



## Finance and Best Value Overview and Scrutiny Committee

<b>Date:</b>	<b>Wednesday, 21 January 2009</b>
<b>Time:</b>	<b>6.15 pm</b>
<b>Venue:</b>	<b>Committee Room 1 - Wallasey Town Hall</b>

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### AGENDA

**1. 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 - 14)**

To receive the minutes of the meetings held on 26 November and 22 December 2008 and 7 January 2009.

**3. FINANCIAL MONITORING STATEMENT (Pages 15 - 20)**

**4. GENERAL FINANCIAL MATTERS (Pages 21 - 30)**

**5. PROJECTED BUDGETS 2009-2011 (Pages 31 - 40)**

**6. FINANCIAL AND PERFORMANCE MONITORING (Pages 41 - 68)**

7. **COMPREHENSIVE AREA ASSESSMENT (CAA) - USE OF RESOURCES (Pages 69 - 84)**
8. **CHANGE PROGRAMME (Pages 85 - 106)**
9. **CORPORATE RISK AND INSURANCE MANAGEMENT (Pages 107 - 110)**
10. **TRANSFORMING ADULT SOCIAL SERVICES - ACHIEVING A STABILISED AND SUSTAINABLE BUDGET (Pages 111 - 114)**
11. **EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC**

The public may be excluded from the meeting during consideration of the following item of business on the grounds that it involves the likely disclosure of exempt information.

RECOMMENDATION –

That in accordance with section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by the relevant paragraphs of Part 1 of Schedule 12A to that Act.

12. **CORPORATE ICT SYSTEMS BACK UP AND RECOVERY (Pages 115 - 118)**
13. **ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR**

## FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

Wednesday, 26 November 2008

Present:

Councillor	P Gilchrist (Chair)	
Councillors	J George	D Elderton
	S Moseley	J Hale
	D Knowles	R Wilkins

### 33 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.

### 34 MINUTES

The Director of Law, HR and Asset Management presented the minutes of the meetings held on 22 September and 28 October 2008.

Councillor Elderton referred to minute 32 (28 October 2008) (Projected Budget 2009/2011) and requested the Committee's approval to a change of wording to the final paragraph of the pre-amble, as follows –

- After "...reservations in relation to", insert the words "the achievement of these aspirations due to..."

The Chair referred to minute 17(2) (22 September 2008) (Transforming Adult Social Services – Achieving a Stabilised and Sustainable Budget), which requested the attendance at this Committee of the Cabinet Member for Social Care and Inclusion and the Director of Adult Social Services, in order to outline progress and address concerns expressed by the Committee in relation to the budget shortfall. The Chair had sought to secure a date on which both the Director and the Cabinet Member were able to attend and he had received assurance from the Director of Adult Social Services that he was able to field a full team for a special meeting that had been proposed for 22 December. The Chair recognised that the date proposed would cause difficulty for some members, but he had taken the view that the matter could not wait until the next scheduled meeting of the Committee in January 2009.

Councillor George commented that he had not been consulted on the proposed date of the special meeting and registered his protest at the meeting taking place on a date that would effectively preclude members of the Labour Group from attending.

For clarification, in relation to the aims of the meeting, the Chair proposed that it be called to –

- Give continuing consideration to the procedures necessary to ensure that the Department of Adult Social Services remain on target for, or within the projected overspend of £3.5m reported to this Committee.
- To satisfy members that the currently available accounting resources are able to give a clear picture of commitments facing the service and that the profile and pattern of expenditure over a financial year is such to enable the department to budget accordingly.
- To consider further the circumstances in which the original over commitment arose to the extent of £9.5m and to establish whether commissioning and procurement procedures were properly followed, and to seek and receive detailed explanations.

The Chair referred also to minute 27 (22 September 2008) (Local Government Chronicle (LGC) Awards 2008) and was pleased to report that Mark Goulding, a Group Accountant in Treasury Management had been presented with the award 'Investment Officer of the Year'.

**Resolved –**

**(1) That, subject to the following amendment, the minutes of the meetings held on 22 September and 28 October 2008 be approved –**

- **Minute 32 (28 October 2008) (Projected Budget 2009/2011)**  
**In the final paragraph of the pre-amble after "...reservations in relation to", the words "the achievement of these aspirations due to..."be inserted.**

**(2) That the Director of Adult Social Services and the Cabinet Member for Social Care and Inclusion be requested to attend the meeting of the Committee to be held on 22 December 2008 in order to address concerns expressed by the Committee in relation to the Adult Social Services budget shortfall.**

**(3) That the congratulations and thanks of the Committee be accorded to Mark Goulding for his achievement in being named Investment Officer of the Year at the Local Government Chronicle Awards 2008, in recognition of work undertaken in Treasury Management on behalf of Wirral.**

## 35 **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 30 September 2008. He also circulated an update as at 31 October 2008 and commented that the monitoring statement included –

- The composition of the original 2008/2009 budget by department including agreed savings and policy options. It now also included the Department of Law, Human Resources and Asset Management.
- Monitoring against the 2008/2009 budget including the financial implications of any Cabinet decisions.
- Anticipated variances against the original budget.
- An explanation of variances and areas identified as requiring further attention.

