



Council Excellence Overview and Scrutiny Committee

Date:	Wednesday, 17 March 2010
Time:	6.00 pm
Venue:	Committee Room 1 - Wallasey Town Hall

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AGENDA

1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST/PARTY WHIP

Members are asked to consider whether they have personal or prejudicial interests in connection with any item(s) on this agenda and, if so, to declare them and state what they are.

Members are reminded that they should also declare, pursuant to paragraph 18 of the Overview and Scrutiny Procedure Rules, whether they are subject to a party whip in connection with any item(s) to be considered and, if so, to declare it and state the nature of the whipping arrangement.

2. MINUTES (Pages 1 - 6)

To receive the minutes of the meeting held on 1 February 2010.

3. FINANCIAL MONITORING STATEMENT (Pages 7 - 12)

4. GENERAL FINANCIAL MATTERS (Pages 13 - 24)

5. TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2010 TO 2013 (Pages 25 - 56)

6. FREEDOM OF INFORMATION (FOI) REQUESTS (Pages 57 - 60)

7. FORWARD PLAN (Pages 61 - 68)

8. **REACHING 'EXCELLENT' LEVEL OF THE EQUALITY FRAMEWORK FOR LOCAL GOVERNMENT (Pages 69 - 76)**
9. **2009/2010 THIRD QUARTER PERFORMANCE REPORT BY EXCEPTION (Pages 77 - 86)**
10. **OFFICE RATIONALISATION PROJECT - UPDATE (Pages 87 - 90)**
11. **COMMITTEE REFERRAL - CHILDREN AND YOUNG PEOPLE OVERVIEW AND SCRUTINY COMMITTEE - 21 JANUARY 2010**

At its meeting held on 21 January 2010 (minute 55a refers), the Children and Young People O&S Committee considered minute 25 'Financial Monitoring Statement', of the Council Excellence Overview and Scrutiny Committee held on 16 September, 2009, which had requested that the consideration of serious concerns with regard to the projected overspend in the Children and Young People's Department.

Minute 55a reads as follows –

“The Director of Children's Services responded to the concerns and stated that all his officers were aware of the need to keep within the budget set by the Council at the beginning of March 2009. The schools budget had increased by twice the level of inflation but the non-schools budget expenditure had been constrained. The non-schools budget amounted to approximately £70m revenue budget, half of which was social care related and the other half of which was non-school educational needs.

The Director explained the expenditure that was involved in placing children in specialist care at an average cost for each child of £150,000 per annum. This was a budget that had to respond to need and could not be predicted with any certainty, although every measure was taken to try and reduce the number, currently at 45, by placing children with families, wherever possible.

Rigorous measures were in place in the Department to constrain expenditure, including vacancy savings of about £1m a year. The Director reported that the Director of Finance was about to report to Cabinet a predicted £975,000 overspend for the end of quarter 3 and he was confident that this position would be further improved by the end of quarter 4.

Resolved – That the comments of the Director be noted and these be referred to the Council Excellence Overview and Scrutiny Committee.”

12. **REVIEW OF SCRUTINY WORK PROGRAMME (Pages 91 - 100)**
13. **ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR**

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

Monday, 1 February 2010

Present:

Councillor	C Meaden (Chair)		
Councillors	C Teggin	A Pritchard	
	L Rowlands	AER Jones	
	D Elderton	P Gilchrist	
	G Ellis	S Quinn	

Deputies:

Councillors	H Smith (In place of J George)		
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45 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST/PARTY WHIP

Members were asked to consider whether they had personal or prejudicial interests in connection with any item(s) on this agenda and, if so, to declare them and state what they were. Members were reminded that they should also declare, pursuant to paragraph 18 of the Overview and Scrutiny Procedure Rules, whether they were subject to a party whip in connection with any item(s) to be considered and, if so, to declare it and state the nature of the whipping arrangement.

No such declarations were made.

46 MINUTES

Resolved – That the minutes of the meeting held on 19 November 2009, be approved.

47 FINANCIAL MONITORING STATEMENT

The Director of Finance presented a summary in tabular format of the current position of the revenue accounts and General Fund balances as at 31 December 2009. He set out those areas where there were reports of financial pressures, and he commented in particular upon continuing pressures in Adult Social Services, Children and Young People, Regeneration, Technical Services and Finance/Treasury Management. At this stage of the financial year, the decisions taken by the Cabinet and the overspends in Adult Social Services, Children and Young People, Regeneration and Technical Services, if realised would reduce the balance at 31 March 2010 by £3.1m (down to £2.9m). He referred to significant progress that had been made in Children and Young People and commented that relevant Directors were looking at actions to address the projected overspends.

In response to a comment from a Member, the Director confirmed that balances would be restored to £6.5m for 2010/2011. However, that amount would be reduced by any overspend that had not been addressed by the year end.

Resolved – That the report be noted.

48 GENERAL FINANCIAL MATTERS

The Director of Finance provided information on the treasury management position, monitoring of the prudential indicators, the position regarding Council Tax, National Non Domestic Rate, general debt and cash income collection and the payment of benefits. He provided also, an update in relation to the current economic environment and commented that the Bank of England base rate was forecast to remain at 0.5% throughout the financial year.

In relation to a comment from a Member in relation to the number of prosecutions for Housing Benefit fraud, the Director indicated that the majority of cases were resolved without the need for prosecution, which was seen only as a last resort when other methods of recovery had failed. Members commented also upon shortfalls in cash income from golf courses, car parking and school meals. In response, the Director confirmed that income from golf courses and Car Parks (Pay and Display Tickets and Penalty Notices) were expected to be significantly underachieved. However, the Director of Children's Services was confident that budgeted schools meals income would be achieved.

Resolved –

- (1) That the report be noted.**
- (2) That the concerns of the Committee in relation to underachieved income from golf courses for the last three years be brought to the attention of the Cabinet.**

49 BUDGET PROJECTIONS 2011 - 2014

The Director of Finance reported that with the release of the Chancellor of the Exchequer's Pre-Budget Report on 9 December 2009 it was now possible to revise the estimate of the projected budgets for the years from 2011 to 2014. He set out the assumptions underpinning the projections and reported also that the Government had agreed to various elements of the Local Government Finance Settlement being reviewed as part of the 2011 settlement. However, there was a possibility that the Local Government Finance Settlement to be announced in December 2010 would only cover 2011-2012 as it may not be possible to conclude a Comprehensive Spending Review in 2010.

Based on the assumptions set out in his report, the Director indicated a projected shortfall of some £67m over three years, which would require efficiencies of £20.3m in 2011-12, £15.7m in 2012-13 and £18.8m in 2013-14. The Director proposed that budget projections be kept under review and that further efficiencies be sought through the delivery of the strategic change programme, the further extension of that programme and by specific service efficiencies.

Resolved – That the report be noted.

50 2009/2010 THIRD QUARTER PERFORMANCE REPORT

The Deputy Chief Executive/Director of Corporate Services gave a detailed presentation to highlight the key achievements and performance issues which had been identified in the 2009/2010 third quarter monitoring period. He referred in particular to 71.7% of priorities for improvement achieving or exceeding targets, to

the success of the Apprenticeship Scheme and to crime levels falling more rapidly in Wirral than in other parts of the region. The Equality Standard for Local Government rating had improved from Level 2 to Level 3 and he referred also to a successful workshop to review performance and financial management arrangements held with the Audit Commission.

Although the recession continued to impact the Council continued to mitigate the effects with good intelligence and strong partnership working, with support provided to individuals and businesses. In response to comments from Members, he outlined the varied nature of the support to businesses provided by the Council and he agreed also to undertake an analysis as to the factors affecting the success or failure of businesses during the financial recession. He referred also to the development of a Recovery Plan with actions for the provision of suitable conditions for future investment, which would be presented to the Cabinet in February. He identified both what worked well and the key risks and performance issues in relation to each of the Council's Strategic Objectives and provided also an overall performance summary relevant to the Council Excellence Overview and Scrutiny committee, together with information in relation to targets to reduce the number of working days/shifts lost due to sickness absence.

The Director of Finance provided information in relation to key financial headlines and reported also upon the revenue budget and capital programme 2009/2010. In response to questions from Members the Deputy Chief Executive agreed to circulate a copy of his presentation and he indicated that a detailed Performance Report would soon be made available in the Council's Web Library. In response to a question from a Member in relation to vulnerable households assisted under Warm Front being below target, the Director proposed to circulate a detailed explanation direct to Members.

Resolved –

- (1) That the presentation be noted and the thanks of the Committee be accorded to the officers for the key achievements identified.**
- (2) That the results of an analysis of the factors governing the success or failure of businesses during the recession be circulated to Members.**
- (3) That a Year End Report be presented to the next meeting of the Committee upon those projects/indicators in the Red sector of the Performance Summary, where critical milestones have been missed or there is serious slippage.**

51 MANAGING FRAUD

Further to minutes 53 and 79 (Audit and Risk Management Committee – 25 November 2009 and 18 January 2010) the Director of Finance reported that Internal Audit had conducted a thorough review of the systems in operation across the Council to manage the risk of fraud. This had involved undertaking a detailed exercise to examine the counter fraud policies that the Council had in place and an evaluation against current best practice contained in the 'Managing the Risk of Fraud – Actions to Counter Fraud and Corruption' publication produced by CIPFA for use by local authorities.

He presented a comprehensive internal audit report and action plan that had been prepared for Chief Officers, which identified the findings of the review including the actions required to improve the systems in operation. All of the actions and a timetable for implementation had been agreed with the relevant Chief Officers and the Director proposed to present a further update on progress later in the year to the Audit and Risk Management Committee.

Resolved –

- (1) That the report be noted.**
- (2) That an update be presented to a future meeting of the Committee.**

52 **AUDIT COMMISSION REPORT - COMMISSIONING AND PROCUREMENT REVIEW**

At the request of the District Auditor, the Director of Finance presented the Audit Commission Report 'Commissioning and Procurement Review' which had been considered by the Audit and Risk Management Committee at its meeting on 18 January 2010 (minute 67 refers).

He commented that the Local Government and Public Involvement in Health Act 2007 introduced a clear focus on local public sector partners working together to provide better outcomes for local communities and a key means of delivering those better outcomes would be through the use of commissioning and procurement. The report provided a definition of the terms and set out the scope and objectives of the review. It also included an agreed Action Plan to ensure compliance with the Audit Commission recommendations.

In response to comments from Members that too much procurement was processed outside the i-procurement system, the Director outlined the work that was needed to ensure compliance.

Resolved – That the report be noted.

53 **OFFICE ACCOMMODATION UPDATE - STRATEGIC ASSET REVIEW**

Further to minute 44 (19 November 2009), the Director of Law, HR and Asset Management provided a detailed update on the work being undertaken in accordance with the Strategic Asset Review (SAR) to rationalise office accommodation to achieve at least a 20% (£1m) reduction in accommodation costs by 2011. In response to a comment from a Member, he indicated that although a key focus was to meet the savings target, the underlying rationale was to improve efficiency and make effective use of the Council's assets. The present position was that a project manager had been appointed and a project initiation document and project plan had been agreed by the SAR Board. The project plan contained five key work streams, each of which was led by an identified officer. In addition, an internal project team drawn from all departments within the Council had been formed to deliver planned actions within each of the work streams, viz: -

- Work Stream 1: Baseline Information
- Work Stream 2: Building Utilisation/Disposal
- Work Stream 3: Workplace Change/Policy

- Work Stream 4: Facilities Management
- Work Stream 5: Implementation

He indicated that office rationalisation formed part of the wider corporate change programme and was being dealt with in a corporate context. The project was complex, with an appropriate formal governance structure drawing on input from all departments and from key resource areas. Consultants had been appointed to support the project and to develop a business case for the Council's future office need and whilst the vacation and disposal of some minor administrative assets was proceeding, the bulk of the rationalisation programme would follow the agreement of the business case. In the meantime, preparatory work was underway in a number of areas to ensure that, once the rationalisation programme was finalised, it could proceed as quickly as possible.

In response to comments from Members in relation to the appointment of EC Harris as consultants to support the office rationalisation programme, he outlined their key roles within a clearly defined brief and proposed to provide Members with information related to their appointment.

Resolved –

- (1) That the report be noted.**
- (2) That a further update be presented to the next meeting of the Committee.**

54 **FREEDOM OF INFORMATION ACT - UPDATE**

The Chair indicated that she had requested that this item be withdrawn and presented to the next meeting of the Committee in order to enable officers to provide a more detailed update to the last monitoring report, which was considered by the Community and Customer Engagement Overview and Scrutiny Committee (minute 38 (8 April 2009) refers).

55 **COMMUNITY COHESION - UPDATE**

Further to minute 35 (19 November 2009), the Head of Policy and Performance provided an update in relation to how the Council continued to work towards improved community cohesion. Monthly community tension monitoring reports were sent to GONW as part of the Prevent agenda and since the last meeting, the Council had also supported a number of 'cohesion' activities, including –

- A multi-cultural inter-generational event organised by the Wirral Elders African Caribbean Community Voice.
- A Life Expectancy Project, developed by Wirral churches, in response to the discrepancy between the different areas of the Borough.

She reported that the Council was developing an action plan to ensure adequate levels of English Speaking for people who speak Other Languages (ESOL) classes were available within Wirral. The Council would also be liaising with Mott Macdonald in order to map Wirral's communities and broader 'cohesion' activities. In addition, officers had visited Lancashire County Council who had been awarded Beacon status for their Community Cohesion Partnership and she indicated that many of the lessons learned by Lancashire could prove useful for Wirral.

Resolved –

- (1) That the update be noted.**
- (2) That the frequency of more detailed updates in relation to community cohesion be considered as part of the work programme at the next meeting of the Committee.**
- (3) That the Corporate Policy Team Briefing Note be circulated to all Members of the Committee.**

56 **REVIEW OF SCRUTINY WORK PROGRAMME**

The Chair presented an update to the agreed work programme, which had been designed around the four themes of the Comprehensive Area Assessment (Sustainability, Tackling Inequality, Vulnerable People and Value for Money), which was how Council Excellence would be judged by Audit Commission inspectors. She was pleased to report that the Committee's targets for the year had all been achieved and thanked Members and officers for their ongoing support.

Resolved – That a Work Programme for the 2010/2011 municipal year be considered at the next meeting of the Committee and any issues to be included within it be notified to the Chair direct.

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW & SCRUTINY COMMITTEE

17 MARCH 2010

REPORT OF THE DIRECTOR OF FINANCE

FINANCIAL MONITORING STATEMENT

1. EXECUTIVE SUMMARY

1.1 This report provides a summary in tabular format of the current position of the revenue accounts and General Fund balances.

2. MONITORING STATEMENT

2.1 The monitoring statement is attached to this report and includes the following:

- Composition of the original 2009/10 budget by Department including agreed savings and policy options.
- Monitoring against the 2009/10 budget including the financial implications of any Cabinet decisions.
- Anticipated variances against the original budget.
- Explanation of variances and areas identified as requiring further attention.

2.2 The Statement is produced monthly and in line with the decision of this Committee on 19 November 2009 is now sent to all Councillors. A formal report is submitted to each meeting of this Committee.

3. LATEST FINANCIAL POSITION

3.1 The Statement presents an update of the revenue budget and General Fund balances as at 31 January 2010.

3.2 At this stage of the financial year there are reports of financial issues within:-

3.2.1 Adult Social Services - There are continuing pressures on the community care budgets and, partly due to the economic climate, there will be a shortfall in the achievement of income targets from residential / non-residential care charges. Whilst the original savings are being delivered the additional actions, primarily around domiciliary care, to offset the pressures are not materialising in the timescales expected. Consequently the projected overspend remains at £2.5 million and the Director continues to work to identify efficiencies.

- 3.2.2 Children & Young People - Significant pressures remain largely as a result of additional demands that have been placed on care services, with placements increasing, but also within Special Education Needs and employee related costs. At the end of December the net overspend was projected to be £1 million. However the actions in respect of grant based activities and measures put in place to control spending are now anticipated to enable spend to remain within the budget allocated.
- 3.2.3 Regeneration - There remain several volatile budget areas with the major concern around maintaining income levels. The recession and weather conditions have a major impact upon the achievement of income targets at sports centres and also from cemeteries and the latest projection is for an overspend of £0.3 million.
- 3.2.4 Technical Services - As with other areas the income budgets are closely monitored. Whilst the decline in planning fee income experienced throughout 2008/09 has levelled off parking services income is being adversely affected. This is compounded by the success of the parking initiatives with the consequent fall in fixed penalty charge income. The weather conditions in recent months has lead to increased winter maintenance demands and is projected to overspend by £350,000 contributing towards the overall £0.8 million overspend.
- 3.2.5 Finance / Treasury Management - The economic position continues to affect housing benefit and treasury management activities. The number of applicants for Housing and Council Tax Benefits continues to increase and is impacting upon processing times which is being mitigated by the agreed additional staffing resources. Within treasury management the budget was adjusted for 2009/10 because of the impact of the recession but through revised investment management the Council should benefit by £0.7 million this year.
- 3.3 Decisions taken by Cabinet which have an impact upon the financial position:-
- 3.3.1 The 2008/09 Accounts were subject to Audit and received an unqualified opinion as reported to the Audit & Risk Management Committee on 23 September 2009. There were no changes affecting the final outturn that was reported to Cabinet on 25 June 2009 which showed an overall reduction in balance of £0.2 million.
- 3.3.2 Cabinet on 23 July 2009 considered a report on the Street Lighting energy contract and agreed to return to balances the sum of £0.2 million, being a policy option no longer required.
- 3.3.3 A recommendation from Cabinet on 1 October 2009, as confirmed by Council on 12 October 2009, resulted in increased spending in 2009/10 of £0.8 million to reflect the decision to cease the proposed creation of, and investment into, Neighbourhood Centres and to retain all existing libraries.

