

**At a meeting of the SCRUTINY CO-ORDINATING COMMITTEE held in the CIVIC CENTRE, SUNDERLAND on THURSDAY 15<sup>th</sup> JULY, 2021 at 5.30 p.m.**

**Present:-**

Councillor D. MacKnight in the Chair

Councillors Doyle, Hartnack, Hodson, Mann, O'Brien, Peacock, P. Smith, D. Snowdon and D. E. Snowdon

Also in attendance:-

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

Mr Jon Ritchie, Executive Director of Corporate Services

Ms Gillian Robinson, Scrutiny, Mayoral and Members' Support Co-ordinator, Law and Governance, Corporate Services Directorate

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

Local Democracy Reporter

The Chairman welcomed everyone to the meeting and briefed Members on the current Government guidance being followed and the measures in place in Council buildings for the meeting with regards to reducing the spread of COVID-19.

**Apologies for Absence**

Apologies for absence were received from Councillors Butler, Heron and N. MacKnight.

**Minutes of the last meeting of the Committee held on 17<sup>th</sup> June, 2021**

**Performance Management Update – Quarter 4 of 2020/21 and 2020/21 Year-End**

Councillor Hartnack referred to page 6 of the minutes in relation to the above item and stated that the context of his enquiry was in relation to the number of jobs created in the construction industry for Sunderland residents in respect of Council commissioned projects specifically for City Hall.

1. RESOLVED that the minutes of the last meeting of the Committee held on 17<sup>th</sup> June, 2021 (copy circulated), be confirmed and signed as a correct record subject to the above clarification.

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

### **Item 5 - Reference from Cabinet – 13 July 2021 - First Revenue Budget Review 2021/2022**

Councillor Hartnack made an open declaration as a Member of the Schools Forum.

### **Reference from Cabinet – 13 July 2021 - Capital Programme First Review 2021/2022 (including Treasury Management)**

The Assistant Director of Law and Governance submitted a report (copy circulated) setting out for the advice and consideration of the Scrutiny Committee, a report by the Executive Director of Corporate Services, which was considered by Cabinet on 13 July 2021, on the outcome of the First Capital Review for 2021/2022 and progress in implementing the Treasury Management Borrowing and Investment Strategy for 2021/2022.

(For copy report – see original minutes.)

Mr Jon Ritchie, Executive Director of Corporate Services proceeded to brief the Committee on the report and referred Members to paragraph 4.1 where details of the changes to the 2021/2022 Capital Programme both in terms of expenditure and resourcing were set out and paragraph 4.2, which detailed plans to extend the Farringdon Academy and the financial arrangements around this from the Department for Education (DfE) and the Council.

Mr Ritchie drew attention to paragraph 4.4 which set out the impact of the COVID-19 pandemic and the associated national lockdowns and localised restrictions since March 2020 on the Capital Programme. He also pointed out the Review of the Prudential Indicators and Treasury Management Strategy for 2021/2022 set out at paragraph 5.

Councillor Peacock referred to paragraph 4.4 of the report concerning the Capital Programme delivery which had been impacted by the COVID-19 pandemic and the comment that there might be increased costs and/or projects being delayed.

Mr Ritchie advised that with regards to the plans to extend the Farringdon Academy the above situation referred to the relationship between the DfE and the builder and de-risked the Council. The Council had tried to put in risk mitigation where it made sense to do so and this was done on a case by case basis.

Councillor D. Snowdon referred to paragraph 5.8 and commented that it was pleasing to see the Council managing its investments and achieving a rate of return of 0.09% compared to the 7-day London Interbank Bid rate of -0.08%.

Mr Ritchie stated that they tried to get the best return but not at undue risk.

Councillor Hartnack referred to Integrated Transport at Appendix A and enquired as to the extent of public consultation undertaken, commenting that there was still a lot of negativity around and that there was no feedback to those who had been affected negatively.

Mr Ritchie advised that details on the schemes would have been included in previous reports and the Executive Director of City Development and Assistant Director of Infrastructure, Planning and Transportation would be able to provide a summary of the above information.

Councillor Hartnack commented that it would be good if the Mayor's car was a Nissan to fly the flag of the company based in Sunderland and where many people from Sunderland were working, adding that the company did make prestigious models that would be suitable rather than the Mayor's car being a Volvo.

Mr Ritchie advised that the Mayor's car was looked at about 18 months ago and it was concluded that at least 1 car was needed and the other vehicle had not been replaced. He added that when looking to replace the car the Council had needed to go through a tendering process and best value needed to be taken into consideration. Mr Ritchie offered to provide a full response in this regard.

With regards to the entry on Appendix A called 'Crowtree Enabling Works' to enable a new leisure led development, Mr Ritchie commented that this might be a reference to the Culture House as the successful bid and receipt had been approved of £25m Future High Street Funding. A summary could be received from the Executive Director of City Development and Assistant Director of Infrastructure, Planning and Transportation, although he pointed out that there might be commercial sensitivities associated with this.

Councillor Hodson referred to the Culture House and commented that there was a need for Members to be clear as to what was going ahead on the site at Crowtree, commercial sensitivities aside, as it was a key city centre site. He added that there was an isolated block of housing, the Almshouses, on the site and that there was room for some housing there.