The Director commented that the monitoring statement was based upon the information provided within departmental financial monitoring reports and was updated and submitted to each meeting of this Committee. He provided details of the financial pressures in Adult Social Services, Children and Young People and Regeneration. He commented also upon the effect on the Treasury Management budgets of the volatile financial markets. Close monitoring had resulted in increased investment income and a reduced need for temporary borrowing. He commented that projections were for a £1.2m underspend and he indicated that investments were currently being placed in low risk/low return Government funds.

He reported that following the completion of the 2007/2008 accounts, the outturn had shown a net underspend of £2.5m. In addition, the Insurance Fund Annual Report had highlighted the outcome of the annual actuarial assessment, which identified continuing improvements in claims handling and repudiation rates which enabled £3m be returned to Council balances from the Insurance Fund in 2008/2009. There was a further addition to balances as a result of the allocation to Wirral of £1.3m of the Local Authority Business Growth Incentive (LABGI) grant. Consequently, the projected balance at 31 March 2009 increased from £5m to £11.8m and the Cabinet had agreed to budgetary increases of £0.9m for energy and fuel. However, the impact of the energy pressures, and the financial pressures, if not contained, would see the balance reduce to £2.1m at 31 March 2009.

In response to comments from members, the Director proposed to consider a redesign of the Monitoring Statement to show projected variances from the original agreed budget as well as variations from subsequent amendments agreed by the Cabinet. He also proposed to investigate the use of 'traffic light' indicators to enable trends to be tracked. However, it was the wish of members to limit the Statement to a single side of A4 and he commented that a modified version may cause this to be exceeded.

**Resolved – That, subject to comments made in relation to the information to be included within it, the Financial Monitoring Statement be noted.**

## 36 PROJECTED BUDGETS 2009/2011

The Director of Finance presented the projected budgets for 2009-2011, to coincide with the period of the Comprehensive Spending Review 2007 (CSR). The summary budget for 2008/2009 as agreed by the Council on 3 March 2008 was £302.6m and he reported upon variations that had been identified for 2009/2011. In addition, there were a number of other developments which were likely to impact on the financial position of the Authority over the period 2009 to 2011. He set out some of the potentially most important issues and commented that their impact would be reported to the Cabinet as and when they were resolved. He reported that the grants announced by the DCLG as part of the three year financial settlement were only

indicative and he commented that many of the developments identified could impact on the grants receivable for 2009-2011.

He set out the latest position with regard to balances and commented that in relation to efficiency savings, the gap between projected expenditure and anticipated resources would need to be bridged by a combination of savings and/or increased Council Tax. He set out the efficiencies that had been agreed by the Cabinet and commented that the indicative budgets suggested that efficiencies of £21m were required for 2009/2010 and £10.3m for 2010/2011.

In response to comments from members in relation to the possibility of the economy being in deflation next year, the Director indicated that the provision for pay and prices increases of 2% and for income at 3% had been based on the Governments assumption. In response to further comments, he indicated that a further report would be presented to the Cabinet in January 2009 with regard to the estimated increased cost of fuel and energy.

**Resolved – That the projected budgets continue to be reported to the Cabinet and the Finance and Best Value Overview and Scrutiny Committee in line with the agreed financial and performance management timetable.**

### 37 **PROPOSED BUDGET SAVINGS**

At the meeting of the Cabinet on 6 November 2008 (minute 254 refers) a number of budget savings were proposed and referred to the relevant Overview and Scrutiny Committee for urgent consideration before the meeting of the Council to be held on 15 December 2008. The proposal which fell within the remit of this Overview and Scrutiny Committee was:

- Corporate Procurement Efficiencies - £1,500,000

The Director of Finance presented his report on Procurement Efficiencies, which had been considered by the Cabinet (minute 253 (6 November 2008) refers). The report advised members of progress towards achieving the savings target of £2.25m and outlined future plans and targets for efficiencies, within the Procure to Pay (P2P) activity in line with the Procurement Strategy approved by Cabinet on 4 September 2008. For clarification, the Director indicated that his report, and the saving it identified, dealt only with corporate contracts.