- 3.3.4 On 5 November 2009 the inflation provision for pay within the 2009/10 budget was reduced from 2% to 1% enabling £1.6 million to be added to the general balance. The same meeting also received a report on VAT recovery which produced a 'one-off' benefit of £0.5 million.
- 3.3.5 On 26 November 2009 it was agreed that £0.2 million be released to the general balance following the mid year review of the Balance Sheet. It was also agreed that an additional £0.8 million of Working Neighbourhood Fund grant be used to further support the Wirral Apprentice scheme.
- 3.3.6 On 14 January 2010 Cabinet were advised of the outcome of the annual gas and electricity contract renewal which realised savings in the current financial year and the social services care costs review as well as the receipt of a further one-off VAT recovery of £2.6 million. Overall these decisions resulted in a net £3.1 million be added to balances.

4. FINANCIAL AND STAFFING IMPLICATIONS

- 4.1 As at 31 January 2010 the decisions taken by Cabinet and the overspends in Adult Social Services, Regeneration and Technical Services, if realised, would reduce the balance at 31 March 2010 by £2.9 million (from £10.6 million down to £7.7 million). A significant improvement upon the projected £2.9 million at 31 December 2009 due to the actions within Children & Young People and Regeneration but also the benefits from the gas and electricity contracts and 'one-off' VAT recovery. The relevant Directors continue to look at actions to address the projected overspends.

Details	£million	£million
Projected General Fund balance at 31 March 2010 when setting the budget for 2009/10		6.0
Cabinet decisions		
25 June - Financial out-turn for 2008/09 showed an overspending and reduction in balance	-0.2	
23 July - Energy contract renewal enabled the release of the agreed policy option to general balance	+0.2	
1 October - Libraries retained with budget increased	-0.8	
5 November - Pay inflation reduced for 2009/10 and 'one-off' VAT recovery both added to balance	+2.1	
26 November - Balance Sheet Management review added to balance	+0.2	
14 January – Energy contracts, social services care costs and the further 'one-off' VAT recovery	+3.1	+4.6
Projected variances / potential overspends		
Overspend		
Adult Social Services	+2.5	
Regeneration	+0.3	
Technical Services	+0.8	
Underspend		
Finance	-0.7	-2.9
General Fund balance at 31 March 2010 based upon the latest projections		7.7

4.2 There are no staffing implications arising directly from this report.

5. EQUAL OPPORTUNITIES IMPLICATIONS

5.1 There are none arising directly from this report.

6. HUMAN RIGHTS IMPLICATIONS

6.1 There are none arising directly from this report.

7. LOCAL AGENDA 21 IMPLICATIONS

7.1 There are none arising directly from this report.

8. COMMUNITY SAFETY IMPLICATIONS

8.1 There are none arising directly from this report.

9. PLANNING IMPLICATIONS

9.1 There are none arising directly from this report.

10. LOCAL MEMBER SUPPORT IMPLICATIONS

10.1 There are no particular implications for any Members or wards arising out of this report.

11. BACKGROUND PAPERS

11.1 None were used in the preparation of this report.

12. RECOMMENDATION

12.1 That the contents of the financial monitoring statement be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/33/10

WIRRAL COUNCIL

FINANCIAL MONITORING STATEMENT 2009/10 AS AT 31 JANUARY 2010

Department	ORIGINAL BUDGET			MONITORING				COMMENTS	
	Saving Target	Policy Option	Agreed Budget	Saving Target	Policy Option	Variations Agreed Projected			Forecast
Expenditure	£000	£000	£000			£000	£000	£000	
Adult Social Services	3,777	-	86,098	✓	-	+173	+2,500	88,771	Community care costs & income targets from non-residential / residential care charges give pressures of £3m. Actions will now realise £0.5m savings giving £2.5m forecast overspend.
Children & Young People (including Schools)	1,380	970	77,914	✓	✓	-	-	77,914	Residential childcare costs due to increased placements still remain the key concern. This is being offset by use of grants and vacancy control. Now predicting not to overspend.
Corporate Services	-	310	5,649	-	✓	-	-	5,649	No issues identified.
Finance / Treasury Mgt	2,950	360	28,834	✓	✓	-	-700	28,134	Treasury Management activities affected by the markets but investment income projecting a surplus and savings on borrowing costs.
Law, HR and Asset Mgt	212	-	2,479	✓	-	-	-	2,479	Reduced income from managed properties and coroners but increased costs currently being managed within the budget.
Regeneration	3,464	50	46,512	X	✓	+1,630	+300	48,442	Agreed variations are libraries and Apprentices. Overspend relates to reduced sports centres / cemeteries income.
Technical Services	966	180	41,921	✓	✓	-180	+800	42,541	Agreed variation is street lighting contract/option not needed. Income closely monitored with car parking not likely to reach targets and winter maintenance overspend of £0.350m.
Merseytravel	-	-	26,305	N/a	N/a	-	-	26,305	Fixed amount - no change.
Local Pay Review	-	-	1,177	N/a	N/a	-	-	1,177	Available to meet implementation of the Review.
Contribution from Balances	-	-	(3,193)	N/a	N/a	-	-	(3,193)	For SAR and Children's care services.
LABGI / LAA grants	-	-	(1,600)			-	-	(1,600)	LABGI grant confirmed. No changes approved by Cabinet.
Budget Requirement	12,749	1,870	312,096			+1,623	+2,900	316,619	
Income									
Revenue Support Grant	-	-	28,643	N/a	N/a	N/a	N/a	28,643	Fixed amount - no change
Area Based Grant	-	-	31,038	N/a	N/a	+800	N/a	31,838	Additional £0.8m of Working Neighbourhood Fund.
National Non Domestic Rate	-	-	124,094	N/a	N/a	N/a	N/a	124,094	Fixed amount - no change
Council Tax	-	-	129,008	N/a	N/a	N/a	N/a	129,008	Fixed amount - no change
Collection Fund Deficit	-	-	(687)	N/a	N/a	N/a	N/a	(687)	Fixed amount - no change
Total Income			312,096			+800		312,896	
Statement of Balances									
As at 1 April	-	-	8,507	-	-			6,001	Opening balance – forecast for 1 April 2010.
Contributions from Balances	-	-	(3,193)	-	-	-	-	-	For SAR and Children's care services.
Contributions from Reserves	-	-	687	-	-	-	-	-	For Collection Fund deficit.
Contributions to Reserves	-	-		-	-	+5,770	-	180 2,100 170 3,320	23 July - Street lighting Policy Option not required. 5 November - reduced pay inflation and one-off VAT reclaim. 26 November - review of Balances. 14 January - energy costs and one-off VAT reclaim.
Cabinet decisions	-	-	-	-	-	-200	-	-200	25 June - 2008/09 Accounts showed net £0.2 fall in balance.
Variations – Agreed Cabinet			-	-	-	-1,003	-	-1,003	1 October - Libraries decision. 14 January - Social Care Charging.
Variations – Projected	-	-	-	-	-		-2,900	-2,900	Based on the departmental projections – not approved.
BALANCES			6,001			+4,567	-2,900	7,668	Projected balance at start / end of year

Key = No concern for item ✓ (Green)

Key = Some concern for item * (Amber)

Key = Concern for item X (Red)

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WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

17 MARCH 2010

REPORT OF THE DIRECTOR OF FINANCE

GENERAL FINANCIAL MATTERS

1. EXECUTIVE SUMMARY

- 1.1. This report provides information on the treasury management position, monitoring of the prudential indicators, the position regarding Council Tax, National Non Domestic Rate, general debt and cash income collection and the payment of benefits.

2. CURRENT ECONOMIC ENVIRONMENT

- 2.1. As expected the inflation figures for January 2010 increased significantly with CPI now standing at 3.5% and RPI at 3.7%. These increases were largely due to VAT returning to its normal 17.5% level and an increase in oil prices. However, this should only be a temporary spike with higher inflation not expected to be an issue in the near future.
- 2.2. The Bank of England (BoE) base rate remains at 0.5% and is forecast to remain at this level throughout 2010. The BoE has now ceased the Quantitative Easing (QE) programme but has not ruled out using more QE in future if the economy continues to stall. The economy is in a very weak state and in urgent need of growth. Until it shows real signs of prolonged and stable growth the base rate will remain low.

3. THE COUNCIL TREASURY POSITION

- 3.1. Treasury Management in Local Government is governed by the CIPFA Code of Practice on Treasury Management in the Public Services and in this context is the “management of the Council’s cash flows, its banking and its capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks”. This Council has adopted the Code and complies with its requirements.
- 3.2. The Treasury Management Strategy, including the Annual Investment Strategy and Prudential Indicators, was approved by Cabinet on 22 February 2010.

Table 1: Summary of Treasury Position

Investments	Balance at 31 Dec 2009 £m	%	Maturing Investments £m	New Investments £m	Balance at 31 Jan 2010 £m	%
Internal managed investments	108	100	64	58	102	100
TOTAL INVESTMENTS	108	100			102	100

Borrowings	Balance at 31 Dec 2009 £m	%	Maturing Borrowings £m	New Borrowings £m	Balance at 31 Jan 2010 £m	%
Long-term fixed rate	274	100	0	0	274	100
Long-term variable rate	0	0	0	0	0	0
Temporary borrowing	0	0	0	0	0	0
TOTAL BORROWING	274	100	0	0	274	100

NET BORROWING	166				172	
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4. INVESTMENTS

4.1. The Treasury Management Team can invest money for periods varying from 1 day to 10 years, in accordance with the Treasury Management Strategy, to earn interest until the money is required by the Council. These investments arise from a number of sources including:-

- General Fund Balances
- Reserves and Provisions
- Grants received in advance of expenditure
- Money borrowed in advance of capital expenditure
- Schools' Balances
- Daily Cashflow/ Working Capital

4.2. As at the 31 January 2010 the Council held investments of £102m. The table below details these investments;

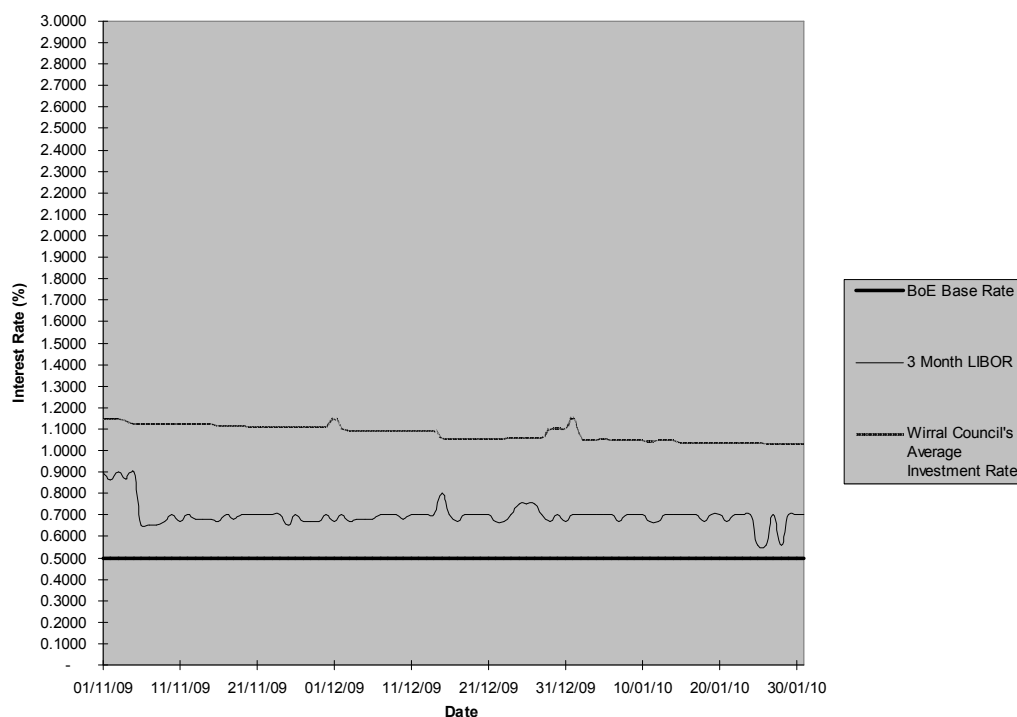
Table 2: Investments as at 31 January 2010

Investments with:	£m
UK Banks	76
Building Societies	17
Money Market Funds	8
Gilts	1
TOTAL	102

4.3. Of the above investments £43m is invested in instant access funds, £55m is invested for up to 1 year, £2m is invested for up to 2 years and £2m is invested for up to 5 years.

4.4. The average rate of return on 2009/10 investments as at 31 January 2010 was 1.40%. The graph shows the Treasury Management Team rate of return against the Bank of England base rate and the 3 month LIBOR (the inter bank lending rate);

Chart 1: Investment Rate of Return in 2009/10



- 4.5. The rate at which the Council can invest money has fallen considerably over the year, in line with the falling BoE base rate.
- 4.6. Since November 2008 the Council has maintained a more restrictive policy on new investments by only investing in UK institutions AA- rated or above that have received Government guarantees of support, if required. The Council also continues to invest in AAA rated money market funds and the Debt Management Office (DMO).
- 4.7. The 2009/10 investment income budget has been reduced to £1.3m to reflect the low interest rates that are anticipated to continue throughout the financial year. With low interest rates it is unlikely that the Authority will achieve the large surpluses that have been made in the past few years.
- 4.8 The security of the investments always takes priority over the returns.

Icelandic Investment

- 4.9. The Council had deposits of £2m with Heritable Bank and Members have received regular updates regarding the circumstances and the current situation. In March 2009 an Audit Commission report confirmed that Wirral Council had acted, and continues to act, prudently and properly in all its investment activities.
- 4.10 Revised information from the Administrator projects a base case return to creditors of between 79-85 pence in the pound. If conditions improve over this period the final recovery could be higher than the base case and I remain confident that the money will be repaid in full.

- 4.11. If, however, Heritable Bank is unable to repay in full I have also made a pre-emptive claim against Landsbanki Islands HF for the difference. When the Council originally invested with Heritable Bank it did so with Landsbanki Islands HF providing a guarantee to reimburse the Council should Heritable be unable to repay. Hence, I have considered it prudent to make a pre-emptive claim. It should be noted that Landsbanki Islands HF is also in administration.
- 4.12. A second payment from the Administrator of £266,650 was received on 18 December 2009. This, combined with the payment received in July 2009, takes the total amount returned to £606,319, 28.8% of the deposit and accumulative interest. The next expected payment was scheduled for July 2010 however the Administrator has recently notified the Council of an additional payment in March 2010; the amount is yet to be confirmed.

5. BORROWING

- 5.1. The Council undertakes borrowing to help fund capital expenditure. In 2009/10 the capital programme requires borrowing of £28m. However, to date no additional borrowing has been undertaken. The table below shows the total borrowing of the Council as at 31 January 2010.

Table 3: Borrowing as at 31 January 2010

Borrowing	£m
PWLB	100
Market Loans	174
TOTAL	274

- 5.2. The Council is able to borrow from two main sources, either from the Public Works Loan Board (PWLB), which is effectively borrowing from the Government, or from the Market, i.e. direct from the banks.
- 5.3. As the year progresses an assessment will be made as to the best time to borrow money. Currently, as the rate of return from investments has diminished and the perceived risk of investments has increased, it has become more appropriate to reduce the level of investment.
- 5.4. By not reinvesting money as investments mature I am able to use this money to temporarily fund capital expenditure. This, therefore, temporarily reduces the need to undertake new long term borrowing and also alleviates the difficulty and risk in finding a safe counterparty to invest with.
- 5.5. This strategy produces savings as borrowing money long term to fund the capital programme would currently be at an interest rate of approximately 4.5% while investments currently only earn approximately 0.5%. By using investments to fund the capital programme in the short term the Council loses 0.5% in investment income but saves 4.5% normally paid on borrowing, thereby, making a net saving of 4.0%.

- 5.6. The downside to this strategy is that investments are not permanent surplus money, but, rather, money set aside for a specific future reason. By using these investments to fund the capital programme there will come a time when the Council may encounter cashflow problems. However, this problem can be rectified by temporarily borrowing money as and when required. Short term temporary borrowing currently costs 0.5%, significantly less than long term borrowing.
- 5.7. This strategy has been adopted in the short term as a reaction to complex and unique market conditions. The Treasury Management Team will continue to monitor the situation to ensure that, as the economic conditions change, the strategy is adjusted accordingly.

6. MONITORING OF THE PRUDENTIAL CODE INDICATORS

6.1 The introduction of the Prudential Code in 2004 gave Local Authorities greater freedom in making capital strategy decisions. The prudential indicators allow the Council to establish prudence and affordability within its capital strategy.

6.2 Below is a selection of prudential indicators which demonstrate that the treasury management decisions are in line with the capital strategy, which is prudent and affordable.

6.3. Net External Borrowing and Capital Financing Requirement (CFR) Indicator

6.3.1. The CFR measures the underlying need to borrow money to finance capital expenditure. The Prudential Code stipulates that net external borrowing should not exceed the CFR for the previous year plus the estimated additional CFR requirement for the current and next two financial years. Table 4 below shows the accumulative CFR and net borrowing of the Council.

Table 4: Net External Borrowing compared with CFR

	£m
CFR in previous year (2008/09 actual)	320
additional CFR in 2009/10 (estimate)	14
additional CFR in 2010/11 (estimate)	12
additional CFR in 2011/12 (estimate)	8
Accumulative CFR	354
External Borrowing as at 31 Jan 2009	274

6.3.2. Net external borrowing does not exceed the CFR and it is not expected to in the future. This is a key indicator of prudence.

