

**At a meeting of the SCRUTINY CO-ORDINATING COMMITTEE held in the CIVIC CENTRE, SUNDERLAND on THURSDAY 16<sup>th</sup> JANUARY, 2020 at 5.30 p.m.**

**Present:-**

Councillor D. MacKnight in the Chair

Councillors D. Dixon, Francis, Hunt (VC), F. Miller and Oliver.

Also in attendance:-

Mr Chris Binding, Local Democracy Reporter

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

Mr Jon Ritchie, Executive Director of Corporate Services

Mrs Christine Tilley, Community Governance Services Team Leader, Law and Governance, Corporate Services Directorate

**Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Councillors, Heron, Jenkins, P. Smith, Speding, D. Trueman and Turner.

**Minutes of the last meeting of the Committee held on 5<sup>th</sup> December, 2019**

1. RESOLVED that the minutes of the last meeting of the Committee held on 5<sup>th</sup> December, 2019 (copy circulated), be confirmed and signed as a correct record.

Notice of Key Decisions

Mr Nigel Cummings, Scrutiny Officer agreed to chase up the information Councillor Oliver had requested concerning the disposal of the former Gilbridge Police Station in Sunderland.

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

There were no declarations of interest made.

## **Reference from Cabinet – 14 January 2020 – Revenue Budget 2020/2021 to 2023/2024 – Update and Provisional Revenue Support Settlement**

The Assistant Director of Law and Governance submitted a report (copy circulated) setting out for the advice and consideration of the Committee, a report which was considered by Cabinet on the 14 January 2020, providing an update on the budget position for 2020/2021 to 2023/2024, including the impact of the Provisional Revenue Support settlement, prior to the receipt of the final Local Government Finance Settlement 2020/2021. An addendum report setting out the content of the Local Government Finance Settlement, which was announced on 20<sup>th</sup> December 2019 prior to Parliament rising, was subsequently circulated to the Committee, prior to the meeting, for Members' consideration.

(For copy reports – see original minutes.)

Mr Jon Ritchie, Executive Director of Corporate Services briefed the Committee on the reports highlighting the Core Spending Power, the measure used by Government to indicate the impact of changes in funding, the Homelessness Grant and Public Health Grant.

Mr Ritchie briefed Members on Schools Funding and the consultation carried out at the Sunderland Schools Forum and the recommendations to Cabinet in relation to the Sunderland local funding formula for 2020/20/21.

Mr Ritchie briefed the Committee on budget and spending pressures and drew Members' attention to the point in the report that a balanced budget had been achieved for 2020/2021, however there was a total gap of £24.35m over the following three years to 2023/2024. He also highlighted the outstanding uncertainties and the budget consultation arrangements.

Mr Ritchie referred Members to the Fees and Review Policy 2020/2021 and advised that there were no proposals to bring in any new fees and charges.

In response to Councillor D. Dixon, Mr Ritchie advised that in relation to Schools funding on a per pupil basis there were no shocks. The Schools Forum were recommending the Cabinet to approve the principles set out in paragraph 2.2 of the report, one of which was a Minimum Funding Guarantee to apply at 1.84%, this being the maximum reduction they would sustain, in line with the National Funding Formula to protect schools from any major changes. Schools which had a reduction in pupil numbers would lose funding overall as budgets were driven by pupil numbers, however as far as he was aware, there were no significant differences from last year and if he became aware of any he would supply the information to Members.

Councillor Hunt enquired how successful the budget consultation had been with the public and outside organisations.

Mr Ritchie reported that they had quickly got to around 250 responses and then things had tailed off, however the budget had been well received. There was not as many responses as he would have liked, however Sunderland was not alone in this regard in that other authorities received a similar level of response. Mr Ritchie advised that they had had the Schools Forum and sessions with the Business Sector and the Trades Unions. The consultation had had a different flavour this time as although there were savings being made, they were more corporate savings and most focus was on the Government's proposals in respect of Social Care and the Government levy.