**Resolved – That the budget saving proposed by the Cabinet be endorsed.**

### 38 **GENERAL FINANCIAL MATTERS**

The Director of Finance provided information on Treasury Management, 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 commented upon the current economic climate and indicated that the pace of change in the financial markets was both rapid and unpredictable. The UK economy was almost certainly heading for a recession and he set out the likely effect on inflation figures. The scale and depth of the recession would determine how much further the base rate would need to fall before things started to improve.

The Director provided details of the Council's investments, which totalled £96.8m at 30 September 2008. He set out the periods of investment and commented that during the period of financial uncertainty he had suspended investments with Banks and Building Societies with investments made only with either AAA rated money market funds or with the Debt Management Office (DMO), an Executive Agency of HM Treasury. However, in line with other public bodies, all new investments were now made only with the DMO. The Director provided details of rates of return on investments and commented that although the rate of return with the DMO was substantially reduced, the security of the investments always took priority over the returns.

In response to comments from members he indicated that the LGA was in regular contact with HM Treasury and when the financial markets were settled, the authority would again start to invest in them. In response to a further comment, he suggested that if restrictions on investments were put in place by the Government in the light of financial difficulties associated with Icelandic Banks, a decrease in investment returns would inevitably lead to increases in Council Tax.

He provided details of the total borrowing of the Council as at 30 September 2008 and indicated that the Council currently had no temporary borrowing. He reported also on the introduction of the Prudential Code in 2004, which gave local authorities greater freedom in making capital strategy decisions and he provided details of monitoring of prudential code indicators. These demonstrated that the treasury management decisions were in line with the capital strategy, which was prudent and affordable.

**Resolved – That the report be noted.**

#### 39 **CORPORATE RISK AND INSURANCE MANAGEMENT**

The Director of Finance reported upon recent progress in Corporate Risk and Insurance Management and outlined anticipated developments in the coming months.

**Resolved – That the report be noted and a further update be presented to the next meeting of the Committee.**

#### 40 **CORPORATE PROCUREMENT STRATEGY 2008 - 2011**

The Director of Finance presented the revised Corporate Procurement Strategy 2008/2011, which had been approved at the meeting of the Cabinet held on 4 September 2008 (minute 176 refers) and would determine the procurement activity of the Council for the next three years. It was designed to address the changing agenda and carry the procurement activity of the Council forward to achieve efficiencies and savings and he commented that the Corporate Procurement Support Unit (CPSU) had been given custodianship of the Strategy and the responsibility for its implementation.

The Director commented upon the changing procurement agenda and reported that the Procure to Pay section would ensure that all procurement activities and processes were fully compliant with EU Directives and Council Procedure Rules, and that implementation would be carried out with a controlled and measured approach.

A member sought clarification in relation to monitoring arrangements to ensure that all contracts were properly managed and monitored with the objective of achieving the planned outcomes and the securing of continuous improvement and best value for service users. In response, the Director indicated that monitoring arrangements were the responsibility of individual Chief Officers, who were required to report increases in costs over 10% to the Cabinet.

**Resolved – That the revised Corporate Procurement Strategy be noted.**

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## **FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE**

Monday, 22 December 2008

<u>Present:</u>	Councillor	P Gilchrist (Chair)
	Councillors	D Elderton                      J Hale
<u>Deputies</u>	Councillors	C Povall (In place of S Moseley) C Teggin (In place of R Wilkins)
<u>Cabinet Member</u>	Councillor	M McLaughlin
<u>In Attendance</u>	Councillors	PL Davies G Watt

### **41 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.

### **42 TRANSFORMING ADULT SOCIAL SERVICES - ACHIEVING A STABILISED AND SUSTAINABLE BUDGET**

Further to minute 17 (22 September 2008) and minute 34 (26 November 2008), the Director of Adult Social Services reported that on 22 September 2008 it had been confirmed that the gross projected budget shortfall for 2008/2009 was £9.1m, which was 10.5% above the budget. This figure included the efficiency savings required of the department in 2008/2009 and the Department had identified actions that would reduce the projected overspend in 2008/2009 and 2009/2010. However it was noted that a significant increase in activity across the Wirral health and social care economy, particularly in the acute trust with increased hospital admissions, including those for elective surgery, were placing additional demands on resources. The Cabinet member for Social Care and Inclusion commented that demands on the service, levels of contribution and attrition rates were very difficult to predict and she commented that when a service was required it had to be delivered in full.

As a consequence it was agreed that senior managers from DASS with the Cabinet member for Health and Inclusion attend the Finance and Best Value Overview and

Scrutiny Committee to address concerns expressed by the Committee in relation to the budget shortfall.