6.4. Authorised Borrowing Limit and Operational Boundary Indicators

6.4.1. The Authorised Borrowing Limit is the amount determined as the level of borrowing which, while not desired, could be afforded but may not be sustainable. It is not treated as an upper limit for borrowing for capital purposes alone since it also encompasses temporary borrowing. An unanticipated revision to this limit is considered to be an exceptional event and would require a review of all the other affordability indicators.

6.4.2. The Operational Boundary is the amount determined as the expectation of the maximum external debt according to probable events projected by the estimates and makes no allowance for any headroom. It is designed to alert the Authority to any imminent breach of the Authorised Limit.

Table 5: Authorised Limit and Operational Boundary Indicator

	Nov 09 £m	Dec 09 £m	Jan 10 £m
Authorised Limit	475	475	475
Operational Boundary	460	460	460
Total Council Borrowing	274	274	274

6.4.3. The table above shows that neither the Authorised Limit nor the Operational Boundary was breached between November 2009 and January 2010. This is a key indicator of affordability.

6.5. Interest Rate Exposures Indicator

6.5.1. The Prudential Code also requires Local Authorities to set limits for the exposure to the effects of interest rate changes. Limits are set for the amount of borrowing/ investments which are subject to variable rates of interest and the amount which is subject to fixed rates of interest. Table 6 shows the interest rate exposure as at 31 January 2010.

Table 6: Interest Rate Exposure:

Interest Rate Exposure	Fixed Rate of Interest	Variable Rate of Interest	Total
Borrowings	£274m	£0m	£274m
Proportion of Borrowings	100%	0%	100%
Upper Limit	100%	50%	
Investments	£4m	£98m	£102m
Proportion of Investments	4%	96%	100%
Upper Limit	100%	100%	
Net Borrowing	£270m	£-98m	£172m
Proportion of Total Net Borrowing	157%	-57%	100%

6.5.2. The table above shows that borrowing is mainly at fixed rates of interest and investments are mainly at variable rates of interest. This was considered to be a good position while interest rates were rising as the cost of existing borrowings have remained stable and the investments, at variable rates of interest, have generated increasing levels of income.

6.5.3. As the environment has changed to one of falling/low interest rates the Treasury Management Team is working to adjust this position. This work is unfortunately restricted by a number of factors:

- the level of uncertainty in the markets makes investing for long periods at fixed rates of interest more risky and, therefore, the Council continues to only invest short term at variable rates of interest;
- Many of the Council loans have expensive penalties for early repayment or rescheduling which makes changing the debt position difficult.

6.5.4. The Treasury Management Team will continue to work to improve the position within these limiting factors.

6.6. Maturity Structure of Borrowing Indicator

6.6.1. The maturity structure of the borrowing has also been set to achieve maximum flexibility with the Authority being able to undertake all borrowing with a short maturity date or a long maturity date. Table 7 shows the current maturity structure of borrowing.

Table 7: Maturity Structure of Borrowing

	Borrowings Maturity (years)	31 Jan 10	31 Jan 10
		£m	%
Total Short Term Borrowing	Less than 1 year	4	2
Long Term Borrowing	Over 1 year under 2 years	15	6
	Over 2 years under 5 years	56	20
	Over 5 years under 10 years	34	12
	Over 10 years	165	60
Total Long Term Borrowing		270	98
Total Borrowing		274	100

7. REVENUES COLLECTION

7.1. The following statement compares the amount collected for **Council Tax** in the period 1 April 2009 to 31 January 2010 with the amount collected in the same period in 2008/09.

	Actual 2009/10	Actual 2008/09
	£	£
Cash to Collect	122,318,411	119,392,736
Cash Collected	115,692,994	112,587,350
% Collected	94.6	94.3

7.2. The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2009 to 31 January 2010 with the amount collected in the same period in 2008/09.

	Actual 2009/10	Actual 2008/09
	£	£
Total Collectable (including arrears)	69,739,952	63,840,225
Amount Outstanding	9,789,315	10,113,424
% Outstanding	21.41%	15.84%
Amount Collectable 2009/10	63,390,727	63,724,199
Net 2009/10 Cash Collected	58,064,073	57,769,896
% Collected	91.60%	90.66%

- 7.3. Despite the current economic climate Council Tax payment is currently better than 2008-9 levels. Direct Debit is used by 79% of taxpayers, which is one of the highest percentages in the North West and the most economic payment method for both the Council and the Taxpayer. The 100% level for empty Business Rates on properties above a rateable value of £15000, the revised port assessments and the current economic climate continue to have a detrimental effect on Business Rate collection levels. The improved percentage collection for 2009-10 is due in part to some rescheduling of instalments that are taking effect during the later months of the year and to some large reductions in rateable value that have recently taken place.
- 7.4. The following statement provides information concerning collection of local taxes from 1 April 2009 to 31 January 2010.

	Council Tax	Business Rates
Reminders/Final Notices	59,790	3,746
Summonses	17,852	980
Liability Orders	12,301	634
Recovery action in progress		
Attachment of Earnings	1389	
Deduction from Income Support	3,599	-
Accounts to Bailiff	8,723	165
Pre-Committal Warning Letters	5,156	-
Committal Orders Issued	18	0
Debtors Committed	0	0

Current Status of Agent Work in respect of Committals for 1 April 2009 to 31 January 2010.

Warrants of Arrest issued by Court (Bail and No Bail)	88
Warrants of Arrest (Bail) to Warrant officer	73
Warrants of Arrest (No Bail) to Warrant officer	30
Returned successful (Bail)	47
Returned successful (No Bail)	28
Returned other reasons (Bail)	15
Returned other reasons (No Bail)	2

7.5. Insolvency cases to 31 January 2010

The following information concerns Council Tax recovery work which involves cases where Insolvency action or charging orders against properties are used.

Bankruptcy cases	278
Charging orders	106
Winding up orders	3

New cases from 1 April 2009 to 31 January 2010

Bankruptcy	26
Charging orders	28
Winding up orders	1

Status of Insolvency cases at 31 January 2010

Winding-up paid	1
Charging orders granted	58
Winding up Order	1
Supporting other petitions	3
Cases paid	83
Bankruptcy orders	97
Cases closed	101
Ongoing cases	<u>41</u>
	<u>387</u>

7.6. Fees and Charges

7.6.1. The following budgets and income received relate to other sources of cash income generated by the Council:

	2008/09 Budget	Income to 31-Jan-09	2009/10 Budget	Income to 31-Jan-10
i. School Meals	£1,578,400	£1,293,359	£1,607,800	£1,354,724
ii. Sports Centres	£3,579,300	£2,516,809	£3,867,300	£3,298,411
iii. Golf Courses	£885,600	£631,146	£912,200	£706,845
iv. Burials and Cremations	£2,429,200	£1,775,772	£2,429,200	£1,757,448
v. Building Control Fees	£796,700	£467,700	£494,900	£543,400
vi. Land Charges	£470,100	£166,600	£358,300	£240,700
vii. Car Park (Pay and Display)	£2,424,200	£1,964,500	£2,496,900	£1,761,200
viii. Car Park (Penalty Notices)	£1,149,800	£782,900	£1,149,800	£715,300

7.6.2. Further explanation on the above budgets and income collection performance is provided below:

- (i) School Meals: It is expected that budgeted income will be achieved.
- (ii) Sports Centres: This is a volatile area and income is being monitored closely.
- (iii) Golf Courses: It is anticipated that income in this area will underachieve against budget by £100,000. The budget target for income in Golf has not been achieved for at least the last three years and an underachievement of this size has become the norm.
- (iv) Burials and Cremations: Income levels are down when compared to this time last year. It is anticipated that income will underachieve against budget by around £90,000.
- (v) Building Control Fees: It is anticipated that the income will be achieved.
- (vi) Land Charges: It is anticipated that the income will be closely in line with budget.
- (vii) Car Parks Income (Pay and Display Tickets). It is anticipated that the year end income will be unachieved by approximately £180,000.

- (viii) Car Park Income (Penalty Notices): It is anticipated that the year end income will be unachieved by approximately £100,000.

7.6.3. Sundry Debtors

	Actual 2009/10	Actual 2008/09
Amount Billed in last 12 months as at 31.01.10	£81,010,232	£79,615,427
Total outstanding as at 31.01.10	£20,959,148	£22,684,419
Net Arrears at 31.01.10	£12,414,261	£13,615,215
Number of invoices in arrears at 31.01.10	12,796	12,698
Number of reminders 01.04.09 to 31.01.10	22,899	28,569

8. HOUSING BENEFITS

- 8.1. The following statement details the number of claimants in respect of benefit and the expenditure for Private Tenants and those in receipt of Council Tax Benefit up to 31 January 2010

	2009/10	2008/09
Number of Private Tenant recipients	29,187	26,988
Total rent allowance expenditure	£98,907,738	
Number under the Local Housing Allowance scheme (<u>included in the above</u>)	7,724	4,451
	£30,495,464	
Number of Council Tax Benefit recipients	38,338	35,635
Total Council Tax Benefit expenditure	£29,737,408	
Total expenditure on benefit to date	£128,645,146	

- 8.2. The following statement provides information concerning the breakdown according to client type as at 31 January 2010.

	Private Tenants	Owner Occupiers
Working age and in receipt of J.S.A.	15,088	1,890
Elderly and in receipt of J.S.A.	7,135	5,668
Working age and not receiving J.S.A.	5,012	1,043
Elderly and not in receipt of J.S.A.	<u>1,952</u>	<u>3,160</u>
Total	29,187	11,761

There are **40,948** benefit recipients in Wirral as at 31 January 2010

8.3. Housing Benefit Fraud and Enquiries

	To 31 January 2010
New Cases referred to Fraud team in period	1,790
Cases where fraud found and action taken	145
Cases investigated, no fraud found and recovery of overpayment may be sought	709
Cases under current investigation	191
Surveillance Operations Undertaken	0

Cases where fraud found and action taken:	
Administration penalty	21
Caution issued and accepted	106
Successful prosecution	18
Summons issued for prosecution purposes	5

8.4. Discretionary Housing Payments

8.4.1 Discretionary Housing Payments (DHP) may be awarded to provide short term financial assistance to Housing and Council Tax Benefit claimants who are experiencing difficulty meeting a shortfall in their rent or Council Tax because maximum benefit is not being paid.

8.4.2 DHP is not a payment of Housing/Council Tax Benefit and is funded separately from the main scheme. The Government contribution for 2009/10 is £310,919 with an overall limit of £777,298 which the Authority must not exceed. To date I have paid £103,591.

9. STAFFING IMPLICATIONS

9.1. There are none arising from this report.

10. EQUAL OPPORTUNITIES IMPLICATIONS

10.1. There are none arising directly from this report.

11. HUMAN RIGHTS IMPLICATIONS

11.1. There are none arising directly from this report.

12. LOCAL AGENDA 21 IMPLICATIONS

12.1. There are none arising directly from this report.

13. COMMUNITY SAFETY IMPLICATIONS

13.1. There are none arising directly from this report.

14. PLANNING IMPLICATIONS

14.1. There are none arising directly from this report.

15. LOCAL MEMBER SUPPORT IMPLICATIONS

15.1. There are none arising directly from this report.

16. BACKGROUND PAPERS

16.1. None were used in the preparation of this report.

17. RECOMMENDATION

17.1. That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/43/10

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

17 MARCH 2010

REPORT OF THE DIRECTOR OF FINANCE

TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2010 TO 2013

1. EXECUTIVE SUMMARY

- 1.1. This report sets out the Treasury Management and Investment Strategy for 2010-2013 in accordance with the CIPFA Code of Practice for Treasury Management in Public Services. The Strategy was agreed by the Cabinet on 22 February 2010 and by the Council on 1 March 2010. This Committee has responsibility for the scrutiny of treasury management.

2. TREASURY MANAGEMENT AND INVESTMENT STRATEGY STATEMENTS

- 2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services requires local authorities to determine the Treasury Management Strategy Statement. This statement incorporates the Investment Strategy, as required under the Department for Communities and Local Government (DCLG) Investment Guidance. Together, these cover the Council financing and investment strategy for the forthcoming financial year.
- 2.2 CIPFA has defined treasury management as:
“the management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 2.3 The Council is responsible for treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk are important and integral elements of treasury management activities. The main risks to the treasury activities are:
- Liquidity Risk (Inadequate cash resources)
 - Market or Interest Rate Risk (Fluctuations in interest rate levels)
 - Inflation Risk (Exposure to inflation)
 - Credit and Counterparty Risk (Security of investments)
 - Refinancing Risk (Impact of debt maturing in future years)
 - Legal and Regulatory Risk

Treasury Management and Investment Strategy 2010-11 to 2012-13

- 2.4 The Council acknowledges that effective treasury management will provide support towards the achievement of business and service objectives. The Council is committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurement techniques, within the context of effective treasury management.
- 2.5 The purpose of the attached Treasury Management Strategy Statement is to set:
- The Treasury Management Strategy for 2010-13 - The long term direction for Council borrowing, debt rescheduling and investments.
 - The Prudential Indicators – information to ensure that capital investment is affordable, prudent and sustainable.
 - The Minimum Revenue Provision (MRP) Statement – policy on the repayment of long term debt.
 - Authorised signatories for treasury management activities.
 - The adoption of the revised CIPFA Treasury Management Code of Practice.

3. FINANCIAL IMPLICATIONS

- 3.1 Approval and implementation of this strategy will limit financial risks while helping to minimise financing costs and maximise investment returns.

4. STAFFING IMPLICATIONS

- 4.1. There are none arising out of this report.

5. EQUAL OPPORTUNITIES/EQUALITY IMPACT ASSESSMENT

- 5.1. There are none arising out of this report.

6. COMMUNITY SAFETY IMPLICATIONS

- 6.1. There are none arising out of this report.

7. LOCAL AGENDA 21 IMPLICATIONS

- 7.1. There are none arising out of this report.

8. PLANNING IMPLICATIONS

- 8.1. There are none arising out of this report.

9. ANTI-POVERTY IMPLICATIONS

9.1. There are none arising out of this report.

10. SOCIAL INCLUSION IMPLICATIONS

10.1. There are none arising out of this report.

11. LOCAL MEMBER SUPPORT IMPLICATIONS

11.1. None for this report

12. BACKGROUND PAPERS

- DCLG Local Authority Investment Guidance, 2004
- DCLG Changes to the Capital Financing System Consultation, 2009
- Code of Practice for Treasury Management in Public Services (Fully Revised Second Edition), CIPFA 2009.
- Prudential Code for Capital Finance in Local Authorities (Fully Revised Second Edition), CIPFA 2009.

13. RECOMMENDATION

13.1 That the Treasury Management and Investment Strategy for 2010 to 2013 be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

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Wirral Council
Treasury Management Strategy
Statement and Investment Strategy
2010-11 to 2012-13

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2. Balance Sheet and Treasury Position
3. Outlook for Interest Rates
4. Borrowing Requirement and Strategy
5. Debt Rescheduling
6. Investment Policy and Strategy
7. Policy on Delegation
8. Balanced Budget Requirement
9. 2010-11 MRP Statement
10. Reporting

APPENDICES

- A. Current and Projected Portfolio Position
- B. Prudential Indicators
- C. Interest Rate Outlook
- D. Specified and Non- Specified Investments for use by the Council
- E. Authorised Signatories

Treasury Management and Investment Strategy 2010-11 to 2012-13

1. Background

- 1.1 The Chartered Institute of Public Finance and Accountancy Code of Practice for Treasury Management in Public Services (the “CIPFA TM Code”) requires local authorities to determine the Treasury Management Strategy Statement (TMSS). This statement also incorporates the Investment Strategy, as required under the Department for Communities and Local Government (DCLG) Investment Guidance. Together, these cover the financing and investment strategy for the forthcoming financial year.
- 1.2 In response to the financial crisis in 2008 and the collapse of the Icelandic banks, CIPFA revised the TM Code and Guidance Notes as well as the Prudential Indicators. DCLG is also in the process of revising and updating the Investment Guidance.
- 1.3 CIPFA has defined treasury management as:
“the management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 1.4 The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk are important and integral elements of its treasury management activities. The main risks to the treasury activities are:
- Liquidity Risk (Inadequate cash resources)
 - Market or Interest Rate Risk (Fluctuations in interest rate levels)
 - Inflation Risk (Exposure to inflation)
 - Credit and Counterparty Risk (Security of investments)
 - Refinancing Risk (Impact of debt maturing in future years)
 - Legal and Regulatory Risk
- 1.5 The Council acknowledges that effective treasury management will provide support towards the achievement of its objectives. It is, therefore, committed to the principles of achieving value for money and to employing suitable comprehensive performance measurement techniques within the context of effective treasury management.
- 1.6 The strategy also takes into account the impact of the Council Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected treasury position (Appendix A), the prudential indicators (Appendix B) and the outlook for interest rates (Appendix C).
- 1.7 The purpose of this Treasury Management Strategy Statement is to approve:
- Treasury Management Strategy for 2010-11 (Borrowing - Section 4, Debt Rescheduling - Section 5, Investments - Section 6)
 - Prudential Indicators (Appendix B note: PI No. 6 - The Authorised Limit is a statutory limit)
 - MRP Statement – Section 9

Treasury Management and Investment Strategy 2010-11 to 2012-13

- Use of Specified and Non-Specified Investments – Appendices D

2. Balance Sheet and Treasury Position

- 2.1 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR) and together with balances and reserves are the core drivers of treasury management activity. The estimates, based on the current revenue budget and capital programme, are set out below:

	31 Mar 10 Revised £m	31 Mar 11 Estimate £m	31 Mar 12 Estimate £m	31 Mar 13 Estimate £m
CFR	385	387	379	369
Balances & Reserves	94	91	90	90
Net Balance Sheet Position	291	296	289	279

- 2.2 The level of physical debt and investments is linked to these components of the Balance Sheet. The current portfolio position is set out at Appendix A. Market conditions, interest rate expectations and credit risk considerations will influence the strategy in determining the borrowing and investment activity against the underlying Balance Sheet position.
- 2.3 As the CFR represents the level of borrowing for capital purposes and revenue expenditure cannot be financed from borrowing, net physical external borrowing should not exceed the CFR other than for short term cash flow requirements. It is permissible under the Prudential Code to borrow in advance of need up to the level of the estimated CFR over the term of the Prudential Indicators. Where this takes place the cash will form part of its invested sums until the related capital expenditure is incurred. This being the case net borrowing should not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years other than in the short term due to cash flow requirements. The draft revisions to the DCLG Investment Guidance recommend that the Strategy should state Authority policies on investing money borrowed in advance of need.
- 2.4 The move to International Financial Reporting Standards (IFRS) has implications for the Capital Financing Requirement components on the balance sheet. Analysis of Private Finance Initiative (PFI) schemes and operating leases against IFRS requirements may result in the related long term assets and liabilities being brought onto the Council balance sheet. The estimates for the CFR and Long Term Liabilities will, therefore, need to take into account such items. This will influence the determination of the Affordable Borrowing Limit and Operational Boundary.
- 2.5 The estimate for interest payments in 2010-11 is £11m and for interest receipts is £0.7m. (These figures exclude the interest cost of the PFI schemes that may be brought on to the balance sheet.)