In response to Councillor Dixon, who enquired whether there was any concern that there was a delay in receiving the Public Health grant, Mr Ritchie advised that whatever funding came in for Public Health would be ring fenced and spent on Public Health. The allocation was going up by inflation and so this was positive news. There was no concern other than this gave the Council a shorter time period in which to spend the money and this could be very tight from that perspective.

In response to Councillor Oliver's questions regarding the Pensions Fund, Mr Ritchie advised that it was not unusual that the Pensions Fund had been in deficit as it was based on the value of investments and for the last few years there had been bigger liabilities than assets.

Mr Ritchie explained that every three years an actuarial review was undertaken. South Tyneside Council administered the fund and Sunderland Council had Member representation on the Pensions Committee whose main role was to ensure financial viability of the fund going forward. Any recommendation to change what the fund invested in would need to be reviewed by the Pensions Committee and the key thing the Pensions Committee looked at was whether it was a balanced portfolio.

Councillor Oliver added that he had concerns that the Council might need to top up the fund.

Mr Ritchie advised that the fund was now fully funded and that the Councils were getting a revenue benefit at the moment.

In response to Councillor Francis, Mr Ritchie provided examples of discretionary charges which included Garden Waste collections, the cost of cremation, bulky waste collections and advised that he could circulate a full list to Members if they would find this helpful. Statutory charges included the costs of licences. Mr Ritchie added that if there were any proposals to introduce new charges then this would need to be submitted to the Cabinet and Council for approval. £48m was generated from fees and charges.

In response to Councillor Francis, Mr Ritchie advised that the total Allocated Schools Grant was £212m. There was £19m allocated for Early Years. Mr Ritchie stated that he would ask Together for Children to send details of the full individual allocations for each school when this information was in the public domain.

In response to Councillor Hunt, Mr Ritchie confirmed that SEND funding relating to Red House school had been confirmed in early December and that the funding had come through.

Councillor Oliver referred to paragraph 5.2.5 of the report concerning Debt Charges and enquired whether the Council was looking at other sources of funding to avoid the increase in the interest rate applied to the Public Works Loan Board.

Mr Ritchie confirmed that the Council had started to explore other sources which historically had been higher than the Public Works Loan Board low rates with external treasury management advisers.

In response to Councillor Dixon, Mr Ritchie confirmed that representations in relation to 'need being driven by deprivation' had been made regarding the Fair Funding Review proposals. These had been positively received and a move was being made to reflect deprivation as a key measure which would benefit Sunderland.

Mr Ritchie added that as a result, the total funding available would be slightly bigger. More money was needed for Adult Services and Children's services so slightly better allocations would be made. The hope was that Sunderland would be no worse off and in fact, would do better, however he could not give any certainty of this at the moment.

Full consideration having been given to the report and there being no further questions for Mr Ritchie, it was:-

2. RESOLVED that the Cabinet be advised that the Scrutiny Co-ordinating Committee is satisfied with the information presented including the update on the Local Government Finance Settlement, whilst acknowledging that a number of uncertainties remain.

### **Scrutiny Committee Work Programmes for 2019/20**

The Director of People, Communications and Partnerships submitted a report (copy circulated) attaching for Members' information, the variations to the Scrutiny Committee work programmes for 2019/20 and providing an opportunity to review the Committee's own work programme for 2019/20.

(For copy report – see original minutes.)

Mr Nigel Cummings, Scrutiny Officer advised that a report providing an update on the Budget would be included on the Committee's Work Plan for the February meeting.

3. RESOLVED that:-

- (a) the variations to the Scrutiny Committee Work Programmes for 2019/20 and to its own work programme, together with the above information, be noted; and
- (b) the current expenditure and remaining scrutiny budget for 2019/20 be noted.

## **Notice of Key Decisions**

The Director of People, Communications and Partnerships submitted a report (copy circulated), providing Members with an opportunity to consider those items on the Executive's Notice of Key Decisions for the 28-day period from 16<sup>th</sup> December, 2019.

(For copy report – see original minutes.)

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

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

(Signed) D. MACKNIGHT,  
Chairman.