The Chair had subsequently clarified the framework in which he wanted a report to the Committee and the Director considered each of the following elements –

- To give continuing consideration to the procedures necessary to ensure that the Department of Adult Social Services remain on target for, or within the projected overspend of £3.5m reported to this Committee.
- To satisfy members that the currently available accounting resources are able to give a clear picture of commitments facing the service and that the profile and pattern of expenditure over a financial year is such to enable the department to budget accordingly.
- To consider further the circumstances in which the original over commitment arose to the extent of £9.1m and to establish whether commissioning and procurement procedures were properly followed, and to seek and receive detailed explanations.

He reported that whilst the projected expenditure for the department was broadly in line with previous calculations, previous savings proposals were taking longer than anticipated to implement. He commented that without further action, and the need to progress key decisions in the coming weeks, there remained a projected budget shortfall at 31 March 2009 of £5.5m. He set out a number of actions that had the potential to impact on the final outturn and whilst it had not been possible to offer certainty, it was anticipated that these should result in further savings of £1m. NHS Wirral (PCT) was working with DASS to jointly develop and fund new services and existing packages of care requiring joint investment, including financial commitments in the current year and all levels of management in DASS were taking actions to ameliorate the projected overspend.

He reported that the department had adequate resources that were dedicated and focused on the monitoring of the budget. However, it was proposed to consider the role of the performance team to ensure data input was up to date and thus robust for budget monitoring purposes. A number of other initiatives including a strengthening of the departmental senior management team and closer involvement with corporate finance including procurement, audit and financial services would help further. He reported also that the final outcome of the Community Care budget would be dependent on the continued reducing commitment by reducing expenditure, the release of staff in year under severance/EVR and successful negotiations with Health partners' on economy wide response to demand pressures in health and social care including reviewing packages of care such as those people on section 117 of the Mental Health Act, whereby contribution to their support costs could not be assessed.

With regard to the £9.1m reported in September 2008, the Director commented that it was not simply an 'over commitment', but was a 'position statement' for the department in terms of the overall action plan of areas to be addressed in 2008/2009. The Director commented upon the determination to create a stabilised and sustainable budget. However, the lead time required to implement budget measures, a number of which required complex negotiations and consultation, was reducing the impact this year. The scale of the budget actions required within a twelve month

period set a very challenging agenda and this, in the context of changing demographics alongside a changing health economy was adding to demand pressures. An analysis of the commitment indicated that the total package required the department to deal with the realignment of approximately £12.5m in 2008/2009 and he commented that progress to date, which resulted in the current projected position, had been significant.

Members commented on the need for an accurate budget to be set and indicated that although there was an element of expenditure that was unpredictable, experience from previous years should have enabled managers to better anticipate seasonal factors. There was a need also to ensure that measures were put in place to address the budget shortfall that were realistic and achievable. Members also expressed particular concern in relation to levels of historic PCT debt and to the time spent by managers focusing upon it.

The Director provided an update with regard to the level of PCT debt and assured members that managers were not distracted from current and future issues and he referred specifically to work being undertaken at a national level in relation to Dementia. Joint Commissioning Strategies had been developed and implemented that provided analysis of the social and health needs of people in Wirral and areas for service redesign and Wirral's Joint Strategic Needs Analysis also provided additional information to support commissioning and procurement decisions across the Wirral economy. He reported also that to strengthen the commissioning approach integrated commissioning arrangements had been introduced under the management of the Director of Strategic Partnerships located in NHS Wirral. The introduction of the integrated arrangements would ensure commissioning would be across the health and social care economy, focussed around a locality model and commissioning in Wirral would meet World Class Commissioning standards.

The Cabinet member for Social Care and Inclusion referred to the difficulty that members of the Labour Group had in attending the Committee, and commented that concerns had been expressed before the meeting date was finalised with regard to the inconvenience it would cause. The Chair apologised for difficulty caused by the date of the meeting and commented that it had not been possible to find a date that was acceptable to all members. However, he believed the matter to be too serious for it to have been left to the next scheduled meeting.

It was moved by Councillor Hale and seconded by Councillor Elderton –

“(1) That the report be noted.

(2) That further managerial action be taken to deliver budget efficiencies in 2008/2009.

(3) That this Committee recommends the use of a more reliable estimate of budgetary requirements based on a more realistic appraisal of those areas subject to fluctuation.

(4) That a further update report be presented to the next meeting of this Committee.”

The following addendum to the motion by Councillor Hale was proposed by Councillor Gilchrist and seconded by Councillor Teggins –

“(1) That this Committee welcomes closer working relationships with the PCT/NHS Wirral as a way to achieve quality services and efficiencies in delivery.

(2) That this Committee is anxious that matters in relation to historical cases should be resolved as soon as possible to release officers’ time to cope with current issues.