3. Outlook for Interest Rates

- 3.1 The economic interest rate outlook provided by the treasury advisor, Arlingclose, is attached at Appendix C. Financial markets remain reasonably volatile as the structural changes necessary within economies and the banking system evolve. This volatility provides opportunities for active treasury management. The Council will reappraise the strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates.

4. Borrowing Requirement and Strategy

- 4.1 The underlying need to borrow for capital purposes is measured by reference to the Capital Financing Requirement (CFR) – see Appendix B. The CFR represents the cumulative capital expenditure of the Local Authority that has not been financed. To ensure that this expenditure will ultimately be financed, local authorities are required to make a Minimum Revenue Provision for debt redemption (MRP) from within the revenue budget each year.
- 4.2 Capital expenditure not financed from internal resources (i.e. Capital Receipts, Capital Grants and Contributions, Revenue or Reserves) will produce an increase in the CFR (the underlying need to borrow) and in turn produce an increased requirement to charge MRP in the Revenue Account.
- 4.3 Physical external borrowing may be greater or less than the CFR but in accordance with the Prudential Code, the Council will ensure that net external borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years.
- 4.4 The cumulative estimate of the maximum long-term borrowing requirement is estimated by comparing the projected CFR with the profile of the current portfolio of external debt and long term liabilities over the same financial horizon, as follows:

Treasury Management and Investment Strategy 2010-11 to 2012-13

	31 Mar 10 Revised £m	31 Mar 11 Estimate £m	31 Mar 12 Estimate £m	31 Mar 13 Estimate £m
Capital Financing Requirement	385	387	379	369
Less: Existing Profile of Borrowing and Other Long Term Liabilities	338	325	307	287
Cumulative Maximum External Borrowing Requirement	47	62	72	82
Balances & Reserves	94	91	90	90
Cumulative Net Borrowing Requirement/Investments	-47	-29	-18	-8

- 4.5 The strategy is to maintain maximum control over borrowing activities as well as flexibility on the loans portfolio. Capital expenditure levels, market conditions and interest rate levels will be monitored during the year in order to minimise borrowing costs over the medium to longer term. A prudent and pragmatic approach to borrowing will be maintained to minimise borrowing costs without compromising the longer-term stability of the portfolio, consistent with the Prudential Indicators.
- 4.6 In conjunction with advice from the treasury advisor, Arlingclose, the Council will keep under review the options it has in borrowing from the PWLB, the market and other sources up to the available capacity within the CFR and Affordable Borrowing Limit (defined by CIPFA as the Authorised Limit).

The outlook for borrowing rates:

- 4.7 The interest rates at which the Council can borrow money from the PWLB are directly linked to gilt yields. Short-dated gilt yields are forecast to be lower than medium- and long-dated gilt yields during 2010-11. Despite additional gilt issuance to fund the UK Government support to the banking industry; short-dated gilts are expected to benefit from expectations of lower interest rates as the economy struggles through a recession. Yields for these maturities will fall as expectations for lower interest rates mount.
- 4.8 The differential between investment earnings and debt costs, despite long term borrowing rates being around historically low levels, remains acute and this is expected to remain a feature during 2010-11. The so-called “cost of carry” associated with long term borrowing compared to temporary investment returns means that the appetite for new long term borrowing brings with it additional short-term costs. It is not surprising that the use of internal resources in lieu of borrowing has been the most cost effective means of financing capital expenditure but, at some stage, internal resources will become depleted and require topping up.

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- 4.9 PWLB variable rates have fallen below 1%. They are expected to remain low as the Bank Rate is maintained at historically low levels to enable the struggling economy to emerge from the recession. Against a backdrop of interest rates remaining lower for longer and a continuation of the cost of carry backdrop, a passive borrowing strategy, i.e. borrow long term funds as they are required may remain appropriate. Equally, variable rate funds (that avoid the cost of carry) or EIP (equal instalments of principal) that mitigate the impact are both active considerations.
- 4.10 Decisions to borrow at low, variable rates of interest will be taken after considering the absolute level of longer term interest rate equivalents and the extent of variable rate earnings on investment balances. When longer term rates move below the cost of variable rate borrowing any strategic exposure to variable interest rates will be reviewed and, if appropriate, reduced.
- 4.11 The PWLB remains the preferred source of borrowing given the transparency and control that its facilities continue to provide.
- 4.12 The Council has £174m loans which are LOBO loans (Lender Option Borrower Option) all of which are currently in, or will be in, their option state in 2010-11. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and also repayment of the loan without penalty. The Council may utilise cash resources for repayment or may consider replacing the loans by borrowing from the PWLB.
- 4.13 The Council will undertake a financial options appraisal process to establish a 'value for money' judgement in the use of resources.

5. Debt Rescheduling

- 5.1 The Council will continue to maintain a flexible policy for debt rescheduling. Market volatility may provide opportunities for rescheduling debt from time to time. The rationale for rescheduling would be one or more of the following:
- Savings in interest costs with minimal risk
 - Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio
 - Amending the profile of maturing debt to reduce any inherent refinancing risks
- 5.2 Any rescheduling activity will be undertaken within the treasury management policy and strategy. The Council will agree in advance with Arlingclose the strategy and framework within which debt will be repaid/rescheduled if opportunities arise. Thereafter, the debt portfolio will be monitored against equivalent interest rates and available refinancing options on a regular basis. As opportunities arise, they will be identified by Arlingclose and discussed with Council officers.

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- 5.3 All rescheduling activity will comply with the accounting requirements of the Local Authority SORP and regulatory requirements of the Capital Finance and Accounting Regulations (SI 2007 No 573 as amended by SI 2008/414).
- 5.4 Any borrowing and debt rescheduling activity will be reported in the next quarterly treasury management monitoring report to the Cabinet and subsequently to the Council.

6. Investment Policy and Strategy

Background

- 6.1 Guidance from the DCLG on Local Government Investments in England requires that an Annual Investment Strategy (AIS) be set.

Investment Policy

- 6.2 To comply with the DCLG guidance, the general policy objective is to invest its surplus funds prudently. The investment priorities are:

- Security of the invested capital
- Liquidity of the invested capital
- An optimum yield which is commensurate with security and liquidity

The DCLG revised draft guidance on investments reiterates security and liquidity as the primary objectives of a prudent investment policy. The speculative procedure of borrowing purely in order to invest is unlawful.

- 6.3 Investments are categorised as 'Specified' or 'Non Specified' investments based on the criteria in the DCLG Guidance. Potential instruments for Council use within the investment strategy are contained in Appendix D.
- 6.4 The credit crisis has refocused attention on the treasury management priority of security of capital money invested. The draft revisions to the DCLG Investment Guidance state that a specified investment is one made with a body or scheme of "high credit quality". The Council will continue to maintain a counterparty list based on these criteria and will monitor and update the credit standing of the institutions on a regular basis. This assessment will include credit ratings and other alternative assessments of credit strength as outlined in paragraph 6.13.
- 6.5 The DCLG revised draft guidance also recommends that the Investment Strategy should set out the procedures for determining the maximum periods for which funds may prudently be committed. Such decisions will be based on an assessment of the Balance Sheet position with the limit being set in Prudential Indicator 12 - Upper Limit for total principal sums invested over 364 days.

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6.6 A further recommendation in the draft guidance states that strategy should detail Authority policies on investing money borrowed in advance of spending needs, identifying any measures to minimise such investments, including any limits on:

- Amounts borrowed
- Periods between borrowing and expenditure

A comment on the management of risks, including the risk of loss of the borrowed capital and the risk associated with interest rate changes would also be expected. Limits on the amount borrowed in advance of need are identified in the Cumulative Maximum External Borrowing Requirement for future financial years set out in the table at paragraph 4.4. This also sets the periods between borrowing and expenditure. The management of risks, including the risk of loss of the borrowed capital, are identical to all forms of investment as set out in this strategy. The risks associated with interest rate changes are based on the interest rate forecast at Appendix C and the current cost of carry referred to in section 4 above.

6.7 The current level of investments is presented in Appendix A.

Investment Strategy

6.8 The global financial market storm in 2008 and 2009 has forced investors of public money to reappraise the question of risk versus yield. Income from investments is a key support in the Council budget. The UK Bank Rate has been maintained at 0.5% since March 2009. Short-term money market rates are likely to remain at very low levels which will have a significant impact on investment income. The Council strategy must, however, be geared towards this development whilst adhering to the principal objective of security of invested money.

6.9 The Director of Finance, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported to the Cabinet and Council. (see section 7.0, Policy on Delegation).

Investments Managed In-House

6.10 The shorter term cashflow investments are made with reference to the outlook for the UK Bank Rate and money market rates.

6.11 In any period of significant stress in the markets, the default position is for investments to be made with the Debt Management Office.

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- 6.12 Currently the Council has restricted investment activity to:
- The Debt Management Agency Deposit Facility (The rates of interest from the DMADF are below equivalent money market rates. However, the returns are an acceptable trade-off for the guarantee that capital is secure.)
 - AAA-rated Money Market Funds with a Constant Net Asset Value
 - Deposits with other local authorities
 - Business reserve accounts and term deposits
 - Bonds issued by Multilateral Development Banks
- 6.13 Conditions in the financial sector have begun to show signs of improvement, albeit with substantial intervention by Government authorities. In order to diversify the counterparty list, the use of comparable non-UK Banks for investments is now considered appropriate. The sovereign states whose banks the Council will now consider are Australia, Canada, Finland, France, Germany, Netherlands, Spain, Switzerland and the U.S.A. These countries and the banks within them will be selected after analysis and careful monitoring of:
- Credit Ratings (minimum long-term A+)
 - Credit Default Swaps
 - GDP; Net Debt as a Percentage of GDP
 - Sovereign Support Mechanisms or potential support from a well-resourced parent institution
 - Share Price
- 6.14 The Council has also taken into account information on corporate developments and market sentiment towards the counterparties. The Council and the treasury advisors, Arlingclose, will continue to analyse and monitor these indicators and credit developments on a regular basis and respond as necessary to ensure security of the capital sums invested.
- 6.15 There remains a heightened state of sensitivity to risk. Vigilance is key. This modest expansion of the counterparty list is an incremental step. In order to meet requirements of the revised CIPFA Treasury Management Code, the Council is focusing on a range of indicators (as stated above), not just credit ratings.
- 6.16 Limits for Specified Investments are set out in Appendix D.

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- 6.17 To protect against a prolonged period of low interest rates, 1-year deposits and longer-term secure investments will be actively considered within the limits the Council has set for Non-Specified Investments (see Appendix D). The longer-term investments will be likely to include:
- **Supranational bonds (bonds issued by multilateral development banks):** The joint and individual pan European Government guarantees in place on these bonds provide security of the principal invested. Even at the lower yields likely to be in force, the return on these bonds could be attractive relative to the increasingly low outlook for official interest rates.
 - **UK Government guaranteed bonds and debt instruments issued by banks/building societies:** The Government 2008 Credit Guarantee Scheme permits specific UK institutions to issue short-dated bonds with an explicit Government guarantee. The bonds are issued at a margin over the underlying gilt and would be a secure longer-term investment option. (These bonds would, under existing statute, be capital expenditure investments.)

Investments which constitute capital expenditure

- 6.18 Investments meeting the definition of capital expenditure can be financed from capital or revenue resources. They are also subject to the DCLG Guidance on Non-Specified Investments. Placing of such investments has accounting, financing and budgetary implications. Whilst it is permissible to fund capital investments by increasing the underlying need to borrow, it should be noted that under the DCLG MRP Guidance, MRP must be applied over a 20 year period.
- 6.19 The Council has determined a maximum of £10m limit to investments which constitute capital expenditure.
- 6.20 All investment activity will comply with the accounting requirements of the Local Authority SORP.

7. Policy on Delegation

- 7.1 The Council has responsibility for all matters concerned with treasury management. These are delegated to the Director of Finance in accordance with the Constitution scheme of delegation.
- 7.2 On a day to day basis the Treasury Management Team within the Accountancy Section carries out the treasury management activities.

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- 7.3 Decisions on short term investments and short term borrowings may be made on behalf of the Director of Finance by the Group Accountant for Treasury Management or any of the members of the Treasury Management Team who are empowered to agree deals subject to their conforming to the treasury management strategy and policies outlined in this report.
- 7.4 Actual authorisation of payments from the bank account will be made by the Director of Finance, the Deputy Director of Finance, the Finance Heads of Service or the Chief Accountants, listed in Appendix E.
- 7.5 Decisions on long term investments or long term borrowings (i.e. for periods greater than one year) may be made on behalf of the Director of Finance by the Group Accountant or the Senior Assistant Accountants on the Treasury Management Team and will be reported to the Cabinet and subsequently to the Council.
- 7.6 All officers will act in accordance with the policies contained within this document.

8. Balanced Budget Requirement

- 8.1 The Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

9. 2010-11 MRP Statement

- 9.1 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

- 9.2 The four MRP options available are:

Option 1: Regulatory Method
Option 2: CFR Method
Option 3: Asset Life Method
Option 4: Depreciation Method

This does not preclude other prudent methods

- 9.3 MRP in 2010-11: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).
- 9.4 The MRP Statement will be submitted to Council before the start of the 2010-11 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.

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- 9.5 The Council will apply Option 1 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure.
- 9.6 For prudence, when Option 3, the asset life method, is applied to the funding of an asset with a life greater than 25 years the Council will apply a default asset life of 25 years. Estimating assets lives over 25 years is difficult to achieve accurately; therefore, using a default of 25 years is considered the most prudent approach and is in keeping with the Regulations.
- 9.7 MRP in respect of PFI and leases brought on Balance Sheet under the 2009 SORP and IFRS will also be calculated using Option 3 and will match the annual principal repayment for the associated deferred liability.

10. Reporting on the Treasury Outturn

- 10.1 The Director of Finance will report to the Cabinet and subsequently, to the Council on treasury management activity / performance as follows :
- Quarterly against the strategy approved for the year. (CIPFA requires as a minimum a mid-year and year end review of treasury activity).
 - The Council will produce an Outturn Report on treasury activity no later than 30 September after the financial year end.
 - The Council Excellence Overview and Scrutiny Committee will be responsible for the scrutiny of treasury management activity and practices.

EXISTING PORTFOLIO PROJECTED FORWARD

	Current Portfolio as at 31 Dec 09 £m	%	31-Mar-10 Revised £m	31-Mar-11 Estimate £m	31-Mar-12 Estimate £m	31-Mar-13 Estimate £m
External Borrowing:						
Fixed Rate – PWLB	100.53	36.67	113.91	113.25	111.19	109.16
Fixed Rate – Market	173.60	63.33	173.60	173.60	173.60	170.50
Variable Rate – PWLB	0.00	0.00	0.00	0.00	0.00	0.00
Variable Rate – Market	0.00	0.00	0.00	0.00	0.00	0.00
Existing Long-Term liabilities	274.13	100.00	287.51	286.85	284.79	279.66
IFRS Long-Term Liabilities:						
PFI (2009/10)	0.00	0.00	65.00	62.05	59.09	56.14
Operating Leases (2010/11 onwards)	0.00	0.00	0.00	7.00	6.00	5.00
Total External Debt	274.13	100.00	352.51	355.90	349.88	340.80
Investments:						
<i>Managed in-house</i>						
Deposits with Banks and Building Societies	93.00	86.11	64.00	58.00	57.00	57.00
Deposits with Money Market Funds	14.00	12.96	28.00	28.00	28.00	28.00
Deposits in Supranational Bonds and Gilts	1.00	0.93	2.00	5.00	5.00	5.00
Total Investments	108.00	100.00	94.00	91.00	90.00	90.00
Net Borrowing Position	166.13		193.51	195.85	194.79	189.66

PRUDENTIAL INDICATORS 2010-11 TO 2012-13

1. Background

1.1 There is a requirement under the Local Government Act 2003 for local authorities to have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Net Borrowing and the Capital Financing Requirement

2.1 This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Local Authority should ensure that the net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

2.2 The Director of Finance reports that the Authority had no difficulty meeting this requirement in 2009/10, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

No. 1	Capital Expenditure	2009-10	2009-10	2010-11	2011-12	2012-13
		Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
	Total	80	92	79	47	39

3.2 Capital expenditure will be financed as follows:

Capital Financing	2009-10	2009-10	2010-11	2011-12	2012-13
	Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
Capital receipts	4	4	3	3	3
Capital Grants	48	70	61	33	26
Revenue contributions	0	1	1	0	0
Supported borrowing	7	7	5	5	3
Unsupported borrowing	21	10	9	6	7
Total	80	92	79	47	39

Note: the element to be financed from borrowing impacts on the movement in the Capital Financing Requirement.