Councillor Hodson referred to the hotel on Keel Square which he believed was a Holiday Inn and enquired why the Council was putting in £1.5m of ground floor lease arrangements in place.

Mr Ritchie reported that briefings could be provided on the above matters and because of commercial sensitivity might need to be considered under Part II. With regards to the hotel on Keel Square, the Council was effectively the tenant and letting out and taking the financial benefit from this. He would need to dig out the information on this but added that although the Council was involved in this it was not seeking to run it itself.

Mr Ritchie added that it was fair to say that the world was in a different place. The City Plan focussed on vibrancy and this held true through additional office space where some companies had signed up and there was more to come. There was however, money in contingencies as they were not assuming that they would achieve full rents from day 1.

Councillor Peacock enquired whether the £1.8m was solely allocated to potholes.

Mr Ritchie advised that this was predominantly for potholes but that he would check the grant determination and provide a definitive answer.

In response to Councillor Peacock who commented on the total funding for other projects, Mr Ritchie advised that the report being considered that day purely dealt with the variations and reprofiling of the Capital Programme, however he was able to send a link to the full Capital Programme and set up a meeting to go through it for new Members of the Council if this would be helpful.

Councillor D. E. Snowdon welcomed the communal boiler systems being taken out in the Fatfield Area and the funding by a Government Department, commenting that it would good if this could now be rolled out to the Oxclose area as well.

Mr Ritchie commented that the Council's External Funding Team had applied to get the above funding and the Green Homes Grant working with Gentoo to get as much funding into the City as possible.

The Chair commented that it was good news to get an additional 150 school places at Farringdon School and asked how this had been calculated.

Mr Ritchie advised that the 150 places was based on historic DfE numbers of pupils currently in the area and pupil placed modelling for the whole of the city. There would be 5-6 classrooms, canteen space, PE facilities etc.

Full consideration having been given to the report, there being no further questions of Mr Ritchie and the Chairman having thanked him for his very comprehensive report, it was:-

2. RESOLVED that the Scrutiny Committee noted the content of the Capital Programme including the information and assurances provided on the Prudential Indicators and Treasury Management Strategy.

### **Reference from Cabinet – 13 July 2021 - First Revenue Budget Review 2021/2022**

The Assistant Director of Law and Governance submitted a report (copy circulated) setting out for the advice and consideration of the Scrutiny Committee, a report by the Executive Director of Corporate Services, which was considered by Cabinet on 13 July 2021, on the First Revenue Budget Review 2021/2022.

(For copy report – see original minutes.)

Mr Jon Ritchie, Executive Director of Corporate Services briefed the Committee on the report highlighting that the budgets for 2021/2022 were as approved by Council in March 2021. A full review had been undertaken for each Portfolio, together with contingency allocations proposed for the first quarter.

Mr Ritchie referred the Committee to the table at 3.1.3 of the report which stated that the overall forecast outturn position for 2021/2022 was a deficit of £5.729m.

Mr Ritchie advised that the Council continued to lobby the Government for additional funding to meet the current shortfalls and equally a full and fair financial settlement to address the significant ongoing impact to the Council's finances.

Councillor Hodson enquired why another Member of staff had been appointed in the Communications Department and why this had been slipped through as a contingency.

Mr Ritchie advised that the role was about promoting the city as a city, the college, the university and specialist knowledge had been brought in. The post was for one year initially to get the brand work underway and then it would be evaluated.

Councillor Hodson asked why the Council was creating and paying for another website called 'My Sunderland' this coupled with the fact that 'My Sunderland' was the name of the Sunderland University web pages.

Mr Ritchie advised that the other Council websites were to be consolidated in the My Sunderland website and as it received more hits it would be displayed further up the list towards the top on the web page. However, he was not aware of how they had reached the name of the website.

In response to Councillor Hodson commenting that there would be ongoing costs of branding for the My Sunderland website, significant spends on advertising and marketing etc and that he was uncomfortable with this all going through as contingencies, Mr Ritchie advised that this was just a moment in time. The exact cost position was not known. It been brought to Cabinet and to the Scrutiny Committee for transparency and as a result this was possibly more transparent than if it had been included in the full budget papers which had been set in March.

Councillor D. Snowdon referred to the £7m overspend in relation to Together for Children acknowledging that the Company could not be sure how many children might need to go into care, however he enquired whether this was due to the pressures related to COVID-19.

Mr Ritchie stated that COVID-19 had exacerbated the situation. Looked After Children numbers had stabilised but there were higher costs as more specialised care was needed. There were costs as the courts had not been open and the timescales had lengthened as a result. There was difficulty in knowing which cases were due to COVID, however in forecasting TfC pressures, roughly half of the overspend was COVID related and social care budgets were most Councils' concerns across the country.

In response to Councillor Snowdon, Mr Ritchie advised that there was a degree of uncertainty however, the anticipated contributions from the CCG towards the Adult Social Care budget were the best intelligence they had and that they worked very closely with the CCG.

