contents

Page Number

1 FOREWORD FROM THE CHAIRMAN OF THE COMMITTEE

It gives me great pleasure to be able to introduce the Prosperity and Economic Development Scrutiny Committee's policy review into Aim 1 of the Economic Masterplan – "A New Kind of University City".

At the start of the year, when the Committee was considering which issues to include in its work programme, we had pretty much unanimous support to focus on the progress being made on Aim 1 of the Economic Masterplan – the development of a new kind of University City.

The Committee's review set out to examine the measures being taken by the Council, the University and all of our partners to this end and consider the influence and impact that the University has on the city's economy at the present time and the potential for this to be increased. The Committee examined the way in which the Council and the University can more fully integrate the University into the city's economy, including business start up and growth; the development of workforce skills through education and retention and the potential for research to support business growth through innovation, graduate placement and management and staff development.

In our work, we were supported throughout by staff and academics from the University and we would particularly like to thank the University's Vice Chancellor and Chief Executive), Deputy Vince Chancellor and Deputy Chief Executive and the Assistant Director for their support and guidance during the review.

The Committee's report includes a number of significant recommendations. Firstly, that the Council and University should continue to investigate means of developing partnership working around Aim 1 of the Economic Masterplan in order to coordinate work on business growth and economic development and to make the most of available resources. We also consider that the University should look to further develop its links with the City's business community and increase its understanding of the needs of local businesses and the ways in which it can respond with appropriate expertise, support and guidance including through a large scale networking event or a high profile trade fair. We suggest that the University and Council should continue to work together to ensure that business advice and guidance is provided in a coordinated and complementary manner along the lines of a one stop shop approach.

We consider that there is scope for the University to further promote its profile in the city and better publicise and market its considerable strengths and successes including through the development of a promotional document summarising its contribution to the local economy and economic regeneration in the city and the region. We consider it important that the University conduct further research into the factors surrounding the levels of retention of students; including the influence of the local jobs market and job opportunities and continue to work with partners

in order to monitor and react quickly to help meet local skills requirements and to continue to develop links with local Further Education Colleges and schools. Finally, we think that the Council and the University should work closely together to develop ways of linking and integrating the city campus to the rest of the city and improve the quality of the public realm.

In conclusion, I would like to thank my colleagues on the Prosperity and Economic Development Scrutiny Committee for their hard work during the course of the review and thank them for their valuable contribution.

Councillor Michael Mordey, Chairman of the Prosperity and Economic Development Scrutiny Committee

2 INTRODUCTION

2.1 On 15 June 2012, the Committee agreed to undertake a policy review into Aim 1 of the Economic Masterplan – A New Kind of University City. The Committee felt that it was important to look into this issue in view of the important role played by Aim 1 of the Economic Masterplan in promoting the economic prosperity of the city.

2.2 The final draft of the report has been prepared for consideration by the Committee. Once agreed the final report will be submitted to the meeting of the Cabinet on June 2012.

3 TERMS OF REFERENCE

3.1 At its meeting on 27 July 2011, the Committee agreed the following terms of reference for the policy review:-

   i. To consider what the Council and its partners should be doing to support the development of a new kind of University City;

   ii. To gain an understanding of the influence that the University has on the city's economy at the present time and the potential for this to be increased.

   iii. To look into the way in which the University of Sunderland can be more fully integrated into the city's economy, including business start up and growth;

   iv. To investigate the development of workforce skills through education and graduate retention;

   v. To investigate the potential for research to support business growth through innovation, graduate placement and management and staff development;

   vi. To investigate the experiences of a similar University and the role it plays in its own city's economy.

4 MEMBERSHIP OF THE COMMITTEE

4.1 The membership of the Prosperity and Economic Development Scrutiny Committee consisted of Councillors Michael Mordey (Chair), Dianne Snowdon (Vice Chairman), Ellen Ball, Richard Bell, Sheila Ellis, Stephen Foster, John Gallagher, Peter Gibson, George Howe, Lilian Walton, Amy Wilson.

5   METHODS OF INVESTIGATION

5.1   The following methods of investigation were used for the review:

      (i)   Evidence from relevant Council officers and partner organisations;

      (ii)   Visit to University of Sunderland

      (iii)   Visit to Sheffield Hallam University.

6   SUNDERLAND ECONOMIC MASTERPLAN

6.1   As a starting point for the review, the Committee looked the overall aims and objectives of the Sunderland Economic Masterplan, the key challenges faced and the implications of Aim 1 of the Plan.

Economic Masterplan

6.2   The Economic Masterplan sets out to:-

- help set the direction for the City's economy over the next 15 years;
- establish how Sunderland would earn its living and what it would look like on the ground;
- identify key actions that public, private and voluntary sector partners need to take to ensure a prosperous and sustainable future

6.3   The overall economic vision and strategy is for Sunderland to be 'an entrepreneurial University City at the heart of a low-carbon regional economy." This vision statement seeks to convey a number of messages about Sunderland:-

- the university will play a new role in the city's economic development;
- the city will be a vibrant and attractive place where enterprise is encouraged;
- it will be at the heart of a newly designated "Low Carbon Economic Area" and must develop new infrastructure as part of this;
- its future is tied to the wider economy and the city must be collaborative and outward looking.

6.4   The Masterplan proposes that to become more prosperous, Sunderland must focus on a small number of important sectors and on the city centre and do this by developing a low carbon economy. To achieve this it must make more of four key assets:-

- Nissan, to exploit electric vehicle technology and become a world leader in producing electric vehicles;
- The University of Sunderland to redefine the city as a place where knowledge is a part of the way of life;
- the Port to enable the servicing of new offshore wind farms;
- Using specific development sites to create a new business district in the city centre, more retail sites and an electric vehicle industry.

6.5   In order to attain this vision, five aims have been identified:-

Aim 1 - a new kind of University City;
Aim 2 - a national hub of the low-carbon economy;
Aim 3 - a prosperous and well-connected waterfront city centre;
Aim 4 - an inclusive City economy - for all ages;
Aim 5 - a one City approach to economic leadership

Key Challenges

6.6   The key challenges to be addressed by the Masterplan include:-

o   the City Centre is underpowered as an economic driver;
o   there is a too narrow range of industries, career opportunities and well paid jobs;
o   the City has been better at attracting international companies than local growth;
o   Sunderland is a City with a University but not a University City;
o   the City has a prevalence of low skills and aspirations;
o   there is a limited housing choice.

6.7   Worklessness, economic inactivity and a low resident skills base all provide major challenges to the City and form the backbone of the issues the Economic Masterplan is attempting to address.

6.8   Since the decline of the major industries of shipbuilding, coalmining and glass making, 20,000 new jobs have been created over the last 20 years. The city's economic output per resident is higher than the North East average and has been rising faster than the national average. However, Sunderland still suffers from relative weakness in the local economy as well as wages that are lower than the rest of the UK.

6.9   The city has relatively high levels of worklessness with 20.3% of the population on benefits compared to 14.2% for Great Britain overall and 18.7% for the North East. The city also has a high percentage of residents qualified to NVQ1 and 2 levels when compared with the UK average but a

smaller percentage qualified to NVQ level 3 and 4. Consequentially, earnings (and spending power) are lower than average.

Sunderland Skills and Employment Demand Survey 2011

6.10   In order to obtain a better understanding of issues surrounding skills and employment demand in Sunderland, the Committee received a report on the Sunderland Skills and Employment Demand Survey. The Survey was undertaken in order to obtain an overview of the current and future demand for employment, skills and labour in the City within key sectors and gather intelligence and data on recent workforce trends and labour forecasts.

6.11   The survey highlighted a number of areas of skill shortages and skills gaps in the local economy:-

Skills shortages:

One fifth (21%) of businesses that had recently tried to recruit had experienced difficulties. This compares with 22% amongst employers based outside Sunderland;

Over half of Sunderland employers surveyed had experienced difficulty in recruiting to skilled/technical roles;

The most frequently cited skills that employers struggle to access are 'technical skills' (36%) related to the sector;

The employers that reported the highest proportion of difficulties were those in medium sized businesses (between 50 and 99 employees);

The main reported impacts of skills shortages include an increased workload for others, lost business and increased operating costs;

Skills gaps

18% of employers in Sunderland's key sectors reported skills gaps. This is higher than the comparative figure for the outside Sunderland area of 16%;

A slightly smaller proportion of employers in Sunderland reported skills gaps than the proportion that reported skills shortages in Sunderland, suggesting that this is a bigger issue for more employers than skills shortages;

As with skills shortages, the sector with the largest proportion of employer reported skills gaps was Transport & Logistics;

Just over half of employers reported skills gaps in skilled and technical roles;

A difficulty in keeping up with change was the most frequently cited reason for skills gaps.

7

☐As with skills shortages, a larger proportion (36%) of medium sized businesses in Sunderland (with between 50 and 99 employees) perceive skill gaps in their workforce than smaller or very large businesses; ☐Increased workload for others, increased operating costs and lost business were the most frequently reported impact of skills gaps in Sunderland.

6.12   The survey highlights that much needs to be done to address skill shortages and gaps and in the local economy.

7   AIM 1 OF THE ECONOMIC MASTERPLAN – "A NEW KIND OF UNIVERSITY CITY"

7.1   The Committee then went on to look in more detail at the aims and objectives of Aim 1 of the Economic Masterplan.

7.2   Aim 1 of the Economic Masterplan sets out the aim for Sunderland to be a vibrant, creative and attractive city, with a strong learning ethic and a focus on developing and supporting enterprise, with the University of Sunderland at its heart.

7.3   Universities are seen as vital instruments in the creation of a knowledge based economy. If graduates can be retained they can create a more skilled labour force. University research and technological developments have the potential to be commercialised in collaboration with local industry for their mutual benefit. Universities can also help to drive cultural change in the city through engaging with their business and resident communities.

7.4   The new kind of University City envisaged in the Economic Masterplan is based on *collaboration* between the public sector, private enterprise, the University of Sunderland and other related institutions. We need to make use of the city's assets to create wealth and jobs and the University has an important role in this by helping to promote enterprise, improving the city's reputation and influencing and fostering cultural change.

7.5   The University has an important role in helping to build the foundations for this by:-

- promoting enterprise
- improving the city's reputation and influence
- fostering cultural change

Promoting Enterprise

7.6   A new City Enterprise and Innovation Strategy will provide a model for promoting innovation in the city and collaboration between the city council,

university and other organisations that support business improvement. This will establish a framework of support for businesses at all levels including:-

- more support for new businesses such as offering advice and after care to people looking to start their own businesses;
- a new unified business network, which will ensure that all businesses in Sunderland have access to a range of business support networks
- targeted support for established small and medium sized enterprises
- targeted support to attract outside investment
- ensuring the appropriate mix of business premises and capital infrastructure (broadband connectivity, transport links etc) is developed and maintained.
- better access to business services (finance, legal and accounting support)

7.7   The programme will ensure the development of industry standard premises and facilities to support university/business collaboration on innovation and business growth. The programme will target investment in infrastructure to support collaborative research, innovation, business support and inward investment.

7.8   The University also has a key role in supporting innovation within the priority sectors of the Masterplan. This includes two key facilities – the new Ultra Low Carbon Vehicle Testing and Development Facility at Nissan's Washington site and the Sciences Complex on the City Campus.

7.9   As a result of investment secured through the Sunderland Software City initiative, new enterprise centres at the North East Business and Innovation Centre and at Toward Road are being created. Both centres will show case the city's software sector and provide accommodation and services infrastructure for the industry.

7.10   These measures should result in an improved enterprise culture and a more competitive city. There should be growing recognition of Sunderland as a centre for innovation and research and development in priority sectors such as software and low carbon. We should also see improved business collaboration with knowledge institutions and a greater proportion of skilled people living in the city

Improving the City's Reputation and Influence

7.11   The city's ability to market itself is linked to the strength of its economic leadership. The people responsible for the major economic investment

and spending decisions made in the public, private and not for profit sectors need to become a strong team. The Economic Leadership Programme will use best leadership models to create regular opportunities for new learning and collaborative working supported by external experts and advisors.

7.12   The Communications Strategy contained in the Masterplan should help to ensure that all investors and stakeholders understand the need for economic development, the mechanisms that create growth and the planned outcomes for the various sectors and constituents of the city.

7.13   Outcomes should include improved leadership, innovative institutions linking regional, national and international opportunities and an increase in business and graduate retention.

Fostering Change

7.14   The City will provide better support to creative industries through the development of a Creative Industries Sector Plan. A City Centre Events and Festivals Strategy will be developed, together with opportunities to engage students further in city centre activities.

7.15   The City will also develop a Widening Participation Strategy to promote education opportunities to residents of Sunderland aligned to employment in the city and the wider region. A key part of this will be to raise the profile of the University and College in schools.

7.16   This should all result in a stronger learning culture and a more attractive city centre.

8   A NEW KIND OF UNIVERSITY CITY

8.1   The Committee then went on to examine the progress being made in developing the concept of a New Kind of University City, the impact of the University on the local economy and the work being undertaken by the Council, the University and their partners to make this a reality. In doing so, the Committee visited the University of Sunderland and took the opportunity to speak with Professor Fidler, Vice Chancellor and Chief Executive. We also met with a range of academic and non academic staff, spoke with local students and saw at first sight the range of facilities on offer.

8.2   The Committee also visited Sheffield Hallam University and this proved a highly useful opportunity to compare, contrast and exchange ideas on good practice. For both of these visits, the Committee was accompanied

by Mr David Donkin, Assistant Director of Employer Engagement at the University of Sunderland whose advice and guidance proved invaluable.

Background

8.3   During our visit to the University, ProfessorFidler reminded us that the University's precursor College had been established over 100 years ago and that during its development had always reflected the areas industrial base – engineering, shipbuilding, glass manufacturing. The University had therefore always been an active player in the local economy and promoted an industrial and vocational approach –though now reflecting the changing nature of the local economy with the predominance of science and knowledge based industries. The University therefore maintained close links with major companies such as Nissan and firms in the software and media sectors.

8.4   It was considered that the University and the City Council had established good joint working and maintained a very positive working relationship - a relationship based on openness and trust and a recognition of the strengths that each party can bring. The University was very supportive of the Economic Masterplan and had been very involved in the development of the Enterprise and Innovation Strategy.