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4. Ratio of Financing Costs to Net Revenue Stream

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs.

4.2 The ratio is based on costs net of investment income.

No. 2	Ratio of Financing Costs to Net Revenue Stream	2009-10	2009-10	2010-11	2011-12	2012-13
		Approved %	Revised %	Estimate %	Estimate %	Estimate %
	Total	7.04	8.26	8.74	8.66	8.28

5. Capital Financing Requirement

5.1 The Capital Financing Requirement (CFR) measures the underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing. It is an aggregation of the amounts shown for Fixed and Intangible Assets, the Revaluation Reserve, the Capital Adjustment Account, Government Grants Deferred and any other balances treated as capital expenditure.

No. 3	Capital Financing Requirement	31.3.10	31.3.10	31.3.11	31.3.12	31.3.13
		Approved	Revised	Estimate	Estimate	Estimate
		£m	£m	£m	£m	£m
	Total CFR	347.6	385.0	387.3	378.7	369.0

5.2 The year on year change in the CFR is due to the following:

Capital Financing Requirement	2009-10	2009-10	2010-11	2011-12	2012-13
	Approved	Revised	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
Balance B/F	333.5	319.4	385.0	387.3	378.7
Capital expenditure financed from borrowing	28.2	17.4	14.3	10.9	10.0
Items brought back on to the balance sheet (PFI & leases)	0	65.0	7.0	0	0
Revenue provision for debt Redemption.	-9.6	-11.8	-14.0	-14.5	-14.7
Principal repayments of transferred debt by other Merseyside Local Authorities	-4.5	-5.0	-5.0	-5.0	-5.0
Balance C/F	347.6	385.0	387.3	378.7	369.0

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6. Actual External Debt

- 6.1 This indicator is obtained directly from the balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

No. 4	Actual External Debt as at 31.03.2009	£m
	Borrowing	
	Total	296.2

7. Incremental Impact of Capital Investment Decisions

- 7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

No. 5	Incremental Impact of Capital Investment Decisions	2009-10	2010-11	2011-12	2012-13
		Approved £	Estimate £	Estimate £	Estimate £
	Increase in Band D Council Tax	24.87	8.47	3.73	2.82

- 7.2 The increase in Band D Council Tax reflects the increases in running costs and/or increases in the provision for Capital Financing Charges to undertake borrowing arising from the proposed capital programme.

8. Authorised Limit and Operational Boundary for External Debt:

- 8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.
- 8.2 The Authorised Limit sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with existing commitments, proposals for capital expenditure and financing and the approved treasury management policy statement and practices.

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- 8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
- 8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

No. 6	Authorised Limit for External Debt	2009-10	2009-10	2010-11	2011-12	2012-13
		Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
	Borrowing	465	411	469	467	457
	Other Long Term Liabilities	10	73	15	8	8
	Total	475	484	484	475	465

- 8.5 The Operational Boundary links directly to the estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.
- 8.6 The Director of Finance has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of Council.

No. 7	Operational Boundary for External Debt	2009-10	2009-10	2010-11	2011-12	2012-13
		Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
	Borrowing	455	401	459	457	447
	Other Long Term Liabilities	5	68	10	3	3
	Total	460	469	469	460	450

9. Adoption of the CIPFA Treasury Management Code

- 9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

No. 8	Adoption of the CIPFA Code of Practice in Treasury Management
	Council will approve the adoption of the CIPFA Code of Treasury Management at its meeting on 1 March 2010.

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10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- 10.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The Council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments).
- 10.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.
- 10.3 In order to increase the understanding of this indicator, separate upper limits for the percentage of fixed and variable rates are shown for borrowing and investment activity, as well as the net limit.

		2009-10	2009-10	2010-11	2011-12	2012-13
		Approved	Revised	Estimate	Estimate	Estimate
		%	%	%	%	%
No. 9	Upper Limit for Fixed Interest Rate Exposure					
	Borrowings	100	100	100	100	100
	Investments	100	100	100	100	100
	Net	200	200	200	200	200
No. 10	Upper Limit for Variable Rate Exposure					
	Borrowings	50	50	50	50	50
	Investments	100	100	100	100	100
	Net	150	150	150	150	150

- 10.4 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the treasury management strategy.

11. Maturity Structure of Fixed Rate borrowing

- 11.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
- 11.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

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No. 11	Maturity structure of fixed rate borrowing	Lower Limit %	Upper Limit %
	under 12 months	0	100
	12 months and within 24 months	0	100
	24 months and within 5 years	0	100
	5 years and within 10 years	0	100
	10 years and above	0	100

12. Upper Limit for Total Principal Sums Invested Over 364 Days

- 12.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

No. 12	Upper Limit for Total Principal Sums Invested Over 364 Days	2009-10	2009-10	2010-11	2011-12	2012-13
		Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
		30	30	30	30	30

ARLINCLOSE ECONOMIC AND INTEREST RATE FORECAST

	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13
Official Bank Rate													
Upside risk			+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	0.50	0.50	0.50	1.00	1.50	2.00	2.50	3.00	3.00	3.00	3.00	3.00	3.00
Downside risk				-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
1-yr LIBID													
Upside risk			+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	1.25	1.25	1.50	1.75	2.25	3.00	3.50	4.00	4.00	4.00	4.00	4.00	4.00
Downside risk				-0.25	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5-yr gilt													
Upside risk	+0.25	+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	2.70	2.80	2.90	3.00	3.25	3.50	3.75	4.00	4.25	4.25	4.25	4.25	4.25
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
10-yr gilt													
Upside risk		+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.50	+0.50	+0.50	+0.50
Central case	3.75	3.75	4.00	4.00	4.25	4.25	4.50	4.50	4.75	5.00	5.00	5.00	5.00
Downside risk		-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
20-yr gilt													
Upside risk	+0.25	+0.50	+0.50	+0.50	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.50	+0.50	+0.50
Central case	4.25	4.50	4.75	4.75	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
50-yr gilt													
Upside risk	+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	4.25	4.50	4.50	4.50	4.75	4.75	4.75	4.75	4.75	5.00	5.00	4.75	4.75
Downside risk		-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

- The recovery in growth is likely to be slow and uneven, more “W” than “V” shaped. The Bank of England will stick to its lower-for-longer stance on policy rates.
- Gilt yields will remain volatile; Yields have been compressed by Quantitative Easing (QE) and will rise once QE tapers off and if Government debt remains at record high levels.
- The path of the base rate has been downgraded to reflect the fragile state of the recovering economy and the severe fiscal correction that will be coming post General Election that will dampen aggregate demand and cut household cashflow. Expectations of central bank exit strategies and their timing will increase volatility in sovereign bond yields and equities.
- There are significant threats to the forecast from potential downgrades to sovereign ratings and/or political instability.

Underlying assumptions:

- The Bank of England’s Quantitative Easing (QE) program which injected £200bn to insure against the downside risks to growth and stimulate the economy officially ends 26 January 2010. We estimate that QE has depressed gilt yields by around 0.7%.
- The Bank forecasts GDP to grow by 4% in 2011 but concedes growth could be impeded by corporate and consumer balance sheet adjustments, restrictions in bank credit and consumers’ cautious

Treasury Management and Investment Strategy 2010-11 to 2012-13

spending behaviour. This is an optimistic forecast in our view; Evidence of recovery is scant with weak real economic data and rising unemployment. Quarter four 2009 grew by just 0.1%.

- Looming bank regulation and liquidity and capital requirements will curb bank lending activity. The Bank retains the option to reduce the rate on commercial banks' deposits to encourage them to lend. But FSA regulations will force banks to buy more gilts which could help slow the rise in yields in 2010/11.
- The employment outlook remains uncertain. Pay freezes, short hours, job cuts and a migration toward part time employment will continue into 2010 keeping the headline unemployment number down.
- Inflation is not an immediate worry for the Bank which forecasts CPI to rise due to higher commodity prices and VAT reverting to 17.5%. Commodity prices and VAT will push inflation over 3% prompting a letter from the Bank's Governor to the Chancellor in quarter one 2010.
- The UK fiscal deficit remains acute. Cuts in public spending and tax increases are now inevitable and more likely to be pushed through in 2010 by a new Government with a clear majority, however a hung parliament cannot be ruled out and would be potentially disruptive to financial markets.
- The net supply of gilts will rise to unprecedented levels in 2010. Failure to articulate and deliver on an urgent and credible plan to lower Government borrowing to sustainable levels over the medium term will be negative for gilts.
- The Federal Reserve Chairman Bernanke's diagnosis of a weak U.S. economy and labour market signal that the Fed's "extended period" of low rates may get even longer. The outlook for the Eurozone is more optimistic but the European Central Bank will only increase rates after a durable upturn in growth.

SPECIFIED AND NON SPECIFIED INVESTMENTS

DCLG has produced draft revised Investment Guidance for Local Authorities in England and this section would therefore be subject to review and amendment if the final version differs from the draft.

Specified Investments

Specified Investments Defined

Specified Investments will be those that meet the DCLG Guidance, i.e. the investment:-

- is sterling denominated
- has a maximum maturity of 1 year
- meets the “high” credit criteria as determined by the Council or is made with the UK Government or is made with a Local Authority in England, Wales or Scotland.
- the making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate)

Types of Specified Investments

Specified Investments identified for Council use are:

- Deposits in the DMO Debt Management Account Deposit Facility
- Deposits with UK local authorities
- Deposits with banks and building societies
- Certificates of deposit with banks and building societies
- Gilts : (bonds issued by the UK Government)
- Bonds issued by multilateral development banks
- AAA-rated Money Market Funds with a constant net asset value (CNAV)
- Other Money Market Funds and Collective Investment Schemes– i.e. credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

Minimum Credit Rating Criteria for Specified Investment

For credit rated counterparties, the minimum criteria will be the short-term/long-term ratings assigned by various agencies which may include Moody’s Investors Services, Standard & Poor’s, Fitch Ratings:

Long-term minimum: A1 (Moody’s) or A+ (S&P) or A+ (Fitch)

Short-term minimum: P-1 (Moody’s) or A-1 (S&P) or F1 (Fitch).

This means that the Council will only make investments that have high credit rating, or above, for both long and short term investments.

Treasury Management and Investment Strategy 2010-11 to 2012-13

The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties and will not rely solely on these credit ratings.

Investment Limits

Counterparty Limits

For in-house investments the maximum limit per institution (UK and non-UK bank, building society and Money Market Fund) will be £15m.

Group Limits

For in-house investments the maximum limit per banking group will be £15m.

Sovereign Country Limits

For in-house investments within UK banks and building societies the maximum sovereign limit will be 100% of total investments.

For in-house investments within non-UK banks the maximum sovereign limit will be £30m. This means that all Council investments can be made with non-UK institutions but it limits the risk of over-exposure to any one country.

The limits above are maximum limits. The Treasury Management Team will adjust individual counterparty, group and country limits according to individual circumstances but remain within these maximum limits.

Treasury Management and Investment Strategy 2010-11 to 2012-13

Non-Specified Investments

Having considered the rationale and risk associated with Non-Specified Investments, the following has been determined for Council use:-

	In-house use	Use by fund managers	Maximum maturity	Max % of portfolio	Capital expenditure?
<ul style="list-style-type: none"> ▪ Deposits with banks and building societies ▪ Certificates of deposit with banks and building societies 	✓	✓	<u>5 yrs</u>	<u>40%</u> in aggregate	No
Gilts and bonds <ul style="list-style-type: none"> ▪ Gilts ▪ Bonds issued by multilateral development banks ▪ Bonds issued by financial institutions guaranteed by the UK Government ▪ Sterling denominated bonds by non-UK sovereign Governments 	✓ (on advice from treasury advisor)	✓	<u>10 years</u>	<u>50%</u> in aggregate	No
Money Market Funds and Collective Investment Schemes (pooled funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573) but which are not credit rated	✓ (on advice from treasury advisor)	✓	These funds do not have a defined maturity date	<u>50%</u>	No

Treasury Management and Investment Strategy 2010-11 to 2012-13

<p>-Government guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies</p> <p>-Non-guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies</p> <p>-Collective Investment Schemes (Pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573</p>	<p>✓(on advice from treasury advisor)</p>	<p>✓</p>	<p><u>10 years</u></p> <p><u>10 years</u></p> <p>These funds do not have a defined maturity date</p>	<p><u>£10M</u></p>	<p>Yes</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------	----------	------------------------------------------------------------------------------------------------------	--------------------	-------------------

1. In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.
2. The use of the above instruments by fund manager(s) will be by reference to the fund guidelines contained in the agreement between the Council and the individual manager.

Minimum Credit Rating Criteria for Non-Specified Investment

For credit rated counterparties, the minimum criteria will be the short-term/long-term ratings assigned by various agencies which may include Moody's Investors Services, Standard & Poor's, Fitch Ratings:

Long-term minimum: Aa3 (Moody's) or AA- (S&P) or AA- (Fitch)
Short-term minimum: P-1 (Moody's) or A-1+ (S&P) or F1+ (Fitch).

Investment Limits

The limits for each type of non specified investment are shown in the table above. However, the individual counterparty, group and country limits stated with the specified investment section takes precedent over the limits in the table above.

APPENDIX E

AUTHORISED SIGNATORIES

The following officers are authorised to make payments, either via the online banking system or by signing cheques, and issue other instructions relating to Treasury Management transactions on behalf of Wirral Borough Council:

Director of Finance – Ian E. Coleman

Deputy Director of Finance – David L.H. Taylor-Smith

Head of ICT – John O. Carruthers

Head of Benefits, Revenue and Customer Services – Malcolm J. Flanagan

Head of Financial Services – Thomas W. Sault

Head of Support Services – Stephen J. Rowley

Head of Transformational Change – Jacqueline Roberts

Chief Accountant – Peter J. Molyneux

Chief Accountant – Robert D. Neeld

Chief Accountant – Jenny Spick

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WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

17 MARCH 2010

REPORT OF THE DIRECTOR OF FINANCE

FREEDOM OF INFORMATION (FOI) REQUESTS

1. EXECUTIVE SUMMARY

- 1.1. This report presents details of the number of Freedom of Information requests received by the Council since 2005.

2. BACKGROUND

- 2.1. Members received a report regarding Freedom of Information at the meeting on 8 April 2009. That report stated that The Freedom of Information Act 2000 was introduced on 1 January 2005 and it gives a general right of access to all types of recorded information held by public authorities. Requests must be in a written format, which includes email and the Council has 20 working days to supply or deny the information to the requestor.
- 2.2. The Information Manager acts as the link between the requestor asking for information and the Council officers supplying that information.
- 2.3. Local Government is reporting an increase year on year in general terms, whilst Central Government has seen a stabilisation of requests over the last two years. Wirral has benchmarked against a number of other local authorities to compare the level of requests; the volume of requests since 2005 is shown below:

Year	Number of Requests				
	Wirral	Knowsley	Sefton	Bolton	Preston
2005	135	117	106	Not available	215
2006	180	180	203	191	154
2007	241	280	164	272	147
2008	538	420	360	387	243
2009	903	621	386	590	311

- 2.4. Requests continue to reflect local topical issues such as the Strategic Asset Review, Expenses Claims, Gritting of Roads and Allotment Provision; they also reflect more global and national issues such as the use of Biometrics in Schools, amounts of Housing Benefits paid and Adoption statistics.

- 2.5. The Council is allowed to refuse to disclose information to requestors if there is a legal exemption to do so. The Council refuses only a small percentage of requests and the requestor is always given an explanation for a refusal. A requestor also has the right to request an internal review of how a request was handled.
- 2.6. There is additional scope within the legislation to refuse to disclose information to requestors whose requests become repeated or vexatious; Wirral has issued two refusal notices in total since the access rights came into force in 2005.
- 2.7. There is a local quarterly performance indicator in relation to complying with requests within the legal timeframe. The target is a challenging 95% and this target is usually met, although the increased numbers of requests in 2009 meant this target was not achieved on a few occasions. If the target is not met then the Information Manager reports the reasons to the Finance Department Management Team who agree the necessary action to rectify the position through the performance management process.

3. FINANCIAL AND STAFFING IMPLICATIONS

- 3.1. Due to the increasing number of requests the staffing establishment may have to be reviewed. Management is currently considering the requirement which would be the subject of a report to the Cabinet.
- 3.2. The staffing of the Information Services Section was last reviewed by the Cabinet on 23 April 2009.
- 3.3. The particularly high level of information requests at Wirral has been cited by the Audit Commission as one of the reasons why the external audit fees payable by the Authority are above the scale level.

4. EQUAL OPPORTUNITIES IMPLICATIONS

- 4.1. There are none arising directly out of this report.

5. PLANNING IMPLICATIONS

- 5.1. There are no planning implications in this report.

6. COMMUNITY SAFETY IMPLICATIONS

- 6.1. There are no community safety implications in this report.

7. HUMAN RIGHTS IMPLICATIONS

- 7.1. There are none arising directly out of this report.

8. LOCAL AGENDA 21 IMPLICATIONS

- 8.1. There are none arising directly out of this report.

9. MEMBER SUPPORT IMPLICATIONS

9.1. There are no particular implications for any Member or ward.

10. BACKGROUND PAPERS

10.1. No background papers used in the preparation of this report.

11. RECOMMENDATION

11.1. That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/34/10

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WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

17 MARCH 2010

REPORT OF THE DIRECTOR OF FINANCE

FORWARD PLAN

1. EXECUTIVE SUMMARY

- 1.1. Cabinet on 4 February 2010 agreed that details of the Forward Plan should be presented to the relevant overview and scrutiny committee. This report presents details of the Finance Department items included in the Forward Plan.