Councillor Mann queried what the TfC Ofsted Support was detailed in paragraph 3.4.1 of the report.

Mr Ritchie advised that this was purely a timing issue and an accounting transaction as DfE funding had come to the Council and needed to be released to TfC. Councillor O'Brien enquired whether the staff appointed in Waste Recycling were permanent or temporary and how many had been brought in.

Mr Ritchie stated that where appropriate staff would be brought in on a permanent basis and that he would provide a response to Councillor O'Brien as to how many staff this was as he did not have the detail to hand.

Councillor Hartnack enquired about school balances commenting that some schools were sitting on significant reserves of over £10m.

In response, Mr Ritchie stated that the Council held the balances for maintained schools but could not spend them and legally they had to be reflected on the balance sheet. He added that through the Schools Forum there was going to be a recommendation not to keep too large reserves unless a school was saving up for something in particular and then this would be acceptable.

Councillor Hodson referred to the Waste Collection and Recycling forecast overspend and asked whether the issues had been resolved.

Mr Ritchie advised that the situation was ongoing and that additional staff resources had been brought in to help solve workforce pressures due to COVID-19 and that the financial element was reflected in the report at Appendix A which detailed the major variations.

Full discussion having taken place on the report, it was:-

3. RESOLVED that the Scrutiny Co-ordinating Committee noted the contents of the report including the various budget positions, support grants and variances. The Committee agreed that it would also like to thank Members and Officers for the preparation and continued monitoring of the Council's revenue budget position and welcomed further updates at future meetings.

### **Review of Scrutiny Arrangements in Sunderland**

The Scrutiny, Mayoral and Member Support Co-ordinator submitted a report (copy circulated) informing the Scrutiny Committee of a proposed review of scrutiny arrangements in Sunderland and seeking the Committee's views.

(For copy report – see original minutes.)

Ms Gillian Robinson, Scrutiny, Mayoral and Members' Support Co-ordinator provided the Scrutiny Committee with a presentation setting out the purpose of the review, the method and review framework, highlighting that it would be conducted by the Centre for Governance and Scrutiny, together with the timescales involved. Ms Robinson advised that the recommendations of the review would be submitted to Cabinet and Council for approval.

Councillor Hodson welcomed the suggested approach to the review that the Members of the Scrutiny Co-ordinating Committee form the Member Steering Group to carry out the review of the scrutiny function due to the proportional representation of the Committee which reflected the Council and would provide transparency. He asked whether there would be the potential for meetings to be recorded and publicised.

Ms Robinson advised that this could be looked into particularly following the move to City Hall.

Councillor Doyle asked for reassurance that the Centre for Governance and Scrutiny would consider the proposition of opposition led scrutiny.

Ms Robinson confirmed that this would be considered as part of the review, however it was within the Council's gift to determine who chaired the committees.

Councillors D. Snowdon and Mann concurred with Councillor Hodson that the Scrutiny Co-ordinating Committee membership would be well placed to form the Member Steering Group as it included both experienced and newly elected Councillors.

Ms Robinson advised that the Member Steering Group would meet informally in two weeks' time and whilst she recognised that it was short notice, she asked Members to prioritise the meeting in their diaries.

Councillor Smith urged Members to get involved to ensure they got what they needed from the review.

The Chair also encouraged Members to try and make time to be interviewed as part of the review by Mr Hammond from the Centre for Governance and Scrutiny.

4. RESOLVED that:-

- (a) the proposed review of scrutiny as detailed in the report be approved and the Scrutiny Co-ordinating Committee membership be used as the composition of a member steering group to oversee the review; and
- (b) approval be given for the review to commence as per the timescales in the report.

### **Annual Work Programme for 2021-22**

The Scrutiny, Mayoral and Member Support Co-ordinator submitted a report (copy circulated) asking the Committee to consider and agree a work programme for the Committee for the municipal year 2021/22.

(For copy report – see original minutes.)

Mr Nigel Cummings, Scrutiny Officer referred the Committee to paragraph 3.2 of the report where a table summarised the relevant single item issues which were likely to be a regular feature of the work programme for 2021/22. The table also summarised a number of issues and topics that Members of the Committee had discussed at their recent development session. He advised that those items would be programmed into the work programme at relevant dates in discussion with the appropriate officers.

Mr Cummings advised that he would also schedule in meetings of the City Hall Task and Finish Group and contact Members and appropriate Officers.

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

5. RESOLVED that the Scrutiny Co-ordinating Committee draft work programme for 2021/22 be approved and that emerging issues be incorporated as and when they arise throughout the forthcoming year.

### **Notice of Key Decisions**

The Scrutiny, Mayoral and Member Support Co-ordinator submitted a report (copy circulated), providing Members with an opportunity to consider those items on the Executive's Notice of Key Decisions for the 28-day period from 14<sup>th</sup> June, 2021.

(For copy report – see original minutes.)

Mr Nigel Cummings, Scrutiny Officer, advised Members that if there was anything on the Notice which any Member wanted further information on to let him know and he would be happy to take that forward on their behalf.

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

The Chairman in closing, thanked everyone for their attendance.

(Signed) D. MACKNIGHT,  
Chairman.