(3) That the thanks of the Committee be accorded to the Director of Adult Social Services and to those members of his management team in attendance.”

The motion by Councillor Hale, incorporating the addendum put forward by Councillor Gilchrist was agreed.

**Resolved –**

**(1) That the report be noted.**

**(2) That further managerial action be taken to deliver budget efficiencies in 2008/2009.**

**(3) That this Committee recommends the use of a more reliable estimate of budgetary requirements based on a more realistic appraisal of those areas subject to fluctuation.**

**(4) That a further update report be presented to the next meeting of this Committee.**

**(5) That this Committee welcomes closer working relationships with the PCT/NHS Wirral as a way to achieve quality services and efficiencies in delivery.**

**(6) That this Committee is anxious that matters in relation to historical cases should be resolved as soon as possible to release officers’ time to cope with current issues.**

**(7) That the thanks of the Committee be accorded to the Director of Adult Social Services and to those members of his management team in attendance.**

## **FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE**

Wednesday, 7 January 2009

Present: Councillor P Gilchrist (Chair)

Councillors J George J Hale  
D Knowles R Wilkins  
D Elderton

Deputies Councillors P Hayes (In place of S Moseley)

### **43 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.

Councillors George, Gilchrist, Hale and Wilkins declared their personal interest in agenda item 2 (Transforming Wirral – Strategic Asset Review), insofar as they were members of various management committees that could be affected by the outcome of the Strategic Asset Review.

### **44 TRANSFORMING WIRRAL - STRATEGIC ASSET REVIEW**

At the request of the Chair, the Director of Law, HR and Asset Management presented the Cabinet report of the Chief Executive on the Strategic Asset Review (SAR) (Cabinet minute 264 (27 November 2008) refers), which had been referred to this Committee for scrutiny. The report set out a vision for transforming Wirral's use of assets in order to improve service delivery; provide better value for money; and support the regeneration of the Borough, particularly its most deprived parts. It recommended investing £20m, over four years, to develop a strategic network of 12 state-of-the-art multi-purpose complexes, which would be a mix of brand new buildings and enhancements to existing facilities. To achieve the level of service improvement, whilst simultaneously controlling overall buildings related costs, required a strategic review of all the Council's properties and a reduction in the total number of publicly funded premises. The vision for the future contained within the report was of much improved facilities, but not as many Council maintained buildings.

Information was presented to the Committee in relation to net savings to be made on closure/transfer of assets, which amounted to approximately £3.7m per annum. A

more detailed analysis was also presented in relation to potential savings through the closure of libraries and sports centres.

The Director set out the seven administrative assets identified by the Review Group that were programmed for closure and disposal in 2009/2010 and he provided a breakdown of the calculation of £45m cost of the 'no change' option, which had not been recommended. In response to comments from members, he indicated that the net savings of £3.7m per annum had not been a target, but had been identified as a result of the Strategic Consolidation option recommended by the Review Group, subject to closure or transfer by 31 March 2009. He commented also that without the SAR, the Audit Commission Use of Resources assessment would likely drop from 2 to a 1 of 4 rating, which would have a further detrimental knock-on effect. He accepted that the preferred option was a subjective judgement, but commented that if the no change option had been preferred, compensatory savings would have to be identified elsewhere, in order for the Council to set a balanced budget.

The Chair had also requested the presentation of reports that had been considered by the Cabinet on 16 August 2007 and 13 March 2008, which contained information in relation to the backlog of major property repairs of £10m. On the advice of the Director of Law, HR and Asset Management, the Committee agreed that the exempt report of the Deputy Chief Executive/Director of Corporate Services (Property Performance Management) should be considered in open Committee, and copies were made available to members of the public who were in attendance.

The Director of Regeneration provided information in relation to comparisons that had been made with other local authorities with regard to the provision of libraries and sports centres. However, the demography of Wirral and the availability of public transportation had also been taken into account. In the light of comments made by members in relation to difficulties that would be faced by some residents, the Chair expressed the view that the Cabinet should be requested to re-assess the demographic and transport issues.

In response to a further comment from a member that Wirral should have a capital programme of progressive and extensive rejuvenation clarification was sought over what could be classed as capital expenditure. The Director of Finance advised that the capital accounting regulations required that for spend to be classed as capital it had to add value to, or enhance the length of life of, an asset. General repairs and maintenance could not be capitalised although other expenditure could be if it complied with the statutory definition. The Chair expressed the view that the Cabinet be requested to look at the £20m now available in the Capital Programme to see if this could be utilised to assist in extending the life of existing facilities.