2. FORWARD PLAN MARCH 2010

- 2.1. Budget 2010-11 – Agreed by Cabinet on 22 February 2010 and by Council on 1 March 2010.
- 2.2. Treasury Management Policy and Investment Strategy 2010-2013 – Agreed by Cabinet on 22 February 2010 and by Council on 1 March 2010.
- 2.3. Budget Projections 2011-2014 – Updated budget projections for the three year period 2011 to 2014. This report will subsequently be presented to the next meeting of this Committee.
- 2.4. Data Centre Review – Review of options for the provision of data centres incorporating some short term decisions pending a decision on the accommodation strategy.
- 2.5. Insurance Fund Legal Services – Tenders for the provision of specialist legal services to support the insurance service, the cost of which will be met from the Insurance Fund.

3. FORWARD PLAN APRIL 2010

- 3.1. Chancellor of the Exchequer's Budget Report – Analysis of the implications for the Authority of the Budget Report expected to be released in March.
- 3.2. Annual Governance Statement – To be presented to the Audit and Risk Management Committee on 24 March 2010 and subsequently to Cabinet. This will require the signature of the Leader of the Council and the Chief Executive and will eventually be incorporated into the Statement of Accounts.

- 3.3. Anti-Fraud and Corruption Policy – The Policy is being updated and following the agreement of the Cabinet it will be presented to the Audit and Risk Management Committee and to this Committee as agreed at the meeting on 1 February 2010.
- 3.4. Change Programme – Quarterly update on progress on delivery of the change programme including any new projects for inclusion in the programme and any variations to timescales for delivery or targeted efficiencies to be delivered.
- 3.5. Wide Area Network – Tenders for the provision of the wide area network for three years.

4. FORWARD PLAN MAY 2010

- 4.1. Common Administrative Processes – Following agreement to the implementation schedule for the HR and Payroll IT System it is possible to identify a timetable for delivery of changes to administrative systems and support across the Authority. This is the major cross departmental project within the change programme.
- 4.2. Advertising – Tenders for the provision of advertising.
- 4.3. Projected Budget 2011-12 – Updated budget projection.
- 4.4. Commissioning Strategy – Presentation of a corporate commissioning strategy to complement the corporate procurement strategy.
- 4.5. Provision of Mortgages – Previous report to Cabinet deferred to await the outcome of a Financial Services Authority review into mortgage provision.
- 4.6. ICT Strategic Review – Consultants report on the future strategy and structure of ICT services.

5. FORWARD PLAN JUNE 2010

- 5.1. Financial Out-turn – Analysis of the actual expenditure on the revenue accounts for 2009-10 including explanations of any significant overspending or underspending. The report will also include an analysis of balances, reserves and provisions.
- 5.2. Capital Out-turn and Capital Determinations – Analysis of capital expenditure and financing for 2009-10 including the statutory Capital Determinations statement for submission to the Government.
- 5.3. Collection Summary – Analysis of income collected in 2009-10, analysis of the Collection Fund for 2009-10 and presentation of irrecoverable debts for write off.

- 5.4. Treasury Management Annual Report 2009-10.
- 5.5. Insurance Fund AnnUAI Report 2009-10.
- 5.6. Corporate Risk Register – Twice yearly review of the corporate risk register.
- 5.7. Catering – Tenders for the provision of hot and cold food to all Council buildings.
- 5.8. ICT Hardware – Tenders for replacement servers.
- 5.9. Security of Mobile ICT Devices – Tenders.
- 5.10. Desktop Virtualisation – Tenders following from the agreement of the office rationalisation IT requirements report by Cabinet on 14 January 2010.
- 5.11. Gateway Review Providers – Tenders for the provision of gateway reviews.
- 5.12. Office Furniture – Tenders for the supply of office furniture.
- 5.13. Audio Visual Equipment – Tenders for the supply of audio visual equipment.

6. FINANCIAL AND STAFFING IMPLICATIONS

- 6.1. There are none arising directly from this report but many of the items included in the Forward Plan will have financial and staffing implications which will be included in the relevant reports to the Cabinet.

7. EQUAL OPPORTUNITIES/EQUALITY IMPACT STATEMENT

- 7.1. There are none arising out of this report.

8. COMMUNITY SAFETY IMPLICATIONS

- 8.1. There are none arising out of this report.

9. LOCAL AGENDA 21 IMPLICATIONS

- 9.1. There are none arising out of this report.

10. PLANNING IMPLICATIONS

- 10.1. There are none arising out of this report.

11. **ANTI-POVERTY IMPLICATIONS**

11.1. There are none arising out of this report.

12. **SOCIAL INCLUSION IMPLICATIONS**

12.1. There are none arising out of this report.

13. **LOCAL MEMBER SUPPORT IMPLICATIONS**

13.1. There are none arising out of this report.

14. **BACKGROUND PAPERS**

14.1. None were used in the preparation of this report.

15. **RECOMMENDATION**

15.1. That the Forward Plan be noted.

IAN COLEMAN
DIRECTOR OF FINANCE.

FNCE/18/10

**WIRRAL COUNCIL
FORWARD PLAN**

Submission by the Director of Finance for the four-month period 1 March 2010 to 30 June 2010

Description of key decision	Decision taker	Expected date of decision	Proposed consultees	Representations may be made to:	Documents to be taken into consideration
Treasury Management Policy and Investment Strategy 2010-2013	Council	March	Cabinet	Cabinet Member – Finance and Best Value Tom Sault	Report
Budget 2010-11	Council	March	Cabinet	Cabinet Member – Finance and Best Value Ian Coleman	Report
Budget Projections 2011-2014	Cabinet	March		Cabinet Member – Finance and Best Value Ian Coleman	Report
Insurance Fund Legal Services Tenders	Cabinet	March		Cabinet Member – Finance and Best Value Tom Sault	Exempt Report
Data Centre Review	Cabinet	March		Cabinet Member – Finance and Best Value John Carruthers	Report
Wide Area Network Tenders	Cabinet	April		Cabinet Member – Finance and Best Value Tom Sault	Exempt Report
Chancellor of the Exchequer Budget 2010	Cabinet	April		Cabinet Member – Finance and Best Value Tom Sault	Report

**WIRRAL COUNCIL
FORWARD PLAN**

Submission by the Director of Finance for the four-month period 1 March 2010 to 30 June 2010

Description of key decision	Decision taker	Expected date of decision	Proposed consultees	Representations may be made to:	Documents to be taken into consideration
Annual Governance Statement	Cabinet	April	Audit and Risk Management	Cabinet Member – Finance and Best Value David Taylor-Smith	Report
Change Programme – quarterly progress report	Cabinet	April	CIG	Cabinet Member – Finance and Best Value David Taylor-Smith	Report
Anti-Fraud and Corruption Policy	Cabinet	April		Cabinet Member – Finance and Best Value Dave Garry	Report
Commissioning Strategy – to complement existing procurement strategy	Cabinet	May		Cabinet Member – Finance and Best Value Stephen Rowley	Report
Projected Budget 2011-12	Cabinet	May		Cabinet Member – Finance and Best Value Ian Coleman	Report
Advertising Tenders	Cabinet	May		Cabinet Member – Finance and Best Value Stephen Rowley	Exempt Report
Common Administrative Processes – to follow from the agree implementation schedule for HR and Payroll IT system	Cabinet	May	CIG	Cabinet Member – Finance and Best Value Jacqui Roberts	Report
Provision of Mortgages	Cabinet	May		Cabinet Member – Finance and Best Value Tom Sault	Report

**WIRRAL COUNCIL
FORWARD PLAN**

Submission by the Director of Finance for the four-month period 1 March 2010 to 30 June 2010

Description of key decision	Decision taker	Expected date of decision	Proposed consultees	Representations may be made to:	Documents to be taken into consideration
ICT Strategic Review	Cabinet	May		Cabinet Member – Finance and Best Value John Carruthers	Exempt Report
Catering Tenders	Cabinet	June		Cabinet Member – Finance and Best Value Stephen Rowley	Exempt Report
Financial Out-Turn 2009-10	Cabinet	June		Cabinet Member – Finance and Best Value Tom Sault	Report
Capital Out-Turn 2009-10 Capital Determinations 2009-10	Cabinet	June		Cabinet Member – Finance and Best Value Tom Sault	Report
Collection Summary 2009-10	Cabinet	June		Cabinet Member – Finance and Best Value Malcolm Flanagan	Exempt Report
Treasury Management Annual Report 2009-10	Cabinet	June		Cabinet Member – Finance and Best Value Tom Sault	Report
Insurance Fund Annual Report 2009-10	Cabinet	June		Cabinet Member – Finance and Best Value Tom Sault	Report
ICT Hardware Tenders	Cabinet	June		Cabinet Member – Finance and Best Value John Carruthers	Exempt Report

**WIRRAL COUNCIL
FORWARD PLAN**

Submission by the Director of Finance for the four-month period 1 March 2010 to 30 June 2010

Description of key decision	Decision taker	Expected date of decision	Proposed consultees	Representations may be made to:	Documents to be taken into consideration
Corporate Risk Register	Cabinet	June		Cabinet Member – Finance and Best Value Tom Sault	Report
Security of Mobile ICT Devices	Cabinet	June		Cabinet Member – Finance and Best Value John Carruthers	Exempt Report
Desktop Virtualisation	Cabinet	June		Cabinet Member – Finance and Best Value John Carruthers	Exempt Report
Gateway Review Providers	Cabinet	June		Cabinet Member – Finance and Best Value Stephen Rowley	Exempt Report
Supply of Office Furniture	Cabinet	June		Cabinet Member – Finance and Best Value Stephen Rowley	Exempt Report
Audit Visual Equipment Tenders	Cabinet	June		Cabinet Member – Finance and Best Value Stephen Rowley	Exempt Report

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE – 17 MARCH 2010

REPORT OF THE DEPUTY CHIEF EXECUTIVE / DIRECTOR OF CORPORATE SERVICES

REACHING 'EXCELLENT' LEVEL OF THE EQUALITY FRAMEWORK FOR LOCAL GOVERNMENT

1. Executive Summary

1.1 The purpose of this report is to provide an overview of the approach the Council will take in order to achieve 'excellent' level of the new Equality Framework for Local Government

2. Background

2.1 The Council was awarded level 3 of the Equality Standard for Local Government during November 2009.

2.2 In order for Councils to be able to respond to new thinking on equality outcomes, the Improvement and Development Agency (IDeA) has developed a new Equality Framework for Local Government. This has now replaced the original Equality Standard.

2.3 Instead of reaching Levels 1 to 5, Councils will now work towards three levels:

- Developing
- Achieving
- Excellent

2.4 Any Council already at level 1 or 2 of the original Standard will automatically migrate to 'Developing' status, and any Council already at level 3 will migrate to 'Achieving' status, etc.

2.5 Wirral Council has automatically migrated to 'Achieving' status of the new Framework, and will need to be assessed for 'Excellent' status by November 2011 or risk having 'Achieving' status removed. Therefore, a corporate action plan for reaching 'Excellent' status is currently being developed by the Corporate Equality and Diversity team **(please see Appendix A)**.

2.6 Detailed milestones are being identified by all departments and will be monitored on a quarterly basis by the Corporate Equality and Diversity Team.

4. The role of Scrutiny in reaching 'Excellent' level

4.1 The Equality Framework for Local Government highlights the need for effective scrutiny in the following areas:

- a. Is the Council meeting its equality objectives in partnership with others?

- b. Is the Council able to identify how communities are changing and the impact this may have on equality priorities?
- c. Can the Council demonstrate improvements and outcomes as a result of its Equality Scheme?
- d. Is the Council scrutinising its own and its partnerships' performance with regard to equality objectives and outcomes?
- e. Can the Council demonstrate that commissioned / procured services are delivering the Council's equality objectives?
- f. Are communities involved in the scrutiny process?
- g. Do Members and Senior Officers demonstrate personal leadership and understand the relevance of equality and cohesion to their local communities?
- h. Are equality impact assessments built into all aspects of decision-making, scrutiny and policy reviews?

5. Recommendations

- 5.1 Committee members note the corporate action plan for reaching 'excellent' level of the Equality Framework for Local Government.
- 5.2 Committee members agree to further develop the scrutiny function to incorporate the criteria of the Equality Framework for Local Government.

**JIM. WILKIE
DEPUTY CHIEF EXECUTIVE / DIRECTOR
OF CORPORATE SERVICES**

This report was prepared by Jacqui Cross, Corporate Equality and Cohesion Manager, Wirral Council, who can be contacted on 0151 691 8064.

APPENDIX A

ACHIEVING 'EXCELLENT' STATUS OF THE EQUALITY FRAMEWORK FOR LOCAL GOVERNMENT

Corporate Action Plan April 2010 – November 2011

Performance Areas	Equality Outcomes	'Excellent' Objectives
<p>1 Knowing our communities and equality mapping</p>	<p>1.1. Council and LSP members know the composition of Wirral's communities and their changing needs</p> <p>1.2. Council and LSP members understand the differences between and within Wirral's communities</p> <p>1.3. Council and LSP members know where the gaps are for different community groups in health, education, community safety, access to work or training, etc.</p> <p>1.4. Council has gained a reputation among LSP members and the voluntary / community sector for championing equality issues</p> <p>1.5. Equality groups are integrally involved in community engagement programmes</p> <p>1.6. Equality issues are embedded in the Sustainable Communities Strategy, Local Development Plan, strategic plans and the Local Area Agreement</p>	<p>1.1.1 Local and national data is being used and shared among LSP partners to understand the make up of our communities. The data can be disaggregated and analysed at corporate and service levels. Equality objectives have been set following such analysis</p> <p>1.1.2 Councillors and Officers champion equality issues</p> <p>1.1.3 Council scrutinises and challenges its own performance on equality, as well as LSP performance</p> <p>1.1.4 Council and LSP have effective and innovative engagement programmes</p> <p>1.1.5 Sustainable Communities Strategy, Local Development Plan, strategic plans and the Local Area Agreement include the story or vision of equality</p> <p>1.1.6 Sustainable Communities Strategy, Local Development Plan, strategic plans and the Local Area Agreement are informed by the needs of different communities and clearly identify gaps</p> <p>1.1.7 Wirral residents' are</p>

		surveyed annually and a representative sample participate
2 Place-shaping, leadership, partnership and organisational commitment	<p>2.1 Council is an exemplar of political and managerial leadership on equality issues</p> <p>2.2 Council is an exemplar of good practice for other councils and agencies</p> <p>2.3 Councillors and Officers understand the relevance of equality and cohesion to Wirral's communities</p> <p>2.4 Good performance is being recognised</p> <p>2.5 Council and LSP allocate and pool appropriate resources for achieving equality outcomes</p> <p>2.6 Improvements and outcomes can be demonstrated</p> <p>2.7 Strategic plans include actions identified via equality impact assessments</p> <p>2.8 Commissioned and procured services are delivering the Council's equality related objectives</p> <p>2.9 Council benchmarks itself against comparable others</p> <p>2.10 Improved participation rates of under-represented groups in civic and public life</p> <p>2.11 Council and LSP are addressing persistent inequalities and narrowing the gaps</p>	<p>2.1.1 Councillors and Officers ensure equality issues are integral to the Council's performance and strategic aims</p> <p>2.1.2 Corporate Equality Group membership to include 2nd tier officers responsible for services or performance</p> <p>2.1.3 Corporate Equality Group reports directly to COMT</p> <p>2.1.4 Departmental Equality Groups report directly to DMT's</p> <p>2.1.5 An LSP vision for equality is established</p> <p>2.1.6 A Borough wide Equality Scheme is established</p> <p>2.1.7 Council's single equality scheme is monitored by Councillors and Chief Officers</p> <p>2.1.8 Council and LSP equality priorities are set and owned by all, and monitored quarterly</p> <p>2.1.9 Community cohesion priorities are monitored by Councillors, Chief Officers and LSP members</p> <p>2.1.10 An equality impact assessment programme is in place, and completed assessments are published</p> <p>2.1.11 Council contractors are evaluated for good equality practices</p> <p>2.1.12 Council is sharing good practice across the public sector</p> <p>2.1.13 Equality is mainstreamed into the Council's PIMS to</p>

		ensure equality objectives do not sit apart from the core business
3 Community Engagement and satisfaction	<p>3.1 Communities of place and communities of interest are involved in decision making processes, service planning and workforce planning</p> <p>3.2 Local services give a voice to people who are vulnerable or are at risk of disadvantage / inequality</p> <p>3.3 Local services identify the potential of people who are vulnerable or are at risk of disadvantage / inequality</p> <p>3.4 Local services support people who are vulnerable or are at risk of disadvantage / inequality to achieve the levels of choice, autonomy and improved outcomes that other citizens enjoy</p> <p>3.5 All of Wirral's communities are involved, consulted and fed back to.</p> <p>3.6 All of Wirral's communities are satisfied that the Council and LSP have taken their views into account</p>	<p>3.1.1 Effective and efficient community engagement structures are in place</p> <p>3.1.2 Effective forums are in place to challenge, scrutinise and evaluate equality priorities</p> <p>3.1.3 Equality priorities are reviewed in light of changing / conflicting community needs and interests</p> <p>3.1.4 Participation rates among under-represented communities of place and interest improve</p> <p>3.1.5 Hate crimes across Wirral and across all communities are being dealt with effectively</p>
4 Responsive services and customer care	<p>4.1 Service provision remains a central function for the Council, whether provided directly, procured or commissioned</p> <p>4.2 Services need to be personalised to meet the needs of people with different backgrounds</p> <p>4.3 Services need to ensure fair access for all</p> <p>4.4 Council and LSP have a good knowledge and understanding of human rights</p> <p>4.5 Service level outcomes, objectives and goals meet the needs of target groups and those most vulnerable</p>	<p>4.1.1 A procurement equality evaluation tool has been implemented</p> <p>4.1.2 All communities are involved in service planning and delivery</p> <p>4.1.3 Council has excellent contract management in place to ensure contractors / providers are delivering on equality objectives</p> <p>4.1.4 Satisfaction levels among all communities with procured services improve</p> <p>4.1.5 Perceptions among all communities of</p>

	<p>4.6 More people believe that they have been treated fairly and believe their human rights have been respected</p>	<p>procured services improve</p> <p>4.1.6 DMT's monitor equality and cohesion objectives</p> <p>4.1.7 Services have been designed to ensure that everyone is treated with dignity and respect</p>
<p>5 A modern and diverse workforce</p>	<p>5.1 Council understands that to deliver responsive, personalised services depends on the composition, skills, understanding and commitment of the workforce</p> <p>5.2 Council has an inclusive working culture based on respect</p> <p>5.3 Equality legislation is being complied with in all employment procedures</p> <p>5.4 The potential of all staff is being maximised</p> <p>5.5 Plans for addressing under-representation at senior levels are being implemented</p> <p>5.6 Effective action is being taken to address equal pay</p> <p>5.7 There is a high satisfaction rate among all staff groups</p> <p>5.8 Council improves flexible working arrangements and access to training and development</p> <p>5.9 More staff say they are being treated with dignity and respect</p>	<p>5.9.1 Equality objectives have been built into workforce strategies for the whole workforce</p> <p>5.9.2 The local labour market is regularly reviewed</p> <p>5.9.3 Equality impact assessments are completed and published for all major employment policies</p> <p>5.9.4 Employment data is monitored, analysed and published regularly</p> <p>5.9.5 Training is completed by Members and Officers to deliver equality outcomes</p> <p>5.9.6 Harassment and bullying incidents are monitored, analysed and dealt with effectively</p> <p>5.9.7 More staff say they are treated with dignity and respect</p> <p>5.9.8 A positive action scheme is ensuring less under-representation at senior levels</p> <p>5.9.9 Training and development programmes are in place, via KIE, in order for all staff to address equality issues</p> <p>5.9.10 Staff equality forums share experiences and evaluate the Council's progress on equality objectives</p> <p>5.9.11 An annual staff survey</p>

		is completed 5.9.12 Staff equality forums have planned for mainstreaming themselves within the Council's core infrastructure
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WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

REPORT OF THE DEPUTY CHIEF EXECUTIVE/DIRECTOR OF CORPORATE SERVICES

17 March 2010

2009/10 THIRD QUARTER PERFORMANCE REPORT BY EXCEPTION

1. EXECUTIVE SUMMARY

1.1 The report presents the Council's third quarter performance for 2009/10, by exception, as requested by the Committee at its meeting of 1 February.