8.5   The University also makes an active and important contribution to the key priority areas set out in the Economic Masterplan, including the development of a software city, the delivery of a low carbon economy and the promotion of the cultural and creative sector.

8.6   Prof Fidler noted that there was some uncertainty in the Higher Education sector about the overall impact over changes to the funding model. Possible changes to teacher training and healthcare professional training could add to this uncertainty. Within the Higher Education sector there was developing a greater competition for university funds and a tendency to concentrate on particular research intensive universities in particular parts of the country.

8.7   The University was always seeking to maximise its use of the European Regional Development Fund (ERDF) and this was now the principal source of funding for new projects and initiatives in terms of the promotion of skills and enterprise.

Economic Impact of the University

8.8   The University has a major impact on the economic well being of the city; both as an educational institution and as a business and investor in the city.

8.9   The University is a major employer. It directly employs 1700 people and sub contracts services creating further indirect employment within the City. The University sees it as important to try to procure services from within Sunderland and then from within the region in order to make the most of the local economic multiplying effect and create more wealth within Sunderland and the North East.

8.10   The students and staff provide significant spending power to businesses located within the City. Annual turnover of the University is around £130m a year. It is estimated that the students alone bring £50m to the Sunderland economy. The large student population can also have significant impact on tourism. For example, during the 1 week graduation at Stadium of Light, the city received around 16,000 visitors.

8.11   The University currently has 14,000 students, 8,500 of which are undergraduates. This includes students from over 30 different countries across the world. The presence of a high number of international students was of considerable economic benefit to the city. As well as the direct economic benefit that they contributed to the economy while studying at the University, there was also the potential contribution they made when they subsequently obtained employment and were in a position to choose to direct investment back into the city.

8.12   It is estimated that 24% of students live in Sunderland and around 80% of students are from the North East or immediate locality.

8.13   The University through its investment has had a significant impact on the regeneration of the city. Indeed, the University has invested £35m in the City Centre over the past 5 years.

Skills and Widening Participation

8.14   One of the key issues in developing the local economy will be the need to boost the level and types of skills in the city and in this the University is clearly a key player.

8.15   David Donkin referred to the work going on to try to promote the attractiveness of science careers. The University was working with 6th forms to get companies in to talk about employment opportunities in science areas. It was important that career path to science related career was not considered unfashionable if we were to help to redress an imbalance in the national and local economy.

8.16   The Council and the University have an important role in working together to try to widen levels of participation in further and higher education. A

great deal of work was going on to try to anticipate where jobs will be in the future and helping to equip people with the necessary skills. This could only be done by widening the participation agenda and building on the existing strong links with schools.

8.17 The Committee considers that in order to further the economic growth and prosperity of the city, the University should continue to work with partners in order to monitor and react quickly to help meet local skills requirements and to continue to develop links with local Further Education Colleges and schools;

Retention

8.18 The economic impact of the University will obviously be greater if the city is able to retain a high proportion of its graduates. Retaining a high proportion is an important component to the long term health of the local economy. Prof Fidler noted that the University has 70% student retention rate in the area and that the principal reason why students choose to leave is because of the conditions of the local labour market. In essence, the problem for Sunderland and the whole of the North East is that they often do not have enough high quality jobs for graduates who are thereby forced to move elsewhere. This was also likely to be a growing problem given the economic recession and increasing levels of unemployment among young people.

8.19 It is important that the city continues to try to creating sufficient high quality employment opportunities and an entrepreneurial environment which helps encourage students to stay in the area. In a number of areas such as software and the cultural and media, opportunities exist for the development of entrepreneurship, self employment and the creation of small scale businesses. It was felt that there was a growing recognition among young people of the potential of self employment and the University has developed a range of programmes and provides advice for students for whom this is an attractive option.

8.20 However, there are other methods of improving the opportunity of graduates to gain employment in the area such as short term placements with local employers, Knowledge Transfer Partnerships and the Graduate Internship Scheme. These schemes are important not only in improving rates of retention but in also providing the student with vital work experience and the firm with hopefully fresh ideas and innovation.

Knowledge Transfer Partnerships

8.21 Knowledge Transfer Partnership is a UK wide programme enabling businesses to improve their competiveness and productivity. This involves

forming a partnership between a business and the University enabling access to skills and expertise. This involves projects being undertaken by students recruited to work on a specific project.

8.22   The aim of knowledge transfer is to enhance knowledge and skills and the stimulation of innovation through collaborative projects. This should facilitate the transfer of knowledge and the spread of technical and business skills. It should also provide company based training for graduates to enhance their business and specialist skills and increase the extent of interactions between firms and Universities

8.23   David Donkin confirmed that Knowledge Transfer Partnerships have been a big success and should deliver significant economic benefits for the city. Such a transfer of knowledge should lead to additional private sector investment and job creation either through the commercialisation of Intellectual Property and spin off businesses.

Graduate Internship Scheme

8.24   The Graduate Internship Scheme involves a graduate being placed in a business in order to develop appropriate skills and experience for a graduate level career. The scheme is open to small and medium sized private sector organisations. The scheme enables businesses, the University and graduates to work together to deliver a practical approach to graduate employment. Business receive a financial contribution to employ a recent graduate on a six month fixed term contract. They also receive high quality graduate expertise and new ideas and energy in the workplace. The graduates receive a six month paid graduate level job, the opportunity to develop a range of skills essential to career development and valuable work experience that should help to secure future employment. Again, David Donkin referred to the popularity and potential of the Graduate Internship Scheme.

8.25   While the condition of the local jobs market and the prospect for employment is a key factor in encouraging retention. It is important to remember that there are a number of other factors at work including the availability of high quality housing and education, good shopping facilities, access to an attractive local environment and a vibrant cultural scene.

8.26   Clearly the issue of student retention is a major issue for the long term economic welfare of the city. We feel that it would be useful for the University to conduct further research into the factors surrounding the levels of retention of students; including the influence of the local jobs market and job opportunities.

Buildings

8.27 During our visit to the University, we saw at first hand the scale of the capital investment in the city. We also met with Phil Marsh, Director of Facilities who outlined the progress made to date and the plans for the future.

8.28 This has included:-

- £8.5m investment in Phase 1 of the Sciences Complex supporting the University's excellence in Pharmacy and Health through improved facilities and equipment;
- The Gateway – a £4m regeneration of the 1960's teaching building to create a one stop shop for student support services;
- £12m investment in CitySpace to provide an innovative campus hub for sports, social and events activities;
- £5m phased programme for regeneration of the campus library to provide an innovative and accessible learning environment;
- £2m investment in new equipment at the David Puttnam Media Centre to further enhance the centre which now incorporates a 200 seater cinema, radio station and TV studios;
- Sports and social facilities for students, staff and the Sunderland community
- Exhibition, performance and conference capability
- Design awards

8.29 The University has also established an events and conferences business under the "Unispace" brand which was launched in Autumn 2011. This aims to raise the profile of Sunderland as an events destination and create demand for complimentary facilities (such as hotel and leisure). It is an important vehicle for making people more aware of facilities such as the Murray Library which has a tiered lecture theatre seating up to 250 delegates and substantial social space, the National Glass Centre which has meeting and events faculties for up to 300 delegates and the Prospect Building at St Peters Campus which has 3 state of the art lecture theatres seating up to 384 delegates.

8.30 The University has also a number of planned developments for year ahead, including:-

- £6.8m investment in the Priestman Building
- New café, exhibition and gallery space
- Public realm improvements
- £2.5m investment in the National Glass Centre – relaunch planned for 2013;
- High quality exhibition and gallery space

- New 125 bed hotel on the city campus
- Improved student accommodation
- Visitor attraction enhancements
- Development of an outdoor theatre on the open space at the City campus
- Creative industries hub

8.31 One area that it was felt could be developed was the need to take measures to encourage the public to make better use of the facilities at the University. While a great deal of development had taken place, it seemed likely that many would be unaware of the kinds of facilities available. It is very positive that the University is so keen to attract a greater number of people to make use of the University's facilities for outside events.

Public Realm and Linkages to the City Centre

8.32 From our visit, we saw the way in which the University has already worked with the Council to improve the standard of public realm in the city. The Committee also look forward to further progress in this area. During our visit to Sheffield Hallam University, we were very impressed by the way in which public realm works had improved the attractiveness and quality of the local environment and contributed to the on going regeneration of the city. We feel that the improvements in public realm in the city are a concrete example of the University using its capital assets to help regenerate the city centre.

8.33 During our discussions, both Prof Fidler and Phil Marsh stressed the importance of developing linkages between the University and the town centre. The University see the need to encourage students to come to the City and to join the University to the city centre. This includes opening up a route from St Peters to link with Minster Square. The University was also keen that the Council and the University should work together to improve any barriers to access and the road network around Chester Road and St Michael's Way.

8.34 Clearly, the level of resources available to progress such work is limited at the present. However, the Committee was impressed by the commitment of the Council and the University to make progress and work together in order to make the most of available resources and to deliver and continue to deliver on their plans.

A couple of quotes summarise the progress made that has been made:-

"the design of the new City Campus has changed the landscape of the centre of the city. It has made the University accessible to the public. The

University is saying it is more than just an educator. It is saying it is a true civic partner and is proactively encouraging its community to interact with it."

" the University has been instrumental in delivering regeneration on a wider civic scale. The on going investment in the City Campus in particular has seen further integration of the University and its students and staff into the city centre, adding to the vibrancy and supporting its economic well being."

8.35 The Committee was also impressed by another example of joint working that is developing links within the city. In this case it is the low carbon bus partnership between the University, the Council and Nexus. The bus service is clearly popular with local students and will hopefully be the first in further initiatives to improve transport links in the city.

8.36 As well as the more direct economic benefits that the University provides for the city, there are also a number of other equally significant indirect benefits. These include support for local businesses through business advice, promoting local competiveness and innovation, research and development, the provision of accommodation and facilities, knowledge transfer and placements and help with business start ups.

Engaging with Business

8.37 During our visit the University, we discussed the importance of developing links with local businesses in order to provide advice, guidance and support where it was required. We saw at first hand the range of schemes and initiatives aimed at promoting business development within the city. We also heard about the importance of working in partnership in order that we can best find out the needs of business and who would be the right people to assist. Often companies are not totally clear as to the help which they require and that it was frequently a question of having a general discussion about overall needs and teasing out the kind of help that could be required. David Donkin noted that a great deal of time was devoted to actually recruiting companies as compared to actually delivering assistance and that this balance needed to be reversed. It was hoped that the Enterprise Hub should help by co-locating the people who actually work and provide advice to business.

Innovation Vouchers

8.38 Another way in which the University has sought to engage local business is through the use of Innovation Vouchers. Innovation Vouchers are publicly funded to allow companies to buy support from the University which can be put toward the cost of designing products, improving

processes and developing business models. While only recently introduced for a limited time period, the vouchers had proved a great success. The University looks forward to the re-introduction of Innovation Vouchers.

8.39   It was recognised that more needed to be done to encourage business to work with the University. At the present time only a relatively small percentage of all firms actually collaborate with the University and there was therefore considerable scope to expand. It was often the case that business was only interested in working with the University when they felt that there was a clear, tangible benefit to them – even though experience had shown that businesses that collaborate with universities generally perform better than those who do not.

SCM Pharma

8.40   As an example of the way in which the University has developed links with the business sector in an innovative and exciting way, the Committee spoke with a representative from SCM Pharma. SCM Pharma work in the pharmaceutical industry developing drugs for other companies. Due to the nature of their industry, the company work in a tightly controlled environment. Following an informal discussion with representatives from the University, the firm took some available space at the University in order to undertake research. The firm was attracted by the excellent reputation of the University in Pharmacy and the excellent facilities on offer. However, the firm was not only attracted by the University's academic excellence but also by the vocational approach and the high standard of support. Being on site allowed the firm to have close access to the academic knowledge available and helped promote the transfer of ideas and innovation. While many small firms had innovative ideas, they often needed assistance to develop their ideas and transform their knowledge into something practical.

8.41   The experience of working with SCM Pharma demonstrated the benefits of focusing on areas of academic excellence and the considerable capital outlay that had been directed to Pharmacy. We were told that the University had invested £8m into their sciences complex and laboratories and were able to offer the very best facilities for teaching, learning and research in pharmaceuticals and related science subjects.

8.42   During a tour of the facilities, the Committee saw at first hand the considerable investment in equipment which meant that laboratory was now amongst the best in the country. It was felt that these provide students with access to the best facilities available which not only equips them for the world of work but makes it more likely that they will be able to obtain subsequent employment.

8.43 The Committee was most impressed by this interesting and innovative approach to working with local businesses. It was felt the University should do all it can to better publicise and promote these successes.

Institute of Automotive and Manufacturing Advanced Practice (AMAP) and support for the Automotive Sector

8.44 During our visit to the University, we spoke to Adrian Morris, Operations Manager on the role and support to business provided by AMAP, particularly in the automotive industry.

8.45 AMAP specialises in research and development, knowledge transfer and teaching. They work with major companies such as Nissan but also work with smaller firms. This work is centred on the practical application of knowledge and they provide firms with practical support and also students with practical experience and placements.

8.46 In terms of research and development, AMAP work with a range of partners from the private and public sectors. Recent work includes car travel range extension using on board hydrogen generation, an evaluation of the EV Fleet and research and development into the use of fuel cells.

8.47 In terms of knowledge transfer, the University has managed a project with Nissan and their supply base known as GRASP (this has recently been replaced by Sunderland Campus). In this, 14 students studying for Masters Qualifications were placed with Nissan – and all were subsequently offered job contracts.

8.48 AMAP also offer Knowledge Transfer Partnerships (KPT's) and are currently seeking Regional Growth Fund support to work on a large multi company scheme.

8.49 AMAP carries on extensive contracting work and is much in demand for the high quality of its facilities and expertise areas such a quality management systems. AMAP also provides expertise and guidance to teaching areas such as MSc LSV technologies, BEng/BSc and Foundation degrees. The University has also recently launched a new academic programme in low carbon technologies

8.50 In the future, the AMAP would be looking to develop closer links with local FE Colleges so their work can be extended and developed.

Culture and Creative Industries

19

8.51   The Committee heard that in field of Cultural and Creative Industries, the University was working closely with the Council in order to develop a strategy that will help support and encourage new businesses. The Cultural and Creative sector was seen as an area of the local economy with considerable growth potential for the future.