The Director reported that the Review Group had undertaken a review of office accommodation. To help fund the costs of delivering the proposed multi-purpose complexes, the Council would achieve at least a 20 per cent reduction in its own accommodation costs by 2011. He commented that this would mean fewer office buildings through the greater use of open plan accommodation; a reduced average floor space per employee; increased desk sharing; and more flexible working. By 2011, those measures would save over £1m per annum, which was equivalent to a one per cent reduction in Council Tax.

The Chair commented that the public may not generally be aware of the £12m per annum cost of running sports centres compared to the income generated of £4m per annum and he expressed the view that funding should be sought from the PCT in view of the health benefits to be gained from increased use of swimming and exercise facilities. The Director of Regeneration reported that funding of £200k over two years had been obtained from DCMS for free swimming for over 60's and under 16's. In addition, Wirral Health had funded the use of gym equipment by young people. However, it was unlikely that further funding would be obtained from the PCT. The Director referred to the high success rate of Wirral schoolchildren learning to swim and the Chair expressed the view that the Cabinet should consider whether it was satisfied that Wirral would have suitable levels of provision for swimming and other sports facilities to accommodate the needs of service users.

It was moved by Councillor Hale and seconded by Councillor Elderton –

“That this Committee recommends that the proposed closure programme be withdrawn, and –

(i) That the £6.2m repairs required for buildings be investigated to see if those repairs in part or in full can be capitalised.

(ii) That the savings from office buildings be brought forward as a priority.

(iii) That it be noted that the £20m proposed for new buildings may not be required, saving £1.8m per annum after 4 years.

(iv) That the balance of any savings required be subject to further investigation without affecting the present accessibility by the public to leisure and cultural facilities, such investigations to include discussion with the PCT.”

It was moved as an amendment by Councillor Gilchrist and seconded by Councillor George –

“(1) That this Committee requests the Cabinet to review the suggested proposals, having regard to the following and to the Council's overall financial position:

(i) That the £6.2m repairs required for buildings be investigated to see if those repairs in part or in full can be capitalised.

(ii) That the savings from office buildings be brought forward as a priority.

(iii) That it be noted that the £20m proposed for new buildings may not be required in its entirety.

(iv) That the Cabinet be requested to have regard to accessibility issues raised by members of the public and to consider the criteria applied in drawing up provision in the Strategic Asset Review.”

The amendment was put and carried (4:3)

**Resolved (Councillors Elderton, Hale and Hayes dissenting in respect of (1) below) –**

**(1) That this Committee requests the Cabinet to review the suggested proposals, having regard to the following and to the Council's overall financial position:**

**(i) That the £6.2m repairs required for buildings be investigated to see if those repairs in part or in full can be capitalised.**

**(ii) That the savings from office buildings be brought forward as a priority.**

**(iii) That it be noted that the £20m proposed for new buildings may not be required in its entirety.**

**(iv) That the Cabinet be requested to have regard to accessibility issues raised by members of the public and to consider the criteria applied in drawing up provision in the Strategic Asset Review.**

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## **WIRRAL COUNCIL**

### **FINANCE & BEST VALUE OVERVIEW & SCRUTINY COMMITTEE**

**21 JANUARY 2009**

#### **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 2008/09 budget by department including agreed savings and policy options which now includes the Department of Law, Human Resources and Asset Management.
- Monitoring against the 2008/09 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 monitoring statement is based upon the information provided within departmental financial monitoring reports and is updated and submitted to each meeting of this Committee.

###### **3. FINANCIAL AND STAFFING IMPLICATIONS**

3.1 The statement presents an update of the revenue budget and General Fund balances as at 30 November 2008.

3.2 At this stage of the financial year there are reports of financial pressures in:-

- a. Adult Social Services - continue to project a £3.5 million overspend. Cabinet noted this position on 4 September 2008. The Director of Adult Social Services presented a report to this Committee on 22 December 2008 and is due to the present an update to this meeting of the Committee.

