

COUNCIL

15th JULY 2013

CABINET PORTFOLIO SUMMARY REPORT

REPORT OF	COUNCILLOR PHIL DAVIES
CABINET PORTFOLIO	LEADER
CO-ORDINATING CHIEF OFFICER	GRAHAM BURGESS

EXECUTIVE SUMMARY

This report is an update from the Cabinet Portfolio Holder to Members of the Council on matters relevant to his/her portfolio.

1. BUDGET

The Council will be required to find further savings following the recent announcement of the Government's spending review. Local government budgets will be reduced by a further 10% in 2015-16 which will force Wirral Council to make savings of between £13.5m and £24m during the period 2015-2018. The Council's plans, agreed in March 2013, assumed the Government funding would reduce by 7.5%, or £12.5m. Replacing that assumption with a 10% reduction would result in a £16.7m fall in Government grant, and additional £4.1m. These further savings are in addition to the existing £109m savings that the Council has to deliver.

At this stage the Council is unable to provide an accurate estimate for the savings it will be required to find for the period 2015 to 2018 as we do not currently have firm figures for the final two years of the spending review period. It should be noted that the upper estimated figure of £24m has been identified due to the greater impact that budget reductions have in the past had on local authorities in more deprived areas which are heavily reliant on government grant.

The spending review also announced that there will be a £2 billion transfer from the NHS to local authorities to improve adult social care and join up health services. Whilst this funding will go some way to help Councils' deal with rising demands for social care services it will not deal with all the financial pressures that the Council is facing in these service areas.

In April 2013 Cabinet approved the approach for developing the 2014/15 budget to ensure that the Council is well placed to deliver required savings, and to ensure that the priorities outlined within the Corporate Plan guide where future savings are made. The administration is working with the Council's Chief Executive Strategy Group to identify budget savings options which will be subject to comprehensive consultation during the autumn.

The Council remains on track to deliver the necessary savings identified for 2013/14.

2. CORPORATE PEER CHALLENGE

The Corporate Peer Challenge Team returned to the Council at the beginning of May 2013 to review the progress that had been made since the original visit in October 2012. The team met with Elected Members, Council officers including front line staff and partner agencies to focus on three key areas – financial and risk management, organisational development and transformation and governance and decision making.

The team concluded that the Council's 'improvement journey to date is clearly evident' and it now feels 'more confident and decisive about dealing with the challenges it faces.' It said it believed significant headway had been made to identify savings and stabilise the organisation's finances and they acknowledged that key governance changes were being implemented to strengthen the Council's decision-making process.

It highlighted the openness and transparency in the way that the Council handled the debt management issues that surfaced after the last Peer Challenge review as an example of this, stating: "Action was swift and decisive... and now looks to be resulting in a substantial reduction in outstanding debt."

The new Corporate Plan, the team found, set out clear organisational priorities for the medium term while the Peer Challenge group were also impressed by some of the ambitious plans and proposals emerging for the future, such as the development of the new Constituency Committees.

Concluding the report, the peers said: "You have made enormous progress in addressing a very challenging set of issues."

However, it is important to recognise that the Peer Challenge Team emphasised that significant challenges and risks remain and there is still some way to go in defining a clear vision for the future supported by a transformation programme to get us there. We will ensure that this is our focus for the immediate future.

3. COMBINED AUTHORITY

The recent spending review announced the creation of a £2 billion Single Local Growth Fund to be operational in April 2015 in response to the recommendations outlined within the Heseltine Review, which advocated an indicative single pot of £49bn from central budgets to be managed by local leaders. Central government has outlined that access to this funding will be devolved to Local Enterprise Partnerships through a 'single pot' and will require strong governance arrangements to be in place at a sub-region level to manage the 'single pot' and access national funding.

In response to the Heseltine Review the government has stated that appropriate accountability structures at local and national levels must first be in place and they will support local authorities that wish to create a combined authority or

implement other forms of collaboration, including conurbation mayors. In order to strengthen governance arrangements within the Liverpool City Region and access national funding opportunities, the member authorities have agreed to explore a Combined Authority model, subject to further discussions on the distribution of power and functions, as well as operational working arrangements. A Combined Authority will enable constituent local authorities to work together jointly to deliver improvements in economic development, regeneration and transport across the LCR, providing a mechanism for governing and managing these functions.

A Combined Authority will provide greater transparency and strengthen local authority collaboration to promote economic growth in the LCR, as well as providing a more effective voice in influencing Government policy and investment decisions. It will ensure greater cooperation between authorities across policy areas and also allow Wirral to better establish its position and interests in the LCR.

Cabinet at its meeting in July 2013 will be requested to support in principle the agreement by Liverpool City Region Council leaders and the Mayor of Liverpool to conduct a review and progress proposals to establish a Combined Authority across the sub-region, subject to further detailed discussions on the power and functions of a Combined Authority between constituent local authorities. A more detailed report on the Combined Authority will be presented to a future Cabinet meeting outlining further details.

4. WHOLE PLACE COMMUNITY BUDGET ANNOUNCEMENT

At the recent LGA Annual Conference in Manchester Eric Pickles, Secretary of State for Communities and Local Government, announced that Wirral Council will be one of nine councils to pilot Whole Place Community Budget schemes. Wirral was the only North West council to be included in the Minister's announcement and we were one of more than 40 expressions of interest. Wirral will deliver key programmes of work on health and social care integration and neighbourhood working. This initiative is part of a Transformation Network. The first four Whole Place Community Budget pilots will generate savings of £800m over five years.