8.52   During our visit to the University, we spoke to Shirley Wheeler, from the Design Department on the development of Creative Industries in the city and the work of the Design Hothouse.

8.53   The emphasis was on adopting a flexible approach and tailor student learning plans and business solutions to the needs of individuals and organisations. The University had commissioned work on the creative services sector. This found that there were approximately 640 companies in the creative industries sector. 80 were individuals rather than businesses. Around 2,500 people were employed in creative industry and the turnover was in the region of £136m. However, it was recognised that there remained a great deal of potential for creating new jobs.

8.54   A lot of work was concentrated on the fields of accessories and jewellery and this had demonstrated good employment prospects. Work was going on to further develop regional connections with businesses.

8.55   The University also operated a project entitled Hot House which provided an opportunity for students to work with local businesses on design and packaging. However, it was stressed that every project was intended to provide a learning opportunity for the student and potentially provide a useful placement experience. Any firm was closely vetted but this ensured that success rates were high and that the students received a positive learning experience.

8.56   The Committee also heard about a student start-up business entitled Media Savvy whereby two former students had set up their own NEET training business and were located within the University's business hatchery system. The business uses creative techniques to enable people to "learn by stealth". The project had been highly successful and had been nominated for awards. The Committee were greatly impressed by the innovative and exciting nature of the business.

8.57   The Committee was most impressed by the facilities on offer at the David Puttnam Media Centre which now incorporates a 200 seater cinema, radio station and TV studios. The facilities clearly have a lot of potential to provide a high quality learning experience for students and as a resource for the people and businesses in the city. The Media courses have strong reputation nationally and most students are able to access jobs. However,

it was vital that job opportunities were available in the local area, otherwise graduating students would be forced to leave the area.

8.58   The Committee also spoke with the President of the Students Union on their role in the creative and music field and their input in the development of the local economy in general. It was noted that the University was a major entertainment provider in the city and that the student population contributed greatly to the economic well being and vibrancy of the city centre. It was hoped that this could be further built upon through strengthening the link between the student union building and the city centre. It was noted that existing links included:-

- Music in Sunderland Group (links with SPLIT, Independent, City Council, Sunderland LIVE)
- Stadium of Light Concerts Marketing Group
- Nightime Economy (North Shore, Passion, Freshers, Walkabouts)
- Volunteering (Red House, Groundworks, Book Aid for Africa)

8.59   In terms of future plans the Student Unions prioritised the:-

- Development of a physical presence in the city centre – Students Unions building
- Position North Shore as a city venue
- Increase volunteering and community work
- Extend the student voice into the city (as residents)
- Increased community involvement and outreach
- Increased retention of graduates to area

Software Hatchery

8.60   The Committee undertook a tour of the University's Software Hatchery Incubator. It was noted that the University has significant expertise in software and is a key partner in the Software City initiative. The Software City initiative aims to develop:

- The skills of the areas IT workforce
- Support to allow companies to grow more quickly
- Connections that can make the area a hub for new start ups.

8.61   The Hatchery Business Incubator provides support for people who were interested in starting a business. The scheme allowed students to set up mini projects and work with other students to support one another. The scheme was designed to develop useful and practical projects but also

develop a person's employability skills and make them more attractive to potential employers.

8.62   The Software Hatchery provides office space, facilities and mentoring to graduates and entrepreneurs with innovative software business ideas. It also provides the opportunity for networking with potential funders, developers and partners.

8.63   At the present time, 32 students use the hatchery. The companies setup through the Software Hatchery includes one that now employs 16 people. Employment prospects in the field of software is strong with a high success rates for new companies. Once new ventures have grown sufficiently then their development path would be to Software City. It was hoped that people involved in the Hatchery would go on and expand into a network of self supporting groups.

8.64   While student start-up companies were currently small in numbers in the grand scheme of things they did have the potential to grow particularly in terms of start-ups in the software and creative and cultural sectors of the economy.

9 CONCLUSION

9.1 The 'new kind of university city' envisaged in Aim 1 of the Economic Masterplan is based explicitly on collaboration between the public sector, private enterprise, the University of Sunderland and other related institutions. If there is a predominant and reoccurring theme to our review, it has been the importance of collaborative working between the Council, University and their partners in order to make the most of the expertise of individual organisations and also to make the most of available resources.

9.2 The University occupies a key role in the local economy. The contribution of students, both local and international and those who choose to work in the region after completing their studies helps to shape the local economy and its culture. A large proportion of the income of many businesses in the leisure, retail and catering industries is derived from the student population and this is essential for a vibrant city centre and nightime economy. The University is a willing partner in the Economic Masterplan and is seeking ways to increase its impact on the local economy.

9.3 The Council and the University should continue to work closely together in order to improve the buildings and public realm of the city. There is scope to improve linkages and connections with the city centre. In this way, the University will be better linked with the rest of the city. Both the University and Council are working closely to help secure a more vibrant city centre.

9.4 The retention of graduates is an important issue for the city. It is clear that insufficient economic opportunities are responsible for younger people leaving Sunderland to find higher skilled and higher paid employment opportunities elsewhere.

9.5 There is a clear need for the Council and the University to work together with business to improve skill levels and local growth. Workforce skill levels are a critical contributor to the success of any business and many within the north east suffer from skill shortages – despite increased levels of unemployment – and require up to date high level skills to remain innovative. The University is a key element in the skills supply chain with local businesses integrating placements, internships and employment opportunities for its students and graduates to help promote innovation and growth.

9.6 The recent recession has highlighted the need to create new economic opportunities for the city. The North East region, especially its construction and manufacturing industries have been hit hard. The city's economy will need to be stronger and more resilient if it is to provide jobs for future generations. The Economic Masterplan points the direction for the

23

economic opportunities for the city; including software, offshore energy generation and electric vehicle production.

9.7 Intellectual capital is vital to the future economic prosperity of the city. Sunderland has a strong further and higher education sector. As we have seen, the University already does much to support business innovation for example through the Institute of Automotive and Manufacturing Advances Practice and the Sunderland Media Centre. It also has a Software Hatchery and "Creativieworks that supports start up businesses in creative industries.

9.8 Universities can also help to drive cultural change in the city through engaging with their business and resident communities. The University of Sunderland is particularly well placed for this since it already has an entrepreneurial orientation and is well regarded by local business and government.

9.9 It is important for the Council and the University to make the business community more aware of the ways in which they can work with and benefit business. The University can play a role in business support within the City - but we must be mindful that this is not the core role of the University which is and will always be teaching.

9.10 More effective marketing of University services to business can increase the proportion of local businesses collaborating with the University. Methods to increase participation could include University-led business clubs and sector specific support networks.

9.11 The University could develop a more open approach to innovation making the results of its research more accessible to local companies at an earlier stage in an effort to improve products and services and their route to market more quickly.

9.12 In terms of publicity and marketing there is a role for Universities to get the message across that the University has an important role to play.

9.13 The University can monitor the need for new types of qualification in a changing local economy and respond with products at appropriate levels, for example, new Foundation Degrees, new high level apprenticeships and a wider range of professional qualifications.

10   RECOMMENDATIONS

1. The Council and University continue to investigate means of developing partnership working around Aim 1 of the Economic Masterplan in order to coordinate work on business growth and economic development and to make the most of available resources;

2. That the University, Council and other delivery partners continue to work together to ensure that business advice and guidance is provided in a coordinated and complementary manner along the lines of a one stop shop approach;

3. That the University looks to further develop its links with the City's business community and increase its understanding of the needs of local businesses and the ways in which it can respond with appropriate expertise, support and guidance including through a large scale networking event or a high profile trade fair;

4. That the University should work to promote its profile in the city and better publicise and market its considerable strengths and successes including through the development of a promotional document summarising its contribution to the local economy and economic regeneration in the city and the region;

5. That the University conduct further research into the factors surrounding the levels of retention of students; including the influence of the local jobs market and job opportunities;

6. That in order to further the economic growth and prosperity of the city, the University continue to work with partners in order to monitor and react quickly to help meet local skills requirements and to continue to develop links with local Further Education Colleges and schools;

7. That the Council and the University work closely together to develop ways of linking and integrating the city campus to the rest of the city centre, improve access to the University around Chester Road and St Michael's Way and continue to improve the quality of the public realm.

.

11. ACKNOWLEDGEMENTS

11.1 The Committee is grateful to all those who have presented evidence during the   course of our review. We would like to place on record our appreciation, in   particular of the willingness and co-operation we have received from the below named:-

David Donkin
Prof Fidler
Shirley Atkinson
Andrew Perkin
Vince Taylor

.

.

Prosperity and Economic Development Scrutiny Committee
Economic Masterplan; Aim 1 A New Kind of University City: Policy Review recommendations 11/12

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
(a)	The Council and University continue to investigate means of developing partnership working around Aim 1 of the Economic Masterplan in order to coordinate work on business growth and economic development and to make the most of available resources	• Through the Aim 1 Group, the University, Council and other Partners will explore opportunities for co-ordinating activities aimed at stimulating business growth through the efficient use of resources. This will be instigated by the production of a detailed Aim 1 Delivery Plan. • This will be supplemented by the actions identified in the emerging Enterprise & Innovation Strategy	Andrew Perkin, Lead Policy Officer, Economy & Sustainability	Dec 2012	
(b)	That the University, Council and other delivery partners continue to work together to ensure that business advice and guidance is provided in a coordinated and complementary manner along the lines of a one stop shop approach	• Through the Aim 1 Group, key partners and stakeholders (including the University and Council) will actively work together to provide co-ordinated business advice and guidance. • The first step will be to understand the range of provision across all partners/delivery agents. Business support services will be mapped as part of the Enterprise & Innovation Strategy, and the intelligence shared with partners to review and update on a frequent basis – via the Aim 1 group. • This information will be used to	Andrew Perkin, Lead Policy Officer, Economy & Sustainability	Oct 2012	

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
		produce an Enterprise and business growth scoping document, to influence the emerging Enterprise & Innovation Strategy			
(c)	That the University looks to further develop its links with the City's business community and increase its understanding of the needs of local businesses and the ways in which it can respond with appropriate expertise, support and guidance including through a large scale networking event or a high profile trade fair	• The University will review its links with the business community, and its business offer, and where appropriate, respond with services and support, including collaborative efforts, that develop closer business links • Opportunities for networking events or trade fairs will be explored. This will include developing relationships with bodies such as the Sunderland Business Network, the NECC, etc.	David Donkin, University of Sunderland	Mar 2013	
(d)	That the University should work to promote its profile in the city and better publicise and market its considerable strengths and successes including through the development of a promotional document summarising its contribution to the local economy and economic regeneration in the city and the region	• The University will work with partners to maximise opportunities for improving profile and raising awareness of the University in the City, • Through the Enterprise and Innovation Strategy, opportunities to showcase the significant contribution the University brings to the local economy will be highlighted.	David Donkin, University of Sunderland	On-going	

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
(e)	That the University conduct further research into the factors surrounding the levels of retention of students; including the influence of the local jobs market and job opportunities	• Graduate retention remains a significant challenge for the city. The University, working with other partners, will examine and investigate the barriers and opportunities to Sunderland achieving improved levels of graduate retention. This work will be supported by the Aim 1 Group.	David Donkin, University of Sunderland	Dec 2012	
(f)	That in order to further the economic growth and prosperity of the city, the University continue to work with partners in order to monitor and react quickly to help meet local skills requirements and to continue to develop links with local Further Education Colleges and schools	• The University will work with the City Council to contribute to the development of the Sunderland Skills Strategy • Working with partners and stakeholders, skills needs and requirements will be monitored, and where appropriate, the University will respond, engaging others and developing links with FE Colleges and schools	David Donkin, University of Sunderland	Dec 2012	
(g)	That the Council and the University work closely together to develop ways of linking and integrating the city campus to the rest of the city centre, improve access to the University around Chester Road and St Michael's Way and continue to improve the quality of the public realm.	• Working through the Aim 3 group, opportunities for improved integration between the city centre and the city campus will be explored. • Opportunities for improved investments in the public realm will also be explored.	Lee Cranston	On-going	

APPENDIX A

SUSTAINABLE COMMUNITIES SCRUTINY COMMITTEE

BUILDING A SUSTAINABLE AND LASTING LEGACY IN SPORT AND PHYSICAL ACTIVITY POLICY REVIEW 2011/12

TABLE OF CONTENTS

1.   FOREWORD FROM THE CHAIR OF THE SCRUTINY COMMITTEE

I am pleased to present the Scrutiny Committee's study into Building a Sustainable and Lasting Legacy in Sport and Physical Activity.

Sport and physical activity is a vital part of our city's history and culture, as well as our future. It tackles and improves some of society's biggest issues such as health and obesity; anti-social behaviour and community cohesion.

After some debate, the Committee agreed that we should look at sport and physical activity in Sunderland as our main policy review. We were convinced by the rapidly changing environment for sport and physical activity, as well as the 2012 Olympic and Paralympic Games, that this was the right time to consider its future in the city going forward.

We took a wide range of evidence through the Committee. We were particularly pleased to gain the views of local providers and gain a deeper understanding of the issues they face, as well as some of our schools who have been able to overcome the barriers to give the community access to their facilities outside of the school day. In addition, the Active Sunderland Board and Sport England provided us with some vital context which enhanced our knowledge of this complex subject area.

I would also like to extend the Committee's thanks to all of the Elected Members who provided us with intelligence about sport and physical activity in their wards, the results of which gave us a comprehensive and positive view of local provision and not only contributed to our findings, but will also be used to plan future service delivery and development.

The Committee have made a number of recommendations which we feel will enhance the sustainability of sport and physical activity in the city for the future. These centre on developing priority sports and physical activities to enable the best allocation of resources, increasing engagement with smaller providers in the city in part by utilising the knowledge, passion and expertise of Elected Members, working with targeted schools to increase the level of access to local communities and developing a new strategy which reflects the changing landscape within which we are operating.

Finally, I would like to take this opportunity to thank everybody who contributed to what has been a very interesting policy review. In particular, the members of the Committee and the officers who supported us in carrying out the review, Julie D Gray (Head of Community Services), Victoria French (Assistant Head of Community Services) and Richard Lowes (Sport and Leisure Governance Manager).