- b. Children & Young People – now projecting a £0.8 million overspend essentially because of the implementation of prior year targets, issues in respect of employee savings targets and care costs for children. This has reduced from an earlier £3 million projection primarily through the use of grant funding opportunities.
  - c. Regeneration - experiencing difficulties as options for delivering service re-engineering savings have yet to be agreed and the potential overspend is £0.6 million. As part of the mid-year review of Reserves and Provisions reported to Cabinet on 10 December 2008 the sum of £230,000 was returned to the general balance.
- 3.3 Treasury Management activities continue to be affected by the volatility of the financial market. Close monitoring has resulted in increasing investment income, a reduced need for temporary borrowing and also for borrowing to fund the capital programme. The current projection is a £2.6 million underspend.
- 3.4 Following the completion of the 2007/08 accounts the outturn was reported to Cabinet on 26 June 2008 and the Statement of Accounts to Audit and Risk Management Committee on 30 June 2008. There was a net underspend and an increase in the balance at 31 March 2008 of £2.5 million.
- 3.5 The Insurance Fund Annual Report was presented to Cabinet on 9 July 2008. The outcome of the annual actuarial assessment identified continuing improvements in claims handling and repudiation rates which enabled £3 million be returned to General Fund balances from the Insurance Fund in 2008/09.
- 3.6 The Government issued a Determination on the distribution of the Local Authority Business Growth Incentive (LABGI) grant for previous years in June 2008. The Wirral allocation of £1.3 million was reported to Cabinet on 23 July 2008 and added to the balance.
- 3.7 A report on energy related costs was presented to Cabinet on 9 July 2008. Budget variations of £0.9 million were approved for 2008/09 in respect of Children & Young People and Technical Services. A further update on the energy related contracts due for renewal that could further impact upon the balance is being presented to Cabinet on 15 January 2009.
- 3.8. Cabinet were advised of £1.7 million of highways maintenance expenditure being eligible to be capitalised which represents a £2.2 million reduction on that included within the 2008/09 budget.
- 3.9. On 6 November 2008 Cabinet agreed to fund the improvement teams in respect of Procurement and Creditors, Change, Customer Services Development and Adult Social Services Reform totalling £2.2 million from the Efficiency Investment Budget.

- 3.10. The impact of the energy pressures, if realised, and the variations, if not contained, would see the balances become £6.2 million. This is detailed in the table:-

Details	£million	£million
<b>Projected General Fund balances at 31 March 2009 when setting the budget for 2008/09</b>		5.0
<b>Cabinet decisions</b>		
Financial out-turn for 2007/08 showed an underspending and contribution to balances (see 3.4)	+2.5	
Release of Insurance Fund reserve to general balance (see 3.5)	+3.0	
Receipt of Local Authority Business Growth Incentive (LABGI) grant to general balance (see 3.6)	+1.3	
Funding for street lighting energy and Children & Young People transport costs (see 3.7)	-0.9	
Reduction in the highways spend eligible for capitalisation (see 3.8)	-2.0	
Funding of improvement teams from the Efficiency Investment Budget (see 3.9)	+2.2	+6.1
<b>Projected variances / potential overspends</b>		
Overspend (see 3.2)		
Adult Social Services	+3.5	
Children & Young People	+0.8	
Regeneration	+0.6	
Underspend		
Treasury Management (see 3.3)	-2.6	
Potential liability In respect of fuel and energy costs in 2008/09 (see 3.7)	+2.6	-4.9
<b>General Fund balances at 31 March 2009 based upon the projections at 30 November</b>		6.2

- 3.9 There are no staffing implications arising directly from this report.

#### 4. **EQUAL OPPORTUNITIES IMPLICATIONS**

- 4.1 There are none arising directly from this report.

#### 5. **HUMAN RIGHTS IMPLICATIONS**

- 5.1 There are none arising directly from this report.

#### 6. **LOCAL AGENDA 21 IMPLICATIONS**

- 6.1 There are none arising directly from this report.