1.2 Performance overall against the 2009/10 Corporate Plan at quarter three was good with 71% or 47 of performance indicators rated as green or over-performing and 75% or projects rated as green or completed. However, a number of performance indicators were projected not to reach the expected or desired performance and further detail on these was requested.

1.3 The appendix to the report outlines those indicators that are:

- Currently red and not projected to meet their end of year target, such as Social care clients receiving self directed support (NI130)
- Indicators that were amber at quarter 3 and are projected to remain this way at the year end, such as all-age, all cause mortality (NI 120a / b) and NI 93, Progression by 2 levels in English between Key Stage 1 and Key Stage 2
- Indicators that were red at quarter 3 although predicted to meet their year end target, e.g. time taken to process housing benefit / council tax claims (NI 181) and Council employees aged 65 and over (Local 7000)

1.4 Corrective action is outlined in some detail and the end of year position will be reported in due course.

1.5 It is important that we continue to highlight good performance in order that we can capture and share good practice and learning across the organisation. Exception reporting identifies where the improvement activity should be focused and what more or what else the organisation needs to do to increase the likelihood of achieving its targets.

1.6 Comprehensive performance and financial reports are produced on a quarterly basis and these are available in the library.

2. RECOMMENDATION

2.1 The Committee is requested to consider and comment on the information contained within the appendix to the report.

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1. Performance Analysis

1.1 Department of Adult Social Services:

1.1.1. Performance Indicators:

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
LOC 8858	The percentage of completed assessments that are recorded as self assessments	Not Reported	0.19% (RED)	0.55% (RED)	1.22% (RED)	25%	3% (RED)

Corrective Action:

The introduction of new Self Directed Assessment Form to replace the Adult Common Assessment Form, supported by staff training along side Phase 2 of the Personal Budget Project (See NI 130) should support an increase in the year end out turn for this indicator.

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 130	Social care clients receiving Self Directed Support	154 4 th quartile (MET)	5.06% (GREEN)	4.77% (RED)	4.64% (RED)	15%	7.5% (RED)

Corrective Action:

Phase 2 of Wirral's Personal Budget Project started in December 2010. This will seek to increase the number of individuals receiving personal budgets by approximately 200 by the end of July 2010.

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 120b	All-age all cause mortality rate (Female)	768.7 4 th quartile (All England) 1 st quartile (MET)	552.08 (RED)	545.89 (AMBER)	536.97(E) (AMBER)	500	536.97 (AMBER)
NI 120a	All-age all cause mortality rate (Male)	557.3 4 th quartile (All England) 2 nd quartile (MET)	775.62 (AMBER)	771.77 (AMBER)	776.85(E) (AMBER)	714	776.85 (AMBER)

Corrective Action:

The target continues to show that the inequalities gap is not reducing in Wirral (particularly for men). Modelling of mortality and morbidity has been completed by NHS Wirral Public Health Intelligence Team and shows which initiatives have most to contribute to closing the health inequalities gap. This will be reported to stakeholder groups and used to realign resources to achieve high impacts between January and March 2010.

1.2 Children and Young People's Department

1.2.1. Performance Indicators:

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 117	16 to 18 year olds who are not in education, employment or training (NEET)	9.1 4th quartile (Ofsted All England) In line (Ofsted statistical neighbours)	10.40% (RED)	9.80% (RED)	8.71% (RED)	7.1%	9.0% (RED)

Corrective Action:

November Data reported. The Wirral Apprentice programme is continuing to have a positive impact on opportunities for young people. Many of our NEET young people tell us that they, 'want a 'job' (as opposed to a training course) and this programme has been able to offer positive choices for young people and some really interesting opportunities from apprenticeships in rainwater harvesting, dairy farming and jewellery design. Council recently agreed a further £500,000 be allocated to bring the total number of apprentices to 200. The Wirral model is being promoted as an exemplar by North West Employers Organisation to LGA groups. Continued improvement in the reduction of those young people not known to Connexions means that accuracy of tracking data is enabling earlier interventions and case loading to be put in place and a more rapid response to identification of need. December performance for this was 2.94% (only 349 young people). Inevitably this will have an impact on the NEET figure.

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 59	Percentage of initial assessments for children's social care carried out within 7 working days of referral.	77.4 In line (Ofsted statistical neighbours)	65.20% (RED)	57.50% (RED)	62.6 (RED)	72%	68% (AMBER)

Corrective Action:

High numbers of referrals to Social Care have continued this year. A number of new social workers have been in place since October and interviewing for the new Social Care structure is ongoing, the majority of posts are expected to be filled by March 2010. The continued impact of an increased numbers of social workers and the embedding of the new structure is expected to increase the numbers of initial assessments carried out within 7 days by the end of March. New guidance which supports data input into ICS is to be issued imminently. However, it is expected that the year end target of 72% will not be reached.

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 68	Percentage of referrals to children's social care going on to initial assessment	64.3 In line (Ofsted statistical t neighbours)	43.10% (RED)	60.90% (RED)	64.70% (RED)	72%	68% (AMBER)

Corrective Action:
 The Single Central Advice and Duty Team (CADT) Manager is now in post to provide increased consistency, in addition, increased Area Team Leader capacity will commence from February 2010 and will increase support for agencies undertaking Common Assessment Framework (CAF) and Team around the Child (TAC) meetings. Partnership work is ongoing to clarify domestic violence referrals; improved guidance is in place at CADT. Further action in progress includes, embedding multi-agency teams, ongoing scrutiny by LSCB of consistent threshold application and consistent Social Care decision making and timely data input. The continued impact of an increased numbers of social workers and the embedding of the new structure is expected to increase this figure further by the end of March. However, it is expected that the year end outturn will fall short of the year end target of 72%.

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 60	Percentage of core assessments for children's social care that were carried out within 35 working days of their commencement	79.1 In line (Ofsted statistical neighbours)	52.30% (RED)	55.90% (AMBER)	61.10% (RED)	80%	65% (RED)

Corrective Action:
 High numbers of referrals to Social Care have continued this year. The continued impact of an increase in numbers of social workers, and the embedding of the new structure, is expected to increase the numbers of core assessments completed within 35 days by the end of March. Timeliness of core assessment completion continues to be a focus of action through fortnightly Contact, Referral & Assessment meetings, underpinned by Team plans. However, it is expected that the target of 80% will not be reached.

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 112	Under 18 conception rate	-5.85 In line (Ofsted statistical neighbours)	No data	No data	-15.8% (A)	-39%	-15.8% (RED)

Corrective Action:
 All sections of the Teenage Pregnancy Strategic Action Plan are being progressed. A Teenage Pregnancy Media campaign was launched on September 14, 2009 and was repeated in December 2009 for a further month. The First phase of Health Services in Schools was launched in the first 12 schools from November 2009 with further schools to follow by the end of March 2010.

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 93	Progression by 2 levels in English between Key Stage 1 and Key Stage 2	85.4	81.6% (P) (AMBER)	81.6% (P) (AMBER)	81.6%(A) (AMBER)	86%	81.6% (AMBER)

Corrective Action:
 There were a number of schools who sent English scripts back for remarking. School Improvement Teams analysed the attainment data both at LA, school and subject level. In particular they analysed data especially where results had been markedly different from school predictions. Through this the teams identified schools where there was evidence of underperformance and targeted them for detailed

monitoring, challenge, intervention and support. There was targeting of intensive consultant support to schools, to ensure there was accelerated progress in English and maths. English and mathematics teams had projects and training plans for next academic year to target schools. There was ongoing National Strategies training that schools engaged with. School Improvement Partners (SIPs) discussed with head teachers reasons for underperformance and what corrective action was needed at a school level. SIPS (and Consultants in our Intensive Support Programme schools) held discussions with Head Teacher and Senior Leadership Team about progress in Y4 to ascertain the percentage of pupils on track with 1 level progress, and action was planned for those children not on track. In particular there was a focus on identifying children on track for L4+ in either English or maths but not both and again action was planned. Where there were specific concerns, schools were placed into our Intensive Support Programme (ISP) or, in rare cases, were identified as a School Causing Concern. The monitoring conversation with the SIP was used to inform LA support; this was also reported to the school's governing body. Effective Pupil Progress meetings were key for the Head Teacher to challenge underperformance with staff; these were part of ISP. Two programmes (Assessing Pupil Progress and Assessment for Learning) continued in the autumn term and helped ensure accurate levelling, improved moderation and secure tracking of pupils.

1.3 Corporate Services Department:

1.3.1. Performance Indicators:

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 154	Net additional homes provided	334	75 (RED)	62 (RED)	68 (RED)	500	341 (RED)

Corrective Action:

The number of new dwellings started on site has continued to markedly reduce and is reflected in the number of completions coming through during 2009/10. The target figure is net of demolitions. Registered completions to the end of Q3 were 256 (gross) this would need to be at least 564 (gross) in order to meet the net target. The gross outturn for the year is currently forecast to be 341 the total number of year end demolitions is still to be assessed. The Council is continuing to seek the delivery of housing market renewal. The Council is working with Peel Holdings to deliver the Mersey Heartlands Growth Point. 1672 new dwellings have been recommended for approval subject to a section 106 legal agreement. A Strategic Housing Land Availability Assessment has been jointly commissioned with Liverpool City Council to identify a long term supply of available, suitable and deliverable housing sites and is expected to report in January 2010. A Core Strategy Development Plan Document is in preparation. Consultation on a Spatial Options Report will take place during January/February 2010.

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 153	Working age people claiming out of work benefits in the worst performing neighbourhoods (WNF)	35.5 4 th quartile (MET)	36.10% (RED)	36.80% (RED)	36.80% (RED)	34.4%	38.2%

Corrective Action:

The recession is having an impact on performance, with Job Seekers' Allowance increases in line with Liverpool City Region trends. However, positive interventions to address the impact of the recession have

been designed and implemented i.e. Wirral Apprentice, Future Jobs Funds and Construction & Employment Integrator. Wirral agreed with Government Office North West (GONW) to revisit this indicator and refresh the 2010/11 targets (alongside NI 151 and NI 171) when the full extent of the recession is known, due to the information and data being time lagged and these negotiations are underway. The Council and its partners have developed a comprehensive understanding of the impacts of the recession. An Economic Recovery Plan was reported to Cabinet and to the LSP Executive Board during February and will be monitored on a quarterly basis. The Plan will ensure a comprehensive and consistent approach from partners to support residents and businesses in mitigating the effects of the recession both in the short and longer term.

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 152	Working age people on out of work benefits	17.6 3 rd quartile (MET)	18% (RED)	18.50% (RED)	18.50% (RED)	16.7%	19.4%
Corrective Action: Latest data is up to May 2009 (Q2).							

1.4 Finance Department:

1.4.1. Performance Indicators:

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 181	Time taken to process Housing Benefit/Council Tax Benefit new claims and change.	15.07	20.29 (RED)	21.96 (RED)	18.65% (RED)	15.9	16 (GREEN)
Corrective Action: Work plans continue to be reviewed regularly and priorities changed accordingly to improve processing times							

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
LOCAL 2063	Percentage of calls handled through the Call Centre.	86.1	86.5% (AMBER)	90.0% (AMBER)	91.3% (GREEN)	95%	90% (AMBER)
Corrective Action: None required – indicator is currently Green							

1.5 Department of Law, HR & Asset Management:

1.5.1. Performance Indicators:

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
LOCAL 7011c	Percentage of the top paid 5% of staff who have a disability (excluding those in maintained schools)	7.5	2.73% (RED)	3.40% (OVER)	3.39%(A) (OVER)	7.50%	3.4% (RED)
<p><u>Corrective Action:</u> The Council is improving the ways in which it collates and manages this information. A review of the career paths for all groups covered by Equalities legislation will be undertaken.</p>							

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
LOCAL 7000	Number of employees aged 65 and over working within the Authority	247	185 (GREEN)	179 (GREEN)	185 (A) (GREEN)	240	180 (RED)
<p><u>Corrective Action:</u> To review and clarify purpose of this target.</p>							

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
LOCAL 7016a	The % of local authority employees declaring that they meet the Disability Discrimination Act 1995 disability definition.	2.55	2.27% (GREEN)	2035% (GREEN)	2.29% (A) (AMBER)	2.60%	2.40% (AMBER)
<p><u>Corrective Action:</u> An improvement in the collection rate for the workforce has increased the number of employees declaring no disability. The number of employees declaring a disability increased by 2 from the previous quarter. During 20010/11, we shall consider positive action approaches.</p>							

1.6 Regeneration Department:

1.6.1. Performance Indicators:

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
LOCAL 4049	Total number of homes acquired, demolished, refurbished or built as a result of HMRI investment	1122	34 (GREEN)	142 (AMBER)	233 (RED)	950	950 (GREEN)

Corrective Action:
 Performance is less than target because of a reduced number of completions reported for the Craven/Paterson Facelift scheme. The programme is behind schedule due to problems encountered with roofs. The inclement weather has made the situation worse. All other aspects of the programme are either on target or exceeding targets. Discussions have taken place with the contractor and efforts will be made to get the programme back on track. The target for the year will be achieved.

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
LOCAL 4266	Number of vulnerable households assisted with at least one main energy efficiency measure under Warm Front	2717	579 (OVER)	579 (GREEN)	1686 (RED)	2903	2674 (AMBER)

Corrective Action:
 Although it will be difficult to reach the original target due to an increase in the grant maxima available to individuals and no corresponding increase in Government funding, concerted efforts are being made to increase referrals to Warm Front. The Warmer Wirral initiative has begun and will be targeting Liscard and New Brighton to increase referrals in the final quarter of the year. A mailshot was sent out with Energy Saving Trust in November 2009 to increase take-up of energy efficiency grants which should impact on the last quarter's figures.

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 32	Repeat incidents of domestic violence	Not Reported	8.08 (OVER)	8.81 (GREEN)	9.7(A) (AMBER)	9	12 (RED)

Corrective Action:
 In April 2009 Wirral implemented the Home Office guidance introducing new methods of assessing risk for all domestic violence reported after that date. However repeat victimisation calculations are based on rolling totals of incidents originally reported before April 09 when domestic violence reports were based on the old (quite different) assessment methods. Following a comprehensive retrospective system trawl, the

new guidance has been consistently applied to each individual case, thereby accurately calculating domestic violence repeat rates. The number of cases reported before April 2009, and consequential repeat rate has been calculated as if they had been assessed using the new methods. The third quarter repeat rate is therefore 9.7% (7% over target) Further reductions in domestic violence repeat rates will be gained from changing the Risk Assessment model from 'FSU9' to 'DASH 2008' (Domestic Abuse Sexual and Honour-based) in line with the latest guidance from CAADA (Coordinated Action Against Domestic Abuse) and ACPO (Association of Chief Police Officers)

1.7 Technical Services Department:

1.7.1. Performance Indicators:

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 192	Percentage of household waste sent for reuse, recycling and composting	36.3 3 rd quartile (All England) 1 st quartile (MET)	39.66% (GREEN)	40% (GREEN)	33.07% (RED)	35.5%	36% (GREEN)

Corrective Action:
While the expected seasonal drop in recycling rates is sharper than anticipated, it is against a locally-agreed quarterly target. We expect that final rates will recover when December 2009 tonnage, sent to an alternative MRF, is included in January 2010 returns. The effect on year-end targets is not expected to be significant and LAA targets are not affected.