Councillor Susan Watson
Chair of the Sustainable Communities City Scrutiny Committee

2   INTRODUCTION

2.1   The Sustainable Communities Scrutiny Committee, at its meeting on 14 June 2011, agreed to focus on Building a Sustainable and Lasting Legacy in Sport and Physical Activity as its Policy Review for 2011/12 and at a further meeting of the Committee on 26 July 2011 Members agreed the approach to the review and the terms of reference.

2.2   Evidence gathering commenced in July and continued through to the end of February.

3.   AIM OF THE POLICY REVIEW

3.1   To examine the sport and physical activity offer in the city and consider how a sustainable and lasting legacy of sport and physical activity can be developed.

4.   TERMS OF REFERENCE

4.1   The agreed terms of reference for the review were:-

(a)   To understand the importance of sport and physical activity in the city and how this contributes to the strategic priorities of the city;

(b)   To review the objectives and achievements of the Active City Strategy to date considering the evolving context of sport and physical activity locally and nationally;

(c)   To understand the role of the Active Sunderland Board in developing a sustained and lasting legacy in sport and physical activity;

(d)   To understand the range of sport and physical activity provision currently being delivered across the city by the council, the voluntary and community sector and private sector;

(e)   To understand the current level of diversity of provision across the city, considering the opportunities available for traditional and non traditional and alternative forms of activity;

(f)   To understand the opportunities thatexist in the city for an 'equitable offer' for sport and physical activity and the barriers to achieving this;

(g)   To consider the role of Elected Members in developing a sustainable and lasting legacy of sport and physical activity;

(h)   To explore the opportunities the 2012 Olympic and Paralympic Games will bring to the city, how these are currently being taken up, and whether the legacy of the Olympics can enhance sport and physical activity in the city beyond 2012; and

(i)   To consider the city's 'priority' sports and physical activity opportunities and the pathways in place to sustain and increase participation.

5. MEMBERSHIP OF THE SCRUTINY COMMITTEE

5.1 The membership of the Sustainable Communities Scrutiny Committee consisted of Councillors Watson (Chair), G Howe (Vice Chair), Errington, Foster, Kay, Maddison, McClennan, Porthouse, Rolph, Smiles and Wakefield.

6. METHODS OF INVESTIGATION

6.1 The following methods of investigation were used for the review:

(a) Desktop research (including consideration of best practice and benchmarking);

(b) An exercise to map provision of sport and physical activity utilising elected member knowledge;

(c) Evidence from the Active Sunderland Board;

(d) Evidence from Sport England;

(e) Evidence from Redhouse Academy and Southwick Primary School;

(f) Evidence from the Raich Carter Centre, Hendon Young People's Project, Pennywell CA and ABC Boxing Club;

(g) Evidence from the City Council's Officers; and

(h) Results of the annual Sport and Leisure consultation.

7. FINDINGS OF THE SUSTAINABLE COMMUNITIES SCRUTINY COMMITTEE

7.1 Sections 8 to 14 give the findings for the Policy Review – Building a Sustainable and Lasting Legacy in Sport and Physical Activity.

8. SETTING THE SCENE

Local and National Context

8.1 Sport and physical activity cuts across the strategic priorities for the city and supports a wide range of important issues including positive activities for young people, volunteering, regeneration, education, older people, health improvement and community safety.

8.2 Sport and physical activity has a unique capacity to bring together people of different generations, cultures, backgrounds and abilities. It improves health, tackles exclusion and isolation and brings communities together.

8.3 People care about sport and physical activity for different reasons. Whilst Sunderland has many talented young people supported by well-established and accredited clubs; for many thousands of residents, taking part in activities is a means of improving personal health and wellbeing, socialising with friends and family or having fun.

8.4 Since the Active People Survey (APS) commenced in 2005, Sunderland has improved the percentage of adults participating in sport and physical activity, rising from 20.3% to 21.3% in 2011. Sunderland's participation levels still

remain higher than average scores for Tyne & Wear, and the North East. Other sport indicators from the APS, including residents involved in volunteering, coaching and competitive sport were previously higher than the national average in 2010, however in 2011 numbers fell just below the national average.

8.5   The APS is not a measurement of the council's performance in sport and physical activity, rather it is an indicator that shows how many adults in Sunderland are active in sport and physical activity, whether this takes place in a private gym, a school, on the beach, in a park, on a sports field, or in a public leisure centre.

8.6   As is ever increasingly heard, the current economic climate is and will continue to impact upon the way in which sport and physical activity is accessed by residents. Sport England have reported a number of reasons why participation levels have reduced nationally; these include, cost of activities, lack of time and significantly less money available for sport and cultural activities.

8.7   Resident's requirements of sport and physical activity are changing and there are also noteworthy changes to national policy direction. Recent evidence gathered nationally and locally suggests that non-traditional venues, programmes and activity choices now account for a large number of children, young people and adults participating in sport and physical activity. Examples of this in Sunderland are:-

- Nordic Walking Programmes and Nordic Walking Fitness Sessions;
- Green Activity including developing and working in 'allotments';
- Volunteer Led Walking programmes;
- Led Cycle Rides and mass participation physical activity events; and
- Utilising community venues to deliver exercise classes traditionally delivered in leisure facilities.

9.   MOVING FORWARD FROM THE ACTIVE CITY STRATEGY

9.1   The Active City Strategy was developed in 2004 to give residents tangible information about the city's intentions for sport and leisure facilities. It also highlighted how the strategy would make a positive impact on the quality of life for residents by providing new sport, play and Wellness facilities, as well as increasing the opportunities for participation.

9.2   The Committee felt it important to review the outcomes of the Strategy in order to provide some prior context to how sport and physical activity has been delivered within the city. It was pleased to find that many of the outcomes within the Strategy had been achieved **(Appendix 1)** and was interested to note that some of the aims and objectives are now in the responsibility of Children's' Services and specifically the School Sports Colleges. This highlighted the ongoing requirement for joined up working across directorates and continued engagement with schools.

9.3   The Committee understood that previously the main drivers had been to provide high quality leisure facilities for residents to access; however given

the reductions in available funding the level of investment will not be available as it once was. That being said, a positive picture is emerging whereby evidence suggests that resident's ideas of how, when and where they want to undertake sporting and physical activities have also changed and expanded beyond the traditional leisure centre setting. The Committee felt this changing environment should be reflected within any future plans.

10. THE ROLE OF THE ACTIVE SUNDERLAND BOARD

10.1 In 2007, the national review of sport and physical activity by Sport England concluded a need to ensure a joined up 'Single Delivery System' for sport to plan, deliver and evaluate improvements in participation from grassroots through to elite sporting performance. At a local level, there is a requirement by Sport England that each local authority establishes a Community Sport Network. The Active Sunderland Board was therefore established in 2008 and is responsible for leading on improvements in participation and the quality and breadth of opportunities to promote this within Sunderland.

10.2 The membership comprises of partners within the city contributing to the development and delivery of its sport and physical activity:-

- City Council;
  – City Services (lead);
  - Children's Services
  - Health Housing and Adult Services
- Secondary Education;
- Sunderland City College;
- University of Sunderland;
- SAFC Football Foundation;
- Sunderland Teaching Primary Care Trust;
- Gentoo; and
- Tyne & Wear Sport.

10.3 In view of the vast amount of sport and physical activity provided by the Voluntary and Community Sector (VCS) in the city now and its potentially growing role in future provision through policies such as the Open Public Services White Paper and the Localism Act, the Committee challenged the omission of any representation on the Board and was pleased that this had been identified and the existing membership would be reviewed to include appropriate representation from the sector.

10.4 A number of cross cutting partnerships (Networks) have been formally established to take sport and activity forward **(Appendix 2).** The Committee noted that whilst the VCS were not represented on the overarching Board it already played an important active role in the supporting Networks.

10.5 Examples of the work of the Board include:

(i)   The Sunderland Active Project is targeting an estimated 6,200 people over three years who are 'contemplating' adopting a more active lifestyle and work towards 3 x 30mins of physical activity a week. The Activators help people to overcome the barriers preventing them from

being more active and signpost them to activities that they may like to try out;

(ii)   The appointment of two externally funded posts; the Community Sport Network Coordinator has a specific remit for developing the city's sports network and a Football Development Officer to increase participation for over 16's;

(iii)   A redesign of the ActiveSunderland website and a monthly newsletter attracting over 2500 site visitors;

(iv)   A number of cross cutting partnerships have been formally endorsed including a PE and Sport for Young People Group (nationally recognised group by the Youth Sports Trust), cycling and walking networks; and

(v)   Taking the commissioning lead for Play and Positive Activities from Children's Services. The project aims to engage over 900 young people across the city and to ensure the workforce is upskilled with nationally recognised qualifications.

10.6   The Committee queried the University of Sunderland around its role on the Board. Sport is a major part of life at the University; there are 1100 students undertaking qualifications ranging from Sport Journalism to Sport and Exercise Sciences and 3000 students regularly participate in some form of regular physical activity. The University is actively encouraging the community to use facilities such as City Space, which recently held the Regional Finals for Skipping, manned by student volunteers. In 2011 the University won an award for its student experience, of which sport, recreation and leisure was extremely positive.

10.7   The Committee wanted to ensure that existing networks, clubs and groups in the city were fully engaged with the sub-group Networks of the Board and that, where possible the Networks were also linking with regional bodies and networks. Whilst some Networks are more advanced than others, for example the Running Network, which has representatives from all of the city's running clubs, further work is needed to raise other Networks to a similar standard of engagement.

11.   SPORT AND PHYSICAL ACTIVITY - THE CURRENT 'OFFER'

Mapping Provision

11.1   An objective of the Policy Review was to map sport and physical activity provision across the city to ensure there is a better understanding of the activity taking place in the community. Elected Members assisted the Committee in helping to identify the sport and physical activity provision in their ward of the city. The mapping exercise took into account all areas of provision and delivery including sports clubs, privately owned gyms, community venues, something as small as an exercise class in a school, or a group of cyclists who meet on a regular basis.

11.2   The mapping exercise identified 831 organised clubs and activities currently operating within the city, from all sectors, of which the VCS featured heavily. These include sports clubs, organised physical activity provision and sporting youth projects.

11.3   For young people, football was the activity best catered for as would be expected, however the Committee were informed that karate clubs were also popular; indeed the council had not previously been aware this was such a popular activity in the city. The mapping exercise also identified that 63% of clubs and organised activities in the city are aimed at adults. Again football was best provided for; just under a third of clubs and activities were football related, however dance, bowls and karate clubs were also very prominent.

11.4   The Committee was pleased to note the results of the exercise **(Appendix 3)** revealed a healthy level of sport and physical activity provision taking place across all sectors within the city and a range of opportunities were afforded to residents to participate; nonetheless it noted some disparity of provision across wards for both adults and younger people. Football provision heavily outweighs all other types of provision; however the popularity and demand for this sport within the city explains this.

11.5   The Committee was conscious that the intelligence gathered provided a snapshot in time, however it should be taken in due context as the changing nature of VCS provision means it is difficult to obtain a longer term understanding. That being said the results will be used to inform the outcomes of this Policy Review and provide the service area with intelligence to build upon for future service planning.

Sport and Leisure Consultation 2012

11.6   It was identified from the consultation exercise that 616 residents completed a Sport and Leisure consultation exercise up to the end of February 2012, of whom 41% expressed an interest in either taking up a sport or physical activity, or indicated they wished to do more of what they are already doing.

11.7   The 9 most popular sports and activities residents wanted to take part in/do more of were:

Swimming	96	Running	41
Football	68	Gym	40
Badminton	62	Yoga	38
Walking	54		
Cycling	44		
Zumba	43		

Figure 1

11.8   The Committee noted that the more traditional activities often provided by the council such as swimming and the gym (wellness centre) continue to be popular, but was very satisfied to see other activities can and are being delivered by VCS and private sector providers in the city. Interestingly, some of the most popular activities listed could be undertaken informally, in people's own time; it was felt these types of activities could be encouraged where time is identified as a barrier to participation.

11.9   Two of the more popular sports identified within the consultation were archery (21) and shooting (8). The council does not currently offer any provision in these areas and similarly, the mapping exercise didn't identify any opportunities for participation.

11.10   The leisure centre continues to be a stalwart as a venue for participation and a place people expect to participate; further more outdoor activities such as running, walking and cycling remain popular.

11.11   Given the evidence gathered by the Committee in regard to the barriers to community access to schools in the city **(reference to section 13.16)** it was unsurprised to observe that they are the least popular venues for residents to participate in and could indicate that residents are not aware of the opportunities within schools.

11.12   The Committee was delighted to note that of those residents that took part in the consultation exercise, 150 people were involved in some capacity in volunteering in sport or physical activity and that of those who weren't currently involved, 86 indicated they would like to volunteer in the future. In terms of growing the number of volunteers in the city this would be an ideal opportunity to signpost those people to volunteering opportunities.

11.13   The Committee considered the publicity from sporting events such as the Sunderland Marathon and 10k run was hugely important in enhancing both the profile of the city and the profile of sport and physical activity generally. It was pleased to see there was an appetite for sporting events to be held in the city and was particularly impressed that beach soccer and open water swimming featured among those. It agreed this was an excellent opportunity to promote the coastline of the city.

Identifying the City's Priority Sports

11.14   Sport England recognises 145 sports, and a number of physical activities. The Committee felt that given the current financial context it would be impossible to maximise the opportunities for all of these at any given point. It therefore concluded that a more sustainable approach is required whereby an agreed number of sports and physical activities are given a higher priority to help them grow, sustain or excel.

11.15   In order to identify the agreed number of sport and physical activities pre determined criteria would allow the city to focus its resources on a small, but wide-reaching number for a period of time.   A sport or physical activity would also move between categories i.e. it could be chosen to be 'grown' for one year then becomes a sport or activity upon which to focus on either to excel or sustain the next. This methodology would enable the council and partners (through the Active Sunderland Board) to remain responsive to the needs and wants of residents. The Committee had seen the way in which trends like Zumba had accelerated rapidly and felt this type of flexible approach was essential.

11.16 There are some key sports and activities in the city that the council and partners are already prioritising and is proposed that these are adopted as priority sports and activities due to the resource already committed and the strong infrastructure in place:-

(i)   Football - an adopted city Football Investment Strategy and high participation levels;

(ii)   Swimming - Sunderland is a coastal city with an established Learn to Swim Programme and the Sunderland Aquatic Centre delivering a regional Beacon Swimming Programme; and

(iii)   Cycling - Active Travel and Green agenda have played a key role in establishing cycling programmes and cycle routes across the city.

11.17 The Committee advocated the use of the mapping exercise and consultation results to support the identification of other priority sports and activities and this data already supported the view that three of the sports and activities should be football, cycling and swimming.

11.18 The factors to be considered in selecting priorities for the city are:-

- Current participation levels and representation;
- Current/planned Investment – capital;
- Current/planned investment – revenue;
- National Governing Body support;
- Number and geographic distribution of clubs / provision in the city;
- Number and skill level of qualified coaches and activity providers;
- Sport leagues/competitive opportunities;
- Number of performance athletes;
- National Strategy Priorities;
- Accessibility;
- Outcomes of mapping exercise undertaken by Elected Members; and
- Outcome of the 2011 consultation process.

11.19 In some cases low participation rates may be a good reason to invest time and resource into a specific sport or physical activity. Ultimately it will be a balance of factors which lead to the decision to prioritise a particular sport or activity. The Committee agreed that one of the key determinants in selecting a priority should be around the pathways to progression and attention be paid to where the most can be gained from effecting small to medium sized changes. Above all, a positive impact on overall participation rates should be the key driver.

11.20 It was noted that those sports and activities developed as a priority will be complementary to other partners' priorities, without duplicating resource or existing commitments. For example, the University will lead on the development of basketball / netball as it has already invested significantly into these sports and the Marine Activity Centre would take the lead for sailing.

11.21 The Committee were satisfied that this work should be driven forward by the Active Sunderland Board to ensure there is the required high level knowledge across the city to maximise resource and minimise duplication. The Committee again highlighted the need for appropriate VCS network

representation on the Board to give the broadest intelligence as to provision in the city and the knowledge and understanding of current capacity within the sector and how this can be grown.

11.22 The more detailed work to be undertaken for the selected priority sports and physical activities will be delivered through the Network groups, which will consider the full pathway from learning the activity through to higher performance levels.

The Role of the VCS

11.23 The aforementioned Government policy and legislation advocates a shift away from the traditional notion that local authorities aren't always the appropriate organisation to deliver a public service and highlight the VCS as a key public service provider in the future. This policy shift, coupled with the efficiencies the council is required to make over the coming years will place ever more emphasis on the role of the VCS as providers of sport and physical activity.

11.24 The Committee received evidence from two of the city's sport and physical activity providers:

- **Pennywell Community Association** provides activities for a range of residents within its local community, including those from the BME community, low-income families and children with disabilities. Some examples of these include:-

  - Hiring its facilities to groups for children with autism (such as ESPA) for use in rebound therapy involving trampolines;

  - The BME group Sangini working within the Centre leading to collaboration with a dance girls group to teach them Indian dance. This led to the dance group participating in an event for Divali, the festival of light. The Committee felt this was a good example of the opportunities that exist to bring different cultures together and learn from one another; and

  - Coaching trampolining to over 500 children in the East, West and Washington areas of the city.

  The Community Centre relies heavily on funding grants and in recent years has 'cut its cloth' according to available funding. Its electricity costs alone are extremely high and grant aid is vital in sustaining the Centre. Sport England has invested heavily and having the Olympic hopeful for trampolining, Kat Driscoll coached and mentored at the Centre has been advantageous to attracting funding. The Community Centre also received SIB funding from West Area Committee which was invaluable for ensuring new provision was continually introduced and supported.

- **Sunderland ABC Boxing Club** became a charity in order to gain access to funding. It was required to do this when the recession hit and the profits

from its annual dinner shows were no longer enough to sustain the Club alone.

To ensure the continued sustainability of the club now applies for grants and funding. Northumbria Police recognise the important role the club plays in terms of engaging young people and has funded boxing bags and other equipment; unfortunately these costs are just one part of the overall funding requirements.

The Committee was informed that Voluntary and Community Action Sunderland (VCAS) have been very supportive to the Boxing Club throughout this process, as it had initially found it difficult to acquire the necessary understanding and skills to submit what can sometimes be complex bid submissions. As the Committee had previously found in other sporting fields, it was the experience of the Club that often, the more prominent boxing clubs are better at obtaining funding and resources.

The Club had supported two previous Olympians and had found that this had brought media coverage which in turn raised awareness of the club. It felt this was a vitally important tool in raising awareness and encouraging people to participate.

11.25 The Committee considered the lack of substantial funding streams to be of real danger to the success of VCS organisations, particularly where there were large capital costs to consider, such as the replacement of sporting equipment. It was also conscious that when funding does become available many of the 'grass roots' VCS providers in the city are either unaware or do not possess the necessary bid-writing experience and expertise.

11.26 The council highlighted the difficulties in effectively communicating, engaging and supporting such a vast and diverse number of providers. In an attempt to resolve this it is actively promoting the ActiveSunderland website which has been redesigned to include a funding section which has so far benefited 20 different providers. In addition 80 volunteers have accessed training opportunities and a monthly E-newsletter is distributed. Site visitors have increased to over 2,500.

11.27 As previously mentioned another route to disseminating information is through the Active Sunderland Board which works with a lead person from each type of sport (or network) with a view to cascading information to groups in the same field. The Development Networks for each sport are also invaluable as a means of smaller clubs working together to pool resources and bid for funding. The Committee felt these were very positive steps; nonetheless there remain many smaller VCS groups who are not utilising these support mechanisms.

11.28 The Committee were also of the opinion there was still much to be done in terms of growing capacity within the VCS in the city to ensure they have the appropriate skills and support to bid with and in competition against each other and private sector providers. Whilst acknowledging the financial difficulties faced by the council it deemed that resourcing in this area reflects need if the city is to have a successful VCS, capable of delivering high quality services to residents.

12. INCREASING PARTICIPATION IN SPORT AND PHYSICAL ACTIVITY

12.1 Sport England's Active People Survey 2011 provides the information that 21.3% of the city's population are active in participating in 30 minutes of moderate exercise at least 3 times per week (3 x 30mins). This means that further and ongoing investigation must take place in order to establish more fully where residents are being active and how this level of participation can be encouraged and sustained.

12.2 The Committee considered that as 78.7% of the city's population are not active in 3 x 30 minutes of sport and physical activity, there remains a significant amount of progress to be made in terms of increasing active participation levels. It is fundamentally important to have a detailed understanding of the reasons as to why many residents are not participating and what can be done to encourage them to become more active. In order to see the greatest increase in further levels of participation, the focus of this area of work will be to target those people who are contemplating being active as opposed to trying to engage all 78.7%.

Understanding Motivations and Attitudes to Sport and Physical Activity

12.3 Sport England's market segmentation toolkit is a free web-based tool that can be used by anybody to assist in targeting sport or physical activities residents are likely to be interested in and to help understand attitudes to sport and motivations for doing it (or not).

12.4 The data is drawn from the results of Sport England's Active People Survey, the Department of Culture, Media and Sport's, Taking Part Survey and the Mosaic tool from Experian, the Committee considered these to be reputable sources but felt a major gap in intelligence was for people aged 18 and under.

12.5 Detailed profiles are used to develop the characteristics of each of the segments and have been provided with a relative characteristic name. The top three profiles in the city are listed below:-

Segment	City Population (+18)	Regional Population (+18)	National Population (+18)
Total	222443	2029683	40254040
Elsie & Arnold	26402 (11.9%)	215497 (10.6%)	3206387 (8%)
Kev	22357 (10.1%)	174886 (8.6%)	2386568 (5.9%)
Brenda	20593 (9.3%)	156966 (7.7%)	1976776 (4.9%)

Figure 2

Elsie & Arnold (approximately 80) are much less active than the average adult population, but their activity levels are more consistent with other segments in this age range. They are likely to be doing less sport than 12 months ago, mainly due to health or injury. The top sports that Elsie & Arnold participate in are keep fit/gym, swimming and bowls

Kev (approximately 40) has average levels of sports participation. The sports that Kev participates in most are likely to be keep fit/gym, football and swimming.

Kev may also take part in athletics or running, golf, angling, badminton, archery or martial arts/combat sports

> **Brenda (approximately 50)** is generally less active than the average adult population. The top sports that Brenda participates in are keep fit/gym, swimming and cycling.
>
> Athletics (including running) is enjoyed by 2% of Brendas. In all cases her participation levels are below the national average for all adults. Other sports that she may participate in are badminton, horse riding, tennis, martial arts (including Tai Chi), football and golf.

12.6 The Committee understood the value of such a tool to the council and larger partners, and also to VCS and private sector providers attempting to target provision in such a way as to maximise the success of increasing participation. Nevertheless, the profiles will never be 100% accurate and the data available should complement existing local intelligence rather than negate it.

12.7 The Sport and Leisure service advised that this tool has been particularly effective in applying for funding and assessing service provision across the city. One instance of this was in the development of an Amateur Swimming Association (ASA) programme in the city. Three key target groups were identified for this project (Paula, Brenda, and Jackie). Each shared the same characteristics of having to juggle childcare, working and managing their finances. From this the service developed programmes specifically to target those needs, including:-

- A women's network in the three community pools at Silksworth, Hetton and Washington, where female only, or adult only swimming sessions exist;
- Encouraging adults who take their children to Learn to Swim sessions and watch, with incentives such as a reduced swimming costs or programming aqua fit sessions the same time as their child's lessons; and
- Promoting SwimFit during existing women and adult sessions.

12.8 The Committee considered this tool may play an increasingly important role as a means of capturing the right audiences in the promotion of sport and physical activity.

Barriers to Participation

12.9 Barriers to participation can affect people of all ages, ethnicities and socio-economic groups. Unfortunately barriers to access are all too apparent in socially excluded groups, including workless or low-income families, homeless people, young people, women, BME groups and people with disabilities. Other barriers identified in a survey of residents in 2009 included, lack of time and the locations of activities/venues being unsuitable to the individual.

12.10 The Committee highlighted the range of innovative thinking, projects and programmes it had been made aware of, designed to target specific groups of people who may find it difficult to participate:-

- **Cost of Accessing Sports Facilities**

(i) In order to reduce barriers associated with cost to sports facilities, the council's aim is to direct funding to services for the benefit of its residents. Subsidies are targeted towards those residents who least can afford to pay for sport and physical activity. A new pricing framework was introduced in 2008 and facilitated by the Lifecard. All young people in the city under 18 years of age receive a free Lifecard, which allows discounted access to sports facilities.

(ii) In terms of efforts made to reduce costs by other providers, the Committee found that, although working within very tight budgetary constraints, Pennywell Community Association reported a real focus in keeping costs to a minimum with many sessions starting at as little as £1 to participate. It aims to include those families who can't afford to pay; therefore children can be allowed to participate for free, until family financial circumstances change. Similarly, the Raich Carter Centre operates a sympathetic pricing policy for community groups to utilise its facilities, thereby enabling lower pricing for participants.

- **BME Groups**

(i) A project established with the Young Asian Voices group engaged more than 50 males throughout 2011. Following the success of these sessions, an adult 11-a-side Asian football team was developed and who now compete in the North East Christian Fellowship League.

(ii) The Raich Carter Centre has undertaken a considerable amount of work to engage the BME community in recent years including:-
   - Outreach coaching at the Bangladeshi Centre;
   - Programming specific gym and swim sessions for the Bangladeshi Centre;
   - Supporting the Refugee Centre Training Programme, by offering two refugees volunteer training in administration and life guarding;
   - Programming badminton for the Indian Cultural Centre on Sunday afternoons
   - Midnight football for late night restaurant workers;
   - Private swimming for Bangladeshi women; and
   - Young Asian Voices provide sessions for young people 9-19 years. The group work in conjunction with Centre staff and programme a number of activities throughout the year including football, gym and swimming.

(iii) In an effort to use football to tackle community cohesion issues, an annual tournament has been developed to bring together communities who would not normally participate or positively interact. The service supports the annual Show Racism the Red Card festival (multi club football event) organised by the SAFC Foundation, Sunderland Samba and Young Asian Voices.

(iv) Crowtree Leisure Centre's strong partnership with the University of Sunderland has encouraged many sporting links with Eastern and Malaysian students in recent years, particularly for sports such as badminton and table tennis. The Centre has also worked with the

16

Hong Kong and Malaysia Society to celebrate national events, including the Chinese New Year.

- **Homelessness**

(i)   Working in partnership with Centrepoint, the city's first 'homeless' football tournament was staged in November 2011. This attracted 14 homeless players and further work is planned with Centrepoint in 2012.

- **Women**

(i)   The Get into Football Officer is supporting the work of a group called "We'Ar Out" to undertake a consultation, asking its members for feedback on a number of issues including sport. From this consultation 20 women indicated they wanted to play football and subsequently, casual football sessions will commence in 2012.

(ii)   The Sangini organisation for BME disadvantaged and excluded groups have been proactive in the development of community wellness opportunities and have received assistance in accessing training and educational opportunities. The group have a gym and swim session one morning each week at the Raich Carter Centre.

(iii)   As referenced in section 12.7, funding secured from the ASA has been used to develop a women's swimming network. The council has engaged a number of organisations including We'Ar Out, University of Sunderland and Wearside Women in Need. Currently two groups have been established with 30 participants.

- **Disability**

(i)   The role of the Sunderland Disability Forum is to work with children who have physical and/or medical needs and who are attending a mainstream school within the city, to ensure equality of opportunity through the provision of inclusive physical education and discrete disability sport events within an accessible and supportive environment. The Forum consists of representatives from Sport and Leisure, and other partners such as SAFC Foundation. The Forum recently coordinated a Sportsability Morning on 19 January 2012, at Silksworth Community Pool, Tennis and Wellness Centre. The event was organised for young people in Years 5, 6, 7, 8 and 9 with physical and/or medical difficulties, attending mainstream secondary schools in Sunderland. Over 50 young people attended the day's activities, which included seated volleyball, sports hall athletics, tennis, wheelchair basketball and boccia.

(ii)   The Sunderland Tennis Programme has developed a new Sound Tennis Club for people who are visually impaired. The adapted game is played on a short tennis court with a special foam ball with ball bearings inside, which shake to alert the player to where the ball has bounced. A series of taster sessions has also been delivered in schools with over 20 regular participants.