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 195b	Improved street and environmental cleanliness (levels of detritus)	9	N/A	7% (GREEN)	24% (RED)	9%	9% (GREEN)

Corrective Action:
Combined Q1/Q3 score is 13% therefore it is unlikely that Wirral will meet its 2009/10 LAA target. It must be stressed that these are interim figures which are combined to give an overall result that can only be reported annually. Biffa to be served rectification notice and action plan to be formulated as a partnering 'work stream'.

PI No.	Title	08/09 Actual	Quarter 1 Actual	Quarter 2 Actual	Quarter 3 Actual	Yr End Target	Yr End Forecast
NI 195d	Improved street and environmental cleanliness (levels of fly posting)	0	N/A	0% (OVER)	1% (RED)	0.5%	0.5% (GREEN)

Corrective Action:
Survey plus focussed removal at all retail areas to be carried out prior to next survey.

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

17 MARCH 2010

OFFICE RATIONALISATION PROJECT – UPDATE

1. EXECUTIVE SUMMARY

- 1.1 This report provides an update for members on the work being undertaken to rationalise office accommodation.

2. BACKGROUND

- 2.1 On 1st February 2010 this Committee received a progress report on the rationalisation of office accommodation. Members requested that a further update be given to this meeting of the Committee.

3. PRESENT POSITION

- 3.1 The last update report described progress against the five project work streams, and this approach is repeated below. The primary focus of work in recent weeks has been – with the support of EC Harris – the development of a plan for future building use (work stream 2).
- 3.2 **Work Stream 1: Baseline information:** This will determine the costs and use of the selected administrative buildings and confirm the baseline position. The accurate baseline data will enable the Building utilisation/disposal work stream to complete its plan. Since the last report:-
- IT infrastructure issues are being discussed in regular meetings with IT staff to inform project development.
 - The localisation agenda for CYPD and DASS services continues to be explored and its potential impact will be taken into account in project development. In particular discussions are taking place with CYPD colleagues to support the development of locality working/area teams and deliver more flexible workspace to support agile working.
 - Further information is being provided to EC Harris as required to support the development of the business case.
- 3.3 **Work Stream 2: Building utilisation/disposal:** This will develop a plan for future building use, focussing on physical requirements. The plan will provide for the maximum use and efficiency of retained buildings, confirm the closure/demolition/disposal programme and engage with partners to explore opportunities for co-location and rationalisation. It will also establish an appropriate framework for managing the performance of the administrative estate. To complete its work it will require outputs from work streams 1 and 3. Since the last report:

- The first stage in the work programme to develop a business case has been completed
- Further investigation has taken place of significant areas of the estate or issues which require more detailed understanding and which may have significant influence on the business case.
- It has been agreed that the business case will be delivered by 31 March 2010. Work on the business case is currently on target.

3.4 **Work Stream 3: Workplace change/policy:** This will develop the authority's approach to agile working and provide a complete framework for implementation. It will identify how and where agile working will be used and resolve associated HR and ICT and other related issues. It will lead and facilitate workplace change and develop and manage a communication plan for the whole project. Since the last report:-

- A review has been concluded of all HR policies required to support agile/flexible working. Consultation will follow on the revised policies.
- A review continues of existing car parking provision. A consistent corporate approach to car parking will be required to support the programme, and a policy will be developed.
- Consideration is being given to the ICT requirements to support agility. An initial relocation of Asset Management staff is being used to test some of the proposed solutions.

3.5 **Work Stream 4: Facilities management:** This will examine Facilities Management arrangements, identify options for delivering savings and recommend a way forward. It will take account of the other work streams but it forms a discrete element that will not delay the rationalisation programme. In terms of progress:-

- Arrangements are being made to transfer administrative buildings budgets to the Director of Law, HR and Asset Management with effect from 1 April 2010.
- Discussions are taking place with EC Harris for the provision of additional support to take forward change in existing arrangements and realise efficiencies.

3.6 **Work Stream 5: Implementation:** This will manage the implementation of the agreed rationalisation plan. It will deal with the re-location of staff and all that is entailed from the project schedule of building closures, disposals and demolitions.

3.7 Preparation of the following properties for disposal continues:

Property	Present position
Bridge Court, West Kirby	Agreed sale to Wirral Partnership Homes proceeding
Dock Road Depot, Wallasey	Short term lease extension agreed to tenant
Esher House	Council staff being relocated

Hillcroft, 4 Rocky Lane, Heswall	Discussions continuing with tenant prior to sale
Oakenholt, Moreton	Council staff being relocated
The Old Courthouse, Wallasey	Some Council staff relocated. Remainder of staff to be relocated prior to sale

- 3.8 These actual and planned disposals form part of a larger programme necessary to deliver the scale of rationalisation required. This programme will be finalised when work streams 1 to 3 conclude their work. It is important that the buildings identified for vacation and disposal within the final programme are the most appropriate having regard to the business case for the Council's long term office requirements.

4. CONCLUSION

- 4.1. Office rationalisation forms part of the wider corporate change programme and is being dealt with in a corporate context. The project is complex, with an appropriate formal governance structure drawing on input from all departments and from key resource areas. Consultants have been appointed to support the project and to develop a business case for the Council's future office need. Whilst the vacation and disposal of some minor administrative assets is proceeding, the bulk of the rationalisation programme will follow the agreement of the business case. In the meantime, preparatory work is under way in a number of areas to ensure that, once the rationalisation programme is finalised, it can proceed as quickly as possible.

5. FINANCIAL IMPLICATIONS

- 5.1. The consultancy costs are being met from the £100,000 allocated by Cabinet.
- 5.2. The delivery of overall savings from office rationalisation will follow the agreement of a business case for future office need, and will be the subject of further reports as appropriate.

6. STAFFING IMPLICATIONS

- 6.1 None arising directly from this report.

7. EQUAL OPPORTUNITIES IMPLICATIONS

- 7.1 None arising directly from this report.

8. COMMUNITY SAFETY IMPLICATIONS

- 8.1 None arising directly from this report.

9. LOCAL AGENDA 21 IMPLICATIONS

- 9.1 None arising directly from this report.

10. PLANNING IMPLICATIONS

10.1 None arising directly from this report.

11. ANTI-POVERTY IMPLICATIONS

11.1 None arising directly from this report.

12. HUMAN RIGHTS IMPLICATIONS

12.1 None arising directly from this report.

13. SOCIAL INCLUSION IMPLICATIONS

13.1 None arising directly from this report.

14. LOCAL MEMBER SUPPORT IMPLICATIONS

14.1 None arising directly from this report.

15. BACKGROUND PAPERS

15.1 Report to Council Excellence Overview & Scrutiny Committee on 1 February 2010.

16. RECOMMENDATION

16.1 That the report is noted.

Bill Norman
Director of Law, HR and Asset Management

Council Excellence.

UPDATES FROM 1st FEB ARE IN RED

AGREED WORK PROGRAMME.

This is a new, cross cutting committee. In order to bring all the elements together, it is suggested that the work programme is designed around the four themes of the Comprehensive Area Assessment, which is how Council Excellence will be judged in future. This is a much broader inspection regime than the CPA, and looks at all the public sector in Wirral and how it is contributing to the well being of Wirral Residents.

There are four key themes:

1. Sustainability, (which is not just environmental but social and economic as well.)
2. Tackling inequality, disadvantage and discrimination.
3. People whose circumstances make them vulnerable
4. Value for money.

The three key questions the inspectors will ask are:

- How well do local priorities express community needs and aspirations
- How well are outcomes and improvements being delivered?
- What are the prospects for improvement?

They will use (sparingly) a red and green flag system to flag up where we are doing well and where we have real problems that need attention.

I would suggest we approach the work programme like this:

1. Ask the Audit Commission for an explanation of how the Comprehensive Area Assessment will work, and in particular what they understand each key theme to mean, any immediate problems they are aware of, and what work they believe it would be useful for the committee to do in monitoring progress. Also ask for any examples of best practice the committee could look at.
2. Ask the officers to do a SWOT analysis on each theme (Strengths, weaknesses, opportunities and threats – these reports may lead to further reports and perhaps some subcommittee working.)
3. Ask for a presentation from key partners on their contribution to the Comprehensive Area Assessment and the way in which they would like to be working with the Council.
4. Arrange visit/s to other authorities to learn from best practice.
5. In the last meeting of the year, assess progress against each theme, highlighting any problems that need to be tackled, or any major successes or gains that with a bit of a push could gain excellence for the people of Wirral.

Report

UPDATED REPORT FOR THE SCUTINY BOARD WHICH INCLUDES PROGRESS MADE AT MEETING 1st FEBRUARY – UPDATES ARE IN RED.

MONITORING REPORT FOR COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME 2009/2010

Date of New item	Topic Description	How the topic will be dealt with	Comments on Progress	Complete?
JULY	<p>1. <u>Equality session</u></p> <p>2. <u>Comprehensive Area Assessment Members to agree work programme based on four themes</u></p> <p>a) Sustainability</p> <p>b) Tackling inequality, disadvantage and discrimination</p> <p>c) People whose circumstances make them vulnerable</p> <p>d) Value for Money</p>	<p>Circulation of LGIU briefing.</p> <p>Presentation by Audit Commission covering key themes, key questions and any suggestion for areas to be considered by committee.</p>	<p>LGIU briefing distributed.</p>	
16TH SEPT	<p>1. <u>Presentation by Audit Commission</u></p> <p>Covering key themes, key questions and any suggestion for areas to be considered by committee.</p>	<p>Sustainability Bill Norman (Sustainability Unit) Jim Wilkie (Social and Economic sustainability)</p> <p>Tackling inequality, disadvantage and discrimination. (Choose officer following first meetings presentation/training etc.)</p> <p>People whose circumstances make them vulnerable (John Webb/Alan Stennard?)</p> <p>Value for Money – Ian Coleman</p>	<p><u>Presentation on the Comprehensive Area Assessment by Peter Forrester of the Audit Commission</u></p> <p style="text-align: center;"><u>Minutes:</u></p> <p>Mr P Forrester of the Audit Commission gave a presentation on the Comprehensive Area Assessment (CAA), which was the new way of assessing how well people were being served by their local public services.</p> <p>It would look at how public services worked together and would focus on local, as well as national priorities, to provide a robust, but proportionate assessment of local services that would be reported directly to the public in</p>	

2. **SWOT analysis of each of the four CAA themes.**

Officers to report on a Strengths, Weaknesses, Opportunities and Threats analysis of each theme and identify further work that could be undertaken by the committee or specialist subcommittees to improve the council's performance

Members to decide on further areas of work arising from above.

straightforward language. It was intended that improved accountability would strengthen local democracy and a two way relationship would assist in the scrutiny function.

He outlined the factors that contributed to the area and organisational assessments, which were now in progress and commented that the final assessments would be shared with local partners in September/October 2009. Any remaining reviews would be resolved in early November and on 10 December 2009 a new website, 'oneplace', would be operational with the first set of CAA reports published in straightforward, jargon-free language.

Resolved –

1. **That the presentation be noted.**
 2. **That the presentation be circulated to members of the Committee.**
-

SWOT Minutes:

Further to minute 12 (1 July 2009), the Deputy Chief Executive/Director of Corporate Services reported that officers had considered how best to develop the Committee's work programme and were at present undertaking a piece of work in relation to a **SWOT analysis** on each theme of the CAA assessment, which it was proposed to present to the next meeting of the Committee.

Resolved – That a further more detailed report be presented to the next meeting.

1. Joint or individual presentation from partners on their contribution to CAA, their relationship with the Council and any joint working to improve results.

(Through Local Strategic Partnership or LAA Board?)

2. Members to decide on areas to monitor and ways to improve joint working and possible connections with other Scrutiny Committees.

Partner members to report on their contribution to CAA. Possibly include LAA targets at this point? Information for members on what to monitor and how to improve joint working.

The Deputy Chief Executive/Director of Corporate Services gave a presentation in relation to an Evaluation of the four underpinning themes in Comprehensive Area Assessment (CAA), which were included in the scrutiny work programme of the Council Excellence Overview and Scrutiny Committee:

- Sustainability
- Tackling Inequality
- Protecting the vulnerable
- Value for Money

The CAA placed a focus on self-assessment for the Council and the Partnership and he outlined what had been learned from the evaluation exercise, including the need to –

- Ensure the capture of local knowledge;
- Ensure that the voice of the community is represented in plans and in feedback to the public;
- Improve communication of partnership successes;
- Ensure a proactive approach to sharing learning on joint commissioning across the partnership;
- Continue to improve performance management of shared partnership objectives and targets.

19th NOV			<p>He proposed that the outcomes of CAA would be reported to Council Excellence on 1 February 2010, together with an action plan to address CAA area outcomes and findings of partnership evaluation. The delivery of the activity could be the subject of scrutiny by Council Excellence, with a particular focus on the underpinning themes agreed as part of the work programme. In response to comments from Members in relation to the availability of the full version of the Council's self assessment, the Director agreed to consider how best to disseminate information to Members in advance of it being made available publicly on the Audit Commission website. He agreed also to investigate the information contained within press releases copied to Members.</p> <p>Resolved – That the presentation be noted.</p>	
FEB	<p>3. Review progress on each theme, highlighting successes and problems.</p> <p>This should be set against the earlier SWOT analysis to demonstrate tangible results</p>	<p>Each officer to report on their own theme, highlighting progress made, key achievements, problems still to be tackled.</p>		
	<p><u>Throughout the year visit/s to be arranged to examples of best practice</u></p>	<p>Facilitator Ian Coleman</p>		

General Financial matters

(Including underachieved income from golf courses)

Officer Report

The Director of Finance provided information on the treasury management position, monitoring of the prudential indicators, the position regarding Council Tax, National Non Domestic Rate, general debt and cash income collection and the payment of benefits.

Resolved –

- (1) **That the report be noted.**
- (2) **That the concerns of the Committee in relation to underachieved income from golf courses for the last three years be brought to the attention of the Cabinet.**

Performance Monitoring Report (Q3)

Officer Report

The Deputy Chief Executive/Director of Corporate Services gave a detailed presentation to highlight the key achievements and performance issues which had been identified in the 2009/2010 third quarter monitoring period.

Resolved –

That a Year End Report be presented to the next meeting of the Committee upon those projects/indicators in the Red sector of the Performance Summary, where critical milestones have been missed or there is serious slippage.

Office Accommodation Update – Strategic Asset review

At the Council Excellence Scrutiny Committee, held on 19 November 2009, members requested a progress report on the Office Accommodation element of the Strategic asset Review.

Officer Report

The Director of Law, HR and Asset Management provided a detailed update on the work being undertaken in accordance with the Strategic Asset Review (SAR) to rationalise office accommodation to achieve at least a 20% (£1m) reduction in accommodation costs by 2011.

Community Cohesion - Update

Officer report

Review of Scrutiny Work Programme

Resolved –

- (1) That the report be noted.
- (2) That a further update be presented to the next meeting of the Committee.

The Head of Policy and Performance provided an update in relation to how the Council continued to work towards improved community cohesion.

Resolved –

- (1) That the update be noted.
- (2) That the frequency of more detailed updates in relation to community cohesion be considered as part of the work programme at the next meeting of the Committee.
- (3) That the Corporate Policy Team Briefing Note be circulated to all Members of the Committee.

The Chair presented an update to the agreed work programme.

Resolved –

That a Work Programme for the 2010/2011 municipal year be considered at the next meeting of the Committee and any issues to be included within it be notified to the Chair direct.

<p>JULY</p>	<p><u>TRAINING</u></p>	<p>Facilitator - Jacqui Cross (Equality and Diversity Officer), Ged Smyth (NRAC Auditor) and Steve Talbot (Staff Development Manager)</p> <hr/>	<p><u>TRAINING</u></p> <p><u>Equality Impact Assessments</u></p> <p>Recognising People's Different Needs through the Use of Equality Impact Assessments</p> <hr/>	
<p>SEPT</p>		<p>Facilitator Ian Coleman</p> <hr/>	<p><u>Finance Training</u></p> <p>Minutes:</p> <p>The Chair referred to Finance training that had been arranged by the Director of Finance on <u>30 September and 7 October 2009</u>. Although all members of the Council had been invited, the training was of particular relevance to members of this Committee and she urged members to attend if it was possible for them to do so.</p> <hr/>	
<p>NOV</p>		<p>Corporate Equality and Cohesion Manager</p>	<p>Community Cohesion</p> <p>The presentation focused on "what must happen in all communities to enable different groups of people to get on well and live well together".</p>	

Report 2

SUGGESTIONS FOR ADDITIONS TO WORK PROGRAMME FOR COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME 2009/10

Topic Description	Topic suggested by	How the topic will be dealt with	Estimated Completion Date
Office Accommodation element of the Strategic Asset Review	Council Excellence Scrutiny Committee on 19/11/09.	Officer report to Council Excellence meeting on 01/02/10. Further report requested for meeting on 17/03/10.	
Freedom of Information Act		Item deferred from 01/02/10 until 17/03/10	
Performance Monitoring – Year End Report on those projects/indicators in the Red sector of the Performance Summary, where critical milestones have been missed or there is serious slippage.	Council Excellence Scrutiny Committee on 17/03/10.	Report requested for meeting on 17/03/10.	
Community Cohesion – The frequency of more detailed updates in relation to community cohesion be considered as part of the work programme at the next meeting of the Committee.	Council Excellence Scrutiny Committee on 17/03/10.	To be considered for inclusion on the 2010/11 Work Programme.	
The Draft Work Programme for the 2010/2011 municipal year.	Council Excellence Scrutiny Committee on 17/03/10.	To be discussed at the Council Excellence meeting on 17/03/10	

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