(iii)   The council has undertaken a significant investment and modernisation programme to assist those with disabilities. One area in which significant progress has been made is ensuring that each area of the city has a swimming pool and Wellness Centre, which ensures that residents have access to facilities which are fully compliant with DDA legislation, such as the Aquatic Centre, new 25m pools, Wellness Centres. These area facilities are complimented at Silksworth by the City Adventure Play Park and the Sensory Room.

- **Young People**

    (i)   As the Committee learnt, Sport and Leisure are not the strategic lead for the delivery of sports activities for young people; nevertheless the service area does make a significant contribution to driving forward participation levels for this age group.

    (ii)   Funding from Sport England has enabled 3394 young people within the city to access and participate in the Sport Unlimited programme over the last year. The programme was targeted at young people who may have some interest in sport, but aren't currently engaged with community or club sport. The project has now concluded and has engaged 6474 young people into regular sport outside of curriculum time over the past three years (the highest levels in Tyne & Wear).

    (iii)   In 2010, Sport England announced 'Places People Play', a legacy programme aimed to bring the inspiration and magic of the 2012 Olympic and Paralympic Games into the heart of local communities. Sportivate is a key part of this initiative and provides opportunities for Sunderland's young people (aged 14-25) to receive 6 weeks of coaching in the sport of their choice, and guide them into regular participation within their community. The programme commenced in July 2011; outputs will be available in July 2012.

    (iv)   Growing Sport is a new sports intervention programme for young people funded by the Home Office, which will focus on reducing anti social behaviour. The programme comprises of 12 weeks direct sport delivery (predominantly football), then at week six, community partners will take over the programme with the support of council coaches.

    (v)   There are several fitness classes available within the city's Wellness and leisure centres for those children and young people under the age of 16.

12.11   The Committee applauded the efforts being made to reduce the barriers to participation and while a serious effort should, and is being made to engage minority groups, this should be duly balanced with engagement of a range of residents across the city. It was also disappointed to note that council literature providing information on various programmes and activities, contained no pictures of the BME community and nobody with obvious disabilities and felt there was a risk this may unintentionally exclude people.

12.12 The Committee was able to give personal examples of involvement in the wellness/exercise programme that they had participated in and wished to praise the programmes. One such personal experience included the types of provision available for people with chronic needs. The Committee was concerned that adequate processes be in place to follow up those who had disengaged with the wellness programme to establish whether the needs of the individual had changed.

13. THE FUTURE OF SPORT AND PHYSICAL ACTIVITY IN SUNDERLAND

Reductions in Public Spending

13.1 All local authorities are facing increasing pressures from reduced budgets, which in some cases will have an impact on how services are delivered. In Sunderland this has been prepared for through the 'Sunderland Way of Working', looking at how services can be delivered more efficiently and effectively.

13.2 In this challenging economic climate, it is important that the council are clear where and why resources are focused to make the best use of public money. The Sport and Leisure service has been asked to make significant savings and efficiencies in line with the major reductions which the council is facing in its overall budget. The service's overall approach in making the required savings is to minimise impact on the services provided to residents and customers.

13.3 The changing political and financial landscape has already been outlined previously, and the Committee noted that schemes recently implemented in the city, such as the Big Bike Ride, were a simple and successful way of engaging people in participating in activities at little cost to the council and partners, which was vitally important given budgetary reductions now being implemented. As a council and with partners, some difficult questions would need to be asked about how provision looks in the future, and whether more schemes with 'little' or 'no cost' could be further developed and implemented.

The Role of Elected Members

13.4 The Committee was of the view that Elected Members were potentially 'great champions' for sport and physical activity and their expertise and passion could support the case for sport, playing a key role in cementing the relationships between local providers and the council and its partners that will be critical to ensuring the adequate support and engagement of the city's providers.

13.5 The vast amount of data captured from Elected Members through the mapping exercise undertaken on behalf of the Scrutiny Committee demonstrates the level of knowledge Members have in regard to their local communities and the Committee considered this should be capitalised upon. Elected Members should be regularly encouraged to alert the Active Sunderland Board (through the council) to changes in provision within the ward and also to signpost new providers to the ActiveSunderland website for registration. Not only would this increase the level of communication,

engagement and support for providers of sport and physical activity, it would also assist in the difficult challenge of the council having a current and comprehensive understanding of the sport and physical activity offer across the city.

13.6 In addition, it was considered that where appropriate, Elected Members could be involved with the Networks supporting the Active Sunderland Board, actively contributing their knowledge and expertise of the city.

Sport England Strategy

13.7 Sport England is preparing a new strategy for 2012-2017 to ensure it continues to drive increases in participation in sport and physical activity. Many of the outcomes Sport England want to achieve align with the findings of the Committee, as part of this review and could be incorporated into the future plan for the city:-

- Seeing more people taking on and keeping a sporting habit for life;
- Creating more opportunities for young people;
- Nurturing and develop talent;
- Providing the right facilities in the right places;
- Supporting local authorities and unlock local funding; and
- Ensuring real opportunities for communities.

13.8 Aligning the city's direction of travel with Sport England's Strategy was also felt to be valuable in regard to ensuring the city was best placed to draw down funding.

13.9 The consultation undertaken by Sport England to support the development of the new strategy highlighted the need for National Governing Bodies (NGBs) to work differently in connecting more with local providers and working to 'payment by results'. The Committee felt it was vital that there were appropriate control mechanisms in place to ensure the maximum amount of money filtered down to a local level and considered that the council and its partners should collaborate with NGBs whenever possible to ensure spending in areas of need.

13.10 The Committee highlighted the 'Iconic' funding pot and was informed that this would be allocated to innovative projects requiring capital expenditure. It noted that at this current time local authorities may be discouraged from applying for capital investment funding due to the associated longer term, ongoing revenue costs potentially becoming resource burdensome.

Increasing Community Access to Schools

13.11 The Committee considered that schools have a key responsibility in increasing participation in sport and physical activity, not only among its own students, but with families and the wider community in their position as hubs of the local community. The key advantages to opening school doors 'out of hours' are seen to be:-
- Maximising the use of facilities;
- Improving sense of community;

- Improving the relationships between schools and the families they serve; and

- Greater involvement of the local community within schools.

13.12 Schools often have facilities such as swimming pools, multi-use games areas (MUGAs) and the Committee deemed these facilities of significant value to the wider community.

13.13 As a starting point in understanding which schools open their doors to the community in the city, an audit was undertaken on behalf of the Scrutiny Committee, which identified those schools that have received funding since 2002, where there has been an element of community access contained within the funding agreement. The funding taken into consideration included Spaces for Sport and the Arts (Sport England); Local Public Service Agreement Pump Fund; PE and Sport Programme (New Opportunities Fund); SIB/SIP Area Committee Awards and Football Foundation grants.

13.14 Since 2002, a total of 28 awards and grants have been made to 23 schools to support the development of/improvements to sport and art facilities and equipment, an element of which included access for the community **(Appendix 4)**. Whilst this gives a snapshot of community access to schools across the city, the information obtained is not exhaustive and does not take into account all funded developments. The Committee therefore felt there was merit in undertaking a more comprehensive piece of work to establish the geographical spread of schools providing community access to schools, comparing the results of the consultation to determine whether schools could assist in plugging any gaps in provision.

13.15 There is some excellent work being undertaken in regard to increasing community access and the Committee was impressed by the passion and willingness demonstrated by the two schools it received evidence from; Redhouse Academy and Southwick Primary School:-

- **Redhouse Academy** supports the 'healthy city' strategic priority, of the city by reducing obesity and promoting healthy lifestyles for its pupils and their families. There are 35 different activities in the Academy after school hours and at weekends, the majority of which are sporting or physical activities, as well as healthy cooking and lifestyle activities.

- **Southwick Primary School** was built with community access in mind and to that end the school has specialist facilities that allow it to open up to the community. The School has adopted a philosophy that the community play a vital role in the ongoing development of the school, however it has continued to be realistic about the limitations financial constraints place upon it. At the present time it is imperative to the School that opening its doors to the community after school hours entails no extra cost, therefore all activities have to be self-financing.

13.16 The Committee were aware of ongoing issues around community access to schools. Whilst many communities can readily access the local school beyond opening hours, some less positive evidence describes limited

availability at weekends and out of the school term, high costs, overly complicated booking systems and variations in pricing.

13.17 In opening up school facilities beyond the school day, governors need to give consideration to:

- Safeguarding - a responsibility to ensure that any provider delivering activities has robust safeguarding and safer recruitment policies and procedures in place;
- Public liability - to ensure that this is not the responsibility of the Governing Body and that schools have Transfer of Control agreements in place with external providers delivering from the site, and must ensure that there is adequate risk management for any activity delivered by the school; and
- Finance - there should be a charging policy in place with external providers to ensure that the school budget does not subsidise community access. However, schools may choose to use their budget to deliver out of school activities for the benefit of their own pupils as this supports attainment and achievement.

13.18 The most common reasons for schools not opening up facilities outside of school hours in Sunderland are:

- Adequate provision for young people in the local area run by voluntary youth providers;
- The cost of employing site management staff to cover the extended hours and conditions of employment for site management staff;
- Safeguarding; and
- Site security.

13.19 It was reported that the most important element in mitigating the risks involved for schools was effective planning. For example, holding activities at the same time, thereby reducing the staffing and building costs to ensure the activities are sustainable in the longer term. This would always have to be balanced against need to ensure that the school was providing the access at times when it was really needed by its community.

13.20 As alluded to previously, there is a view that often, schools aren't accessible to community groups due to the high pricing policies in place. The Committee was keen to understand how the community groups at Redhouse Academy for example, providing activities for adults are charged and was pleased to note that classes such as Zumba are self-financing at a cost of £2 per session. Hence the cost covers caretaker fees which only apply after 6pm (outside of the caretaker's usual working hours).

13.21 In the North and East areas of the city, community access to schools is acknowledged as a key improvement issue through Area Committees and work is being progressed to address this. In the East area, a general meeting will be held with Headteachers of primary and secondary schools to find out what facilities schools have; highlight the advantages to granting community access and to discuss ways schools can work collaboratively to deliver activities for the community.

13.22 The North Area Committee has identified good practice from existing schools and will facilitate learning and discussion to encourage more schools to offer this service to the community with a view to creating a more equitable offer in this area of the city.

13.23 Prior to 2010, schools were required to maintain separate community budgets and the need to recover full costs for school lettings meant that charges were prohibitive for some community providers. In 2010, legislation was passed to give schools the freedom to use budgets flexibly; however with the potential reductions in school funding, the duty of the governors is to prioritise the delivery of the schools core business. Unfortunately this has the effect of hampering the opening of school doors to the community out of hours.

13.24 In April 2011, the Government simplified the funding system by mainstreaming relevant grants into the Direct Schools Grant; therefore the council no longer has any responsibility in this area. The Committee felt that this was a major risk to increasing community access to school facilities as the council would have little influence and schools may well decide not to open its doors; however it agreed that there were still the necessary communication channels in place to facilitate discussion and the potential in utilising this to hold wider conversations to share some of the learning around community access. It looked to schools such as Redhouse Academy and Southwick Primary School as examples of those who could help others.

13.25 The Committee identified another potential threat to future community provision as the conversions of schools to new academies. There was anecdotal evidence to suggest that elsewhere in the country, academies had used competitive pricing strategies against existing local authority provision. It was confirmed that this would be untried territory and that consultations with the small number of schools that had enquired about becoming academies, had shown that they recognised the essential need for continuing to develop community involvement and engagement. It was conceded however, that these would be organisations in their own right and will therefore set charges over which the council will have no control.

13.26 Despite some of the cost barriers associated with community access, the Committee was keen to point out that there were still opportunities for improvements within the city. The Sport England Strategy 2012-2017 has allocated approximately £40 million nationally to increasing access to school sites and the Committee deemed it necessary and important for the Sport and Leisure service to work in partnership with colleagues from Children's Services and schools to apply for funding based on the city's need.

London 2012 Olympic and Paralympic Games

13.27 The 2012 Olympic and Paralympic Games will be the largest sporting event ever held in the UK and the Committee felt there were real opportunities for sport and physical activity providers within Sunderland to engage with residents and get them participating in sport and physical activity.

13.28 The Committee was however concerned that there was a risk that residents of the city could be disenfranchised from the Games as it is viewed by some as

being a 'London' or 'southern' event. It was delighted that the Olympic Torch will pass through Sunderland on Saturday 16th June 2011 which should encourage residents to feel they are part of the Games and should attract large crowds to the events planned at Herrington Country Park that weekend.

13.29 To engage residents further and maximise the opportunities to involve people a comprehensive city programme of community events, activities and opportunities in the build up to, during and beyond the London 2012 Games is being developed. It was noted that each Committee Member has been involved in the Sunderland in 2012 programme development, through consultation with their respective Area Committees.

13.30 To foster a level of association between the Sunderland programme and the London Games, the five Olympic Rings will be utilised, and a relationship will be created between the Rings and the city's five regeneration areas. Each area will be 'affiliated' to a coloured Olympic Ring to create an element of friendly competitiveness.

13.31 The programme will also include a number of city challenges where the city, as a community, will be encouraged to together to achieve such as:-

- Recruiting 2012 new volunteers as part of the programme;
- Taking part in at least one of the activities throughout the programme;
- Being part of the world record attempt;
- Swimming 550 miles as part of the city BIG Swim.

13.32 The Committee considered there was a real opportunity to measure the successes of the Sunderland in 2012 programme in terms of outcomes in increasing participation of individuals, children and young people and whole families; increasing volunteering; and giving people a sense of community and would welcome an evaluation of the success of the programme.

13.33 The Committee was also very keen that residents be encouraged to support the six 'Olympic hopefuls' from the city. It was pleased to note that the council would be producing two booklets showcasing the athletes, but wondered whether further opportunities for promotion existed through the local media and the council's own publication, the Community News.

14. CONCLUSIONS

14.1 The Scrutiny Committee have made a number of conclusions based on the evidence gathered throughout the review. These are:-

(a) Significant reductions to the council's budget, the changing requirements of residents for more non-traditional activities and venues and major political drivers advocating the delivery of more public services from the VCS and private sectors, will all require there to be substantial changes to the way in which sport and physical activity is delivered in the city;

(b) The Active Sunderland Board will be a key driver for increasing access and participation to sport and physical activity in the city. The strategic

view of the Board will be invaluable in reducing duplication, realigning and targeting resource, and understanding need. The Committee was however concerned that the membership of the Board omitted any representation from the VCS and deemed this to be vitally important going forward, given the enhanced role the VCS are expected to play now and in the future;

(c)   The sport development Networks underpinning the Active Sunderland Board are central to engaging and communicating with the city's sporting clubs and groups. Some of these Networks are however more advanced than others, and further work is needed to bring all of the Networks on a par;

(d)   The results of the mapping exercise undertaken with Elected Members highlighted a healthy level of sport and physical activity provision taking place across all sectors within the city and a range of opportunities being afforded to residents to participate; nonetheless there is some disparity of provision across wards for both adults and younger people, which will require some attention by the council;

(e)   The intelligence gathered through the mapping exercise provides a useful snapshot in time and should give the council the necessary knowledge and understanding of existing provision in order to plan services; however the information will quickly become outdated due to the constant changes to sport and physical activity provision;

(g)   The Active Sunderland Board has made substantial efforts to communicate and engage with all clubs and groups in the city through its development Networks and the ActiveSunderland Website; however there remain a large number of providers who are potentially at a disadvantage in terms of accessing funding and training. Elected Members in their community leadership roles could potentially play an important part in alerting the council to new providers and signposting providers to the ActiveSunderland Website;

(h)   It will be impossible to promote and focus upon every sport and physical activity undertaken in the city; therefore a more sustainable approach will be to give higher priority to certain sports and physical activities to help them grow, sustain or excel. This methodology would enable the council and partners (through the Active Sunderland Board) to remain responsive to the needs and wants of residents;

(k)   The efforts being made to reduce the barriers to participation should be applauded; however 78.7% of the city's population do not take part in any sport or physical activity and are inactive. Whilst a serious effort should and is being made to engage minority groups, this should be duly balanced with the engagement of a range of residents across the city;

(l)   If barriers to participation in sport and physical activity are to be overcome, residents should feel comfortable about accessing provision

no matter who they are; therefore any promotional activity should be inclusive and utilise a range of images;

(m)   Schools are often 'the hub' of local communities and the equipment and facilities they offer make them an attractive venue for sport and physical activity provision. There are without doubt many hurdles for schools to overcome in order to provide access to its facilities out of hours, not least costs and safeguarding issues, however the benefits to both local communities and the schools themselves are considerable;

(n)   The council's influence in encouraging schools to provide access to the community is limited and this is a risk to increased community access, particularly at a time when school budgets may be reducing. Nevertheless the council retains the communication channels with schools in the city and this provides an opportunity for an ongoing dialogue;

(o)   It will be vitally important to determine whether schools can assist in plugging some of the geographical gaps in provision in the city identified as part of the mapping exercise. The Sport England Strategy 2012-17 has identified this as a national priority and has attached funding to address this issue, therefore there is a need for the Sport and Leisure service to work in partnership with colleagues from Children's Services and schools to apply for funding based on the city's need; and

(p)   There is a risk that residents of the city do not feel a part of the 2012 Olympics and Paralympic Games and subsequent legacy, however there are also real opportunities before, during and after the Games to encourage and increase the participation of individuals, children and young people and whole families; increase volunteering in the city; and give people a pride in the community in which they live.

15.   RECOMMENDATIONS

15.1   The Sustainable Communities Scrutiny Committee has taken evidence from a variety of sources to assist in the formulation of a balanced range of recommendations. The Committee's key recommendations to the Cabinet are outlined below:-

(a)   That the Active Sunderland Board, led by the council:-

(i)   Revises its membership and invites VCS representatives;

(ii)   Identifies the priority sport and physical activities using the pre determined criteria;

(iii)   Increases and develops the development Networks aligned to the agreed sport and physical activities and continues to develop delivery action plans to include improvements to the links with local and regional bodies, clubs and groups;

Invites Elected Members to champion and/or attend the development Networks;

(v) Engages with Elected Members to contribute to local intelligence and engagement around sport and physical activity provision; and

(vi) Ensures that opportunities to access sport and physical activity within the city continue to be accessible to all, and particularly to minority groups.

(b) That the council's Sport, Leisure and Community Development Service:-

(i) Utilises the intelligence gathered from the mapping exercise and consultation to determine gaps in provision and explores effective ways of identifying and addressing through future service planning;

(ii) Provides the Committee with an evaluation of the success of the Sunderland in 2012 programme;

(iii) Works together to ensure those providers not part of the area VCS Networks are engaged;

(iv) Considers bringing sport and physical activity providers together by way of a celebration event; and

(v) Further collaborates with Sport England and other funders to ensure all opportunities for funding are explored; and

(vi) Develops a sport and physical activity plan that reflects a sustainable and lasting legacy aligned to the Health and Wellbeing Strategy.

(c) That the council ensures all promotional material for sport and leisure reflects the demographics of the city;

(d) That within existing council resources consideration is given to;

(i) Undertaking a comprehensive audit of the existing community access to schools in the city;

(ii) Utilising existing communication channels with schools to identify and overcome barriers and encourage targeted schools to provide the community with access where there is a need; and

(iii) Working between City Services, Children's Services, Sport England and schools to maximise the opportunities for funding based on local need.

16.   ACKNOWLEDGEMENTS

16.1   The Scrutiny Committee is grateful to all those who have presented evidence during the course of our review. We would like to place on record our appreciation, in particular of the willingness and co-operation we have received from the below named:-

- All Elected Members that contributed to the Sport and Physical Activity Mapping Exercise

- Victoria French, Assistant Head of Community Services, Sunderland City Council

- Richard Lowes, Sport and Leisure Governance Manager, Sunderland City Council

- Ron Odunaiya, Executive Director of City Services, Sunderland City Council

- Julie Gray, Head of Community Services, Sunderland City Council

- Ivan Whitfield, Director of Sport, University of Sunderland

- Graham Robinson, Football Development Director, SAFC Foundation

- Mike Foster, Deputy Executive Director, Children's Services

- Helen Elderkin, Community Director, Redhouse Academy

- Vicky Smith, Finance and Operations Director, Redhouse Academy

- Trish Stoker, Headteacher, Southwick Community Primary School

- Cllr Ellen Ball, member of Raich Carter Sports Centre Managing Board

- Craig Jobson, Manager, Raich Carter Sports Centre

- Bill Leach, Pennywell Community Association

- Gavin McGhin, Sunderland Amateur Boxing Club

- Ian Thurlbeck, Relationship Manager (Local Government), Sport England

- Judith Rasmusson, Strategic Lead, Sport England

17.   BACKGROUND PAPERS

17.1   The following background papers were consulted or referred to in the preparation of this report:

(a) Open Public Services White Paper;
(b) Localism Act (2011);
(c) The Future of Fitness, White Paper , Les Mills International Ltd 2009;
(d) Minutes of the Sustainable Communities City Scrutiny Committee 2011/12;
(e) East Area Committee Agenda and Papers, 14 November 2011;
(f) Community Spirit Summer Survey 2009;
(g) Scrutiny Committee Minutes;
(h) Sport England website – Market Segmentation (http://segments.sportengland.org/);
(i) E-mail from Sport England 10 January 2012.

Contact Officer: Helen Lancaster - Scrutiny Officer
Office of the Chief Executive – Scrutiny and Area Arrangements
Telephone: 0191 561 1233
Email:**helen.lancaster@sunderland.gov.uk**

Appendix 1

Key Outcomes of the Active City Strategy

The following outcomes of the Active City Strategy have been achieved:-

Facilities & Buildings

- Built the Sunderland Aquatic Centre - opened in 2008
- Built two community pools at Silksworth and Hetton - opened in 2010
- Developed 7 new Wellness Centres across the city
- Built new football pitches at Ford Quarry
- New artificial sports pitches at Houghton, Hetton, Farringdon and Biddick Schools
- Expanded the number of mini soccer pitches from 23 to 40
- Improved / invested in over 60 play facilities in the city since 2004.

Sports Development

- Promotion of sport and physical activities through the establishment of the Active Sunderland website
- Various activities established for targeted groups eg. Sport Unlimited (young people), Wheelchair Tennis, Disability Ski Club, Sportablity Days etc.
- Appointment of a city Disability & Inclusion Officer
- Action Plans established for various sports including tennis, swimming, football etc
- Coach education programmes established with Tyne & Wear Sport
- Community health programmes delivered via the Wellness Service
- Support of performance and excellence through the Sunderland Sports Fund and the Beacon swimming programme
- Sport & Leisure Forums replaced with the Active Sunderland website and Board.

Play & Urban Games

- Over 60 play areas invested in and improved since 2004
- Increase wheel sports provision from 2 facilities to 8 in the city (BMX Hetton, wheeled sports facilities include Silksworth Sports Complex, Washington, Fulwell, Houghton, Herrington Country Park, Mowbray Park and King George Park in Pennywell)
- Since 2004, £6million has been invested in play and urban games facilities. Within the lifespan of the current PUGS there has been £4.9 million invested since 2007.

Physical Activity

- Developed programmes to address health inequalities ie. Active Project and Active Bus, walking & cycling, Nordic walking etc
- 7 Wellness Centres developed
- 8 Community Wellness venues developed
- Targeting school children and their families to improve diet, nutrition and exercise via the Lifestyle Activity and Food programme.

PE and School Sport

As detailed previously, responsibility for this area now rests with Children's Services and the city's Sport Colleges, however back in 2004 an infrastructure was established that included
- A 'Sports Federation', which was a partnership that brought together the city's Sports Colleges, education partners and the City Council
- Developed a citywide Learn to Swim programme, ensuring that all primary schools were with a 3 mile radius of a swimming pool.

Healthy City
Improvement Group

Sustainable
Communities Scrutiny

Health and Well
Being Scrutiny

The Active Sunderland Board
Chair: Cllr Mel Speding

Cycling Network	Walking Network	Running Network	PESSYP Group	Football Board

Sunderland Disability Forum	Basketball Development Network	Tennis Development Network	Volunteering Network	Community Badminton Network
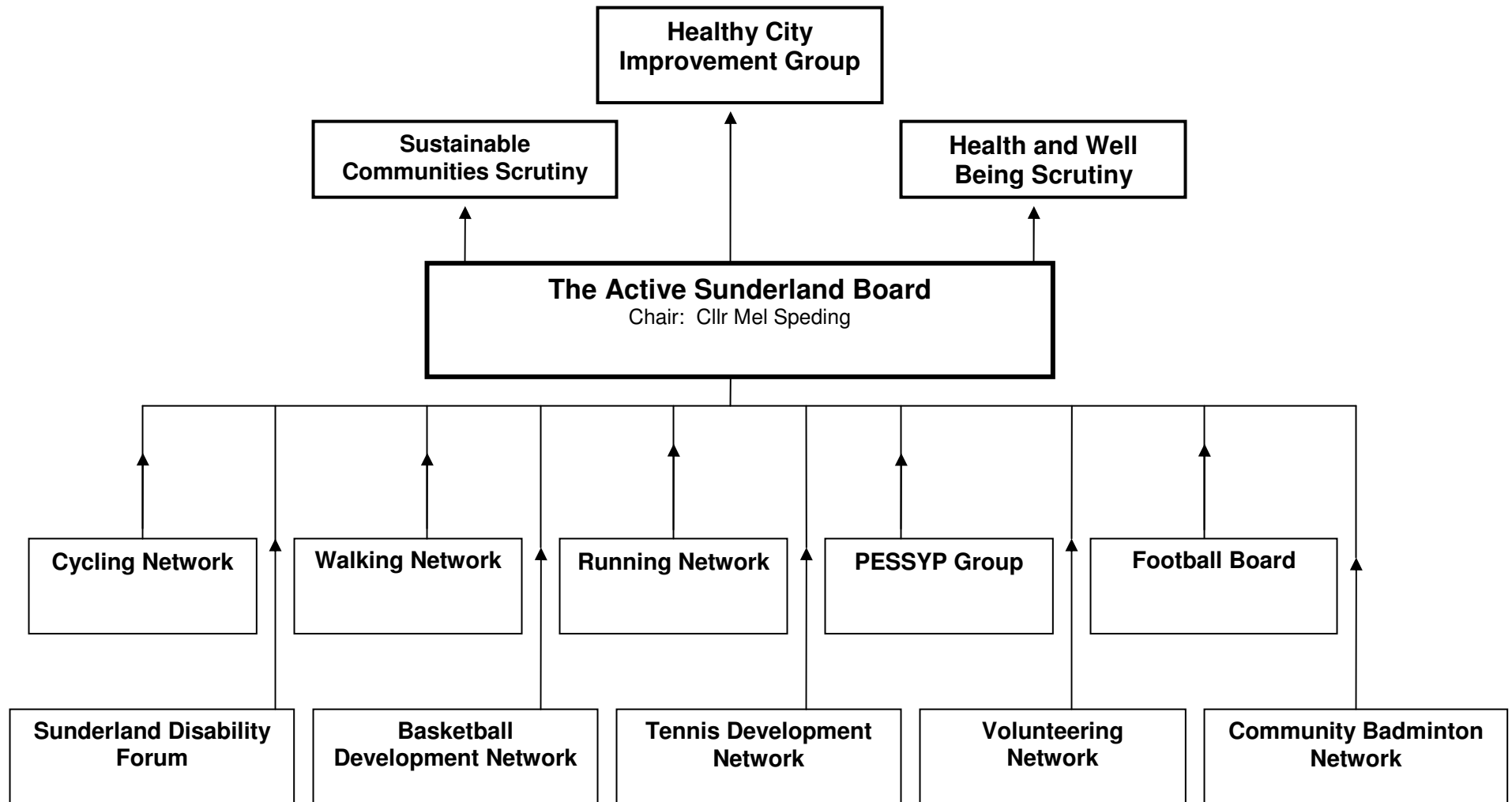
Appendix 3

Headline data from Ward Audit

NB: The audit only takes into account clubs and does not take into account the number of squads/teams within a club.

The audit has identified that there are currently **832** clubs / organised activities operating within the city providing sport and physical activity opportunities for all ages.

The activities with the largest amount of opportunities are football (237) and dance (63)

In addition other activities that have a low provision combined for young people and adults are cheerleading, futsal, volleyball (1 per activity) and bokwa, hockey, rowing, snowboarding (2 per activity).

Currently, based on findings from the audit there are no formal opportunities for archery, rugby league and tai chi.

Young People

There are **307** clubs and organised activities for young people across the city. The wards with the highest number of clubs and organised activities for young people are Hendon (24), Hetton (20) and Southwick (20).

The wards with the lowest number of clubs and organised activities for young people are Washington West (6) and Pallion and Ryhope (7) and Castle (8).

The activity with the largest number of clubs and organised activities for young people is football (75), karate (30) sporting youth clubs (26) and dance (20).

The sports and activities with the lowest provision is, cheerleading, hockey, rowing, snowboarding, water polo, and fitness classes (1 per activity)

Based on detail from the audit there is currently no provision for young people in futsal, volleyball, bokwa, pilates, running (not athletics) and zumba.

Adults

There are **525** clubs and organised activities for adults across the city   The wards with the highest number of clubs and organised activities for adults are Southwick and Silksworth (38), Houghton and Millfield (36) and Hendon (30).

The wards with the lowest number of clubs and organised activities for adults are Washington West (9), Washington East (11) and Barnes, Copt Hill and Fulwell (12)

The activities with the largest number of clubs and organised activities are football (162), dance and bowls (43) and karate (28).   The activities with lowest number of

clubs and organised activities are cheerleading, futsal, volleyball, hockey, rowing, snowboarding and water polo.

34

Headline Results from the Consultation

There were 616 responses collected in response to the online consultation. Those who did not have access to the internet were sent paper copies.

Of the respondents 56% were female and 37% were male. 7% of respondents did not identify their gender.

92% of all respondents were of White British origin.

7.5% (45 respondents) were registered disabled

The table below shows the percentage of respondents by each group.

Respondents by Age
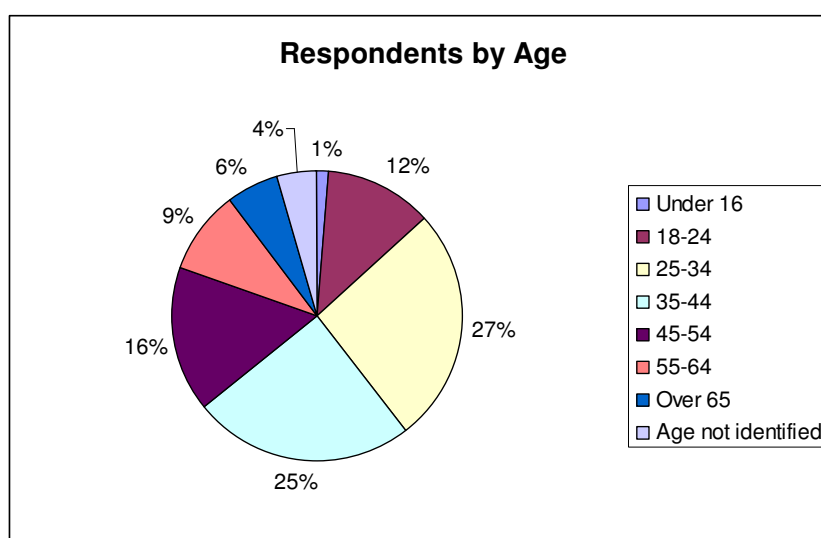
Events

The top three high profile events residents would like to see in the city are:

- International Gymnastics (162 people)
- Beach Soccer (142 people)
- Open Water Swimming (141 people)

Communication

When asked how they would like to hear about sport and physical activity opportunities the top three methods were:
- Local paper (316 people)
- Local TV (255 people)
- Websites (226 people)

Participation

255 people (41%) would like to participate in more or take up sport or physical activity.

The 10 most popular sports and activities that people want to start or do more of are:

Swimming	96	Football	68
Badminton	62	Walking	54
Cycling	44	Zumba	43
Running	41	Gym	40
Dance	39	Yoga	38

The two most popular sports identified in the consultation that are not currently provided for in the city are:

- Archery – 21 people
- Shooting – 8 people

Most popular venues to participate in:

- Leisure Centre (176)
- Outdoors (141)

Least popular venues to participate in:

- Schools (7)
- Club site (23)

When taking part in sessions the most popular environment was with:

- Coach or instructor led (368)
- Casual pay and play sessions (244)
- Other beginners (215)

Finance

The highest average spend per month on activities from respondent was:

- £0-£20 (146)
- £21-£40 (121)

Most respondents would prioritise spend on activities for themselves (194).

Volunteering

466 did not currently volunteer in any capacity in sport or physical activity.

86 indicated they would like to volunteer in the future.

The data collected as part of the consultation will be used to:

- Inform future direction of service area to ensure participation rates continue to increase
- Support the identification of the priority sports and physical activities
- Develop opportunities with partners aligned to need
- Identify best methods to deliver and promote programmes
- Understand capacity of facilities to cater for increased demand
- Carry out further consultation for under 16's
- Ensure opportunities are affordable

Appendix 4

Schools – Community Access linked to Funded Developments

Funding Provider	Name of School	Area	Date Funding Received	Current Community Access
Spaces for Sport and Art (Sport England)	Dubmire Primary	Coalfields	January 2002	Monday-Friday 4.30pm – 9.00pm Saturday 9am – 12.30pm
Spaces for Sport and Art (Sport England)	Farringdon Primary	West	March 2002	Monday–Friday 4pm– 9pm Saturday and Sunday on application.
Spaces for Sport and Art (Sport England)	Hylton Castle Primary	North	March 2002	Monday–Friday 4–9pm. Saturday and Sunday on application.
Spaces for Sport and Art (Sport England)	George Washington Primary (was High Usworth)	Washington	January 2002	Monday – Thursday 5.30 / 6pm – 8pm
Spaces for Sport and Art (Sport England)	Quarry View Primary	West	March 2002	School demolished as part of the Maplewood School redevelopment
LPSA Pump Fund	Mill Hill Primary	East		Not known
NOF PE and Sport Programme	Farringdon Primary	West	2003	Mon – Fri 5.30pm -9pm Sat – 9pm – 4pm

NOF PE and Sport Programme	Houghton Kepier	Coalfields	2003	Monday-Friday 6– 9pm (Fitness Suite 5– 9pm) Saturday 10am – 2pm Sunday 10am – 4pm
NOF PE and Sport Programme	Biddick Primary	Washington	2003	Mon–Fri 6pm - 10pm Weekend varying
NOF PE and Sport Programme	Town End Primary	North	2003	Mon–Thurs 10am – 11am and 5pm – 8pm Fri 9am – 12pm Sat/Sun 9am – 5pm
NOF PE and Sport Programme	Blackfell Primary	Washington	2003	2 football teams meet and brownies but no timetable as such.
NOF PE and Sport Programme	Monument Consortium	Coalfields	2003	Mon–Fri 6pm – 9pm
NOF PE and Sport Programme	Castletown Primary	North	2003	Mon–Fri 4pm – 10pm Sat/Sun 9am – 5pm School Hols 9am – 10pm
NOF PE and Sport Programme	Thornhill School Business & Enterprise College	East	2003	Mon–Friday 5.30pm– 9.30pm Sat 9am – 12am
NOF PE and Sport Programme	Hetton School	Coalfields	2003	Mon – Fri 5pm – 9pm 9am - 12pm
NOF PE and Sport Programme	Plains Farm Primary	West	2003	Not known
NOF PE and Sport Programme	Seaburn Dene Primary	North	2003	Not known

NOF PE and Sport Programme	Academy 360 (was Pennywell)	West	2003	Demolished as part of the redeveloped Academy 360
SIB / SIP Area Committee Awards	Newbottle Primary	Coalfields	2010	The outdoor play environment will be available throughout the school day Open to community on parent evenings, after school activities, school fairs, and any visits from cluster schools, Sports events
SIB / SIP Area Committee Awards	Red House Academy	North	Nov 2011	Mon – Thurs 6pm – 9pm
SIB / SIP Area Committee Awards	Biddick Primary	Washington	Sep 2010	Community play facility will be available for community use in Summer 2012 as the site needs to be established before use (grass and trees).
SIB / SIP Area Committee Awards	Plains Farm Primary	West	June 2009	Monday– Friday 4.30–10pm
SIB / SIP Area Committee Awards	East Herrington Primary	West	October 2007	Three nights per week
Football Foundation	Biddick Community Sports College	Washington	2011	Community access 6pm-10pm week days, 9am-9pm weekends.
Football Foundation	Biddick Community Sports College	Washington	2004	Available for public bookings
Football Foundation	Farringdon Community Sports College	West	2011	Community access 6pm-10pm week days, 9am-9pm weekends.
Football Foundation	Castlegreen Primary	West	2004	Available for public bookings
Football Foundation	Hetton School	Coalfields	2004	MUGA Access Community Access 5-9pm weekdays, 9am-12pm Weekends.
Football Foundation	Houghton Kepier	Coalfields	2004	Monday-Friday 6– 9pm

				Saturday 10am – 2pm Sunday 10am – 4pm

Sustainable Communities Scrutiny Committee
Building a Sustainable and Lasting Legacy in Sport and Physical Activity: Policy Review recommendations 2011/12

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
(a)	That the Active Sunderland Board, led by the Council:-				
	(i) Revises its membership and invites VCS representatives;	Identify appropriate VCS representatives to attend Active Sunderland Board and invitation sent as appropriate.		Sept 2012	
		Agree information sharing process from VCS representative through to VCS networks		Sept 2012	
		Agree information sharing process from VCS representative through to organisations not part of the VCS network.		Sept 2012	
	(ii) Identifies the priority sport and physical activities using the pre determined criteria;	Further develop and agree criteria to be utilised to identify priority sports and activities.		Sept 2012	
		Undertake a prioritisation process taking into account the previous consultation and ward audit linked to the Scrutiny Committee.		Nov 2012	
	(iii) Increases and develops the development Networks aligned to the agreed sport and physical activities and continues to develop delivery action plans to include improvements to the links with local and regional bodies, clubs and groups;	Identify key stakeholders for each priority sport, activity and area of work, for example volunteering.		Nov 2012	
		Invite key stakeholders to priority Sport and Physical Activity Development Networks.		Jan 2013	
		Develop priority action plan for each Development Networks to ensure		Jan 2013	

		links with local and regional groups.			
	(iv) Invite Elected Members to champion and/or attend the development Networks;	Develop and agree the role of the Elected Members as a champion of the Development Networks.		Nov 2012	
		Following agreement of priority sports and activities, identify process to invite elected members to be champions of the Development Networks.		Nov 2012	
		Invite all Elected members to take a champion role		Nov 2012	
	(v) Engages with Elected Members to contribute to local intelligence and engagement around sport and physical activity provision; and	Continue to engage with members through: • Portfolio Holder • The Chair of the Active Sunderland Board • the Elected Member Champion role for priority sports and activities • the Area Committee Structure • the VCS Networks • the Active Sunderland E newsletter • Future ward audits and ongoing consultations		Ongoing	
	(vi) Ensures that opportunities to access sport and physical activity within the city continue to be accessible to all, and particularly to minority groups.	Continue to work with priority groups to ensure opportunities are available Through the VCS network ensure sport and leisure opportunities are promoted to all groups		Ongoing Ongoing	
(b)	That the Council's Sport, Leisure and Community Development Service:-				
	(i) Utilises the intelligence gathered from the mapping exercise and consultation to determine gaps in	From the 2011 ward audit data and consultation intelligence identify areas of latent demand with		Nov 12	

provision and explores effective ways of identifying and addressing through future service planning;	communities			
	Incorporate the 2011 ward audit data and consultation intelligence into the criteria to be utilised to identify priority sports and activities		Nov 12	
	Refresh the data gathered from the 2011 ward audit and consultation exercise as part of an annual exercise to understand current gaps in provision and any changes in customer needs		Sept 13	
(ii) Provides the Committee with an evaluation of the success of the Sunderland in 2012 programme;	Provide an evaluation report which includes the outcomes of the Sunderland in 2012 programme and the ongoing legacy associated with the programme		Nov 12	
(iii) Works together to ensure those providers not part of the area VCS Networks are engaged;	Agree information sharing process from VCS representative through to organisations not part of the VCS network		Sept 12	
(iv) Considers bringing sport and physical activity providers together by way of a celebration event; and	Undertake feasibility work with a view too understanding the nature of existing 'celebration events' across the city and the logistics, benefits and resources required to stage a celebration event Produce recommendations.		Dec 12	
	Develop and launch Sunderland Sports Hall of Fame as part of the Sunderland in 2012 legacy		Sept 12	
(v) Further collaborates with Sport England and other funders to ensure all opportunities for funding are explored; and	Establish a formal process with Sport England representatives to understand the funding opportunities available to Sunderland		Sept 12	

		Continue to work with other funders and ensure that we have horizon scanning process in place to maximise all funding opportunities		Ongoing	
		Work more closely with others in identifying funding and disseminate opportunities to community sports clubs through Active Sunderland newsletter		Ongoing	
	(vi) Develops a sport and physical activity plan that reflects a sustainable and lasting legacy aligned to the Health and Wellbeing Strategy.	Having regard to the timing and development of the Health and Wellbeing Strategy produce a 3 year sport and physical activity delivery plan with scrutiny and key stake holders		Mar 13	
(c)	That the Council ensures all promotional material for sport and leisure reflects the demographics of the city.	Continue to work with colleagues within marketing and Communications to ensure all promotional material is reflective of demographics		Ongoing	
(d)	That within existing Council resources consideration is given to;				
	(i) Undertaking a comprehensive audit of the existing community access to schools in the city;	Explore the opportunity of additional resource being available to work between City Services and Children's Services. Carry a time limited audit of existing community access to schools		Sept 12	
		Ensure the above work links to existing audits carried out by other directorates		Dec 12	
		With additional resource in place carry out audit		Dec 12	

(ii) Utilising existing communication channels with schools to identify and overcome barriers and encourage targeted schools to provide the community with access where there is a need; and	Utilising the resource identified in (i) above with schools and children's services to further understand the barriers to access and how these can be overcome		Jan 13	
(iii) Working between City Services, Children's Services, Sport England and schools to maximise the opportunities for funding based on local need.	Utilising the above audit identify funding opportunities available		Mar 13 and ongoing	