#### 7. **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/3/09

Department	ORIGINAL BUDGET 2008/09**			MONITORING 2008/09				COMMENTS
	Savings Target	Policy Options	Agreed Budget	Savings Target	Policy Options	Cabinet Decision	Projected Variances	
Expenditure	£000	£000	£000			£000	£000	
Adult Social Services	4,494	20	86,434	X	✓	-	+3,500	Pressures remain on care services from underlying commitments and working of procurement target. The £3.5m overspend was noted by Cabinet on 4 September. Further update to the Finance Committee on 22 December and then to Cabinet.
Children & Young People	3,981	20	70,560	X	✓	+120	+600	Actions have reduced projections from earlier £3m overspend. Due to delivery of prior year savings (£0.5m), staff (£0.4m), child care (£1.2m) and transport (£0.3m) offset by use of grants (£1.8m). Procurement savings to be identified. Cabinet decision was regarding fuel costs.
Corporate Services	289	441	5,112	✓	✓	-	-	No issues identified. Original budget split with Law, HR and Asset Mgt.
Finance	1,696	40	21,048	✓	✓	-2,200	-	Housing Benefit is the largest and most volatile area. Cabinet decision is Efficiency Budget paying for reform/change related teams in Adults and Finance (£2.2m).
Law, HR and Asset Management	249	115	1,105			+148		Cabinet decision is transfer from Treasury Management.
Regeneration	821	225	41,229	X	✓	-	+800	Procurement savings to be identified. Difficulties delivering Service re-engineering (£0.6m) and income targets (£0.2m) leading to potential overspend of £0.8m with pressure on energy costs and income.
Technical Services	1,237	30	35,529	✓	✓	+2,780	-	Building control / land charges income and procurement savings being reviewed. Cabinet decisions on street lighting energy (£0.78m) and reduced capitalisation (£2m).
Treasury Management	0	200	11,755	N/a	✓	-148	-2,600	The financial market volatile and investment returns lower but close management of cash flow has increased investment income, reduced need for temporary borrowing and borrowing to fund capital schemes..
Moneytravel	-	-	25,311	N/a	N/a	-	-	Fixed amount - no change.
Local Pay Review	-	-	4,546	N/a	N/a	-	-	Cabinet report 22 May with Phase 1 payments made in July/August.
Bridging Finance from Balances	-	-	(1,900)	N/a	N/a	-	-	Asset savings and Adults income from fees 2009/10.
Contribution from Balances	-	-	(2,202)	N/a	N/a	-700	-	See Cabinet decisions regarding fuel and energy costs, capitalisation and the reform/change related teams funding.
<b>Budget Requirement</b>	<b>12,767</b>	<b>1,091</b>	<b>298,527</b>				<b>+2,300</b>	
<b>Income</b>								
Revenue Support Grant	-	-	18,016	N/a	N/a	N/a	N/a	Fixed amount— no change
Area Based Grant	-	-	28,390	N/a	N/a	N/a	N/a	Government still to confirm final allocations
National Non Domestic Rate	-	-	129,413	N/a	N/a	N/a	N/a	Fixed amount - no change
Council Tax	-	-	123,217	N/a	N/a	N/a	N/a	Fixed amount - no change
Collection Fund Deficit	-	-	(509)	N/a	N/a	N/a	N/a	Fixed amount - no change
<b>Total Income</b>			<b>298,527</b>					<b>Fixed amount - no change</b>
<b>Statement of Balances</b>								
As at 1 April	-	-	8,593	-	-	-	5,000	Opening balance - forecast 1 April 2009
Contributions from Balances	-	-	(4,102)	-	-	-	-	
Contributions from Reserves	-	-	509	-	-	-	+3,000	Release of Insurance Fund Cabinet 9 July
Cabinet decisions	-	-	-	-	-	-	+3,800	From 2007/08 accounts £2.5m (26 June) & LABGI £1.3m (23 July).
Cabinet decisions	-	-	-	-	-	-	-700	Fuel/energy (23 July) - potential £3.5m of which +£0.9m allocated), reduced capitalisation (+£2m) and use of Efficiency Budget (-£2.2m).
Issues – Projected Variances	-	-	-	-	-	-	-4,900	Based upon present projections for Adults, Children, Regeneration and Treasury and potential energy costs (further report to go to Cabinet).
<b>BALANCES AT 31/03/08 &amp; 31/03/09</b>			<b>5,000</b>				<b>6,200</b>	<b>Projected balance at start / end of year</b>
Key = No concern for item			✓					
Key = Concern for item			X					

\*\* The Original Budget for 2008/09 has been re-allocated per Cabinet on 25 September as a consequence of establishing the Department of Law, HR and Asset Management.

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## WIRRAL COUNCIL

### FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

21 JANUARY 2009

### REPORT OF THE DIRECTOR OF FINANCE

#### GENERAL FINANCIAL MATTERS

#### 1. EXECUTIVE SUMMARY

- 1.1. This report provides information on treasury management, 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. FINANCIAL IMPLICATIONS

##### 2.1. Current Economic Environment

- 2.1.1 The UK economy is officially in recession and the immediate future looks very gloomy. Unemployment figures are continuing to rise and with the demise of high street names such as Woolworths these figures are expected to deteriorate.
- 2.1.2 The predicted fall in inflation rates has begun with the official measure of inflation, CPI, falling to 4.1% and the RPI down to 3% for November 2008. These figures are expected to continue to drop rapidly; however, there is still uncertainty as to how low inflation will fall, with deflation still a possibility next year.
- 2.1.3 The Bank of England (BoE) base rate was reduced to 2% in December 2008 and according to the minutes of the last meeting a bigger cut was only resisted because of the effect it may have on the currency. This news makes further cuts over the next few months inevitable and interest rate forecasts have again been revised. I am now assuming that rates will fall to 1% early in 2009.

##### 2.2. Investments

- 2.2.1. The Treasury Management Team invests surplus 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. This surplus money occurs for a number of reasons including;
- General Fund Balances – money available to fund future expenditure
  - Reserves – earmarked money for future spending plans
  - Grants received in advance of expenditure
  - Money borrowed in advance of capital expenditure

2.2.2 As at the 30 November 2008 the Council held investments of £84.3m. The table below details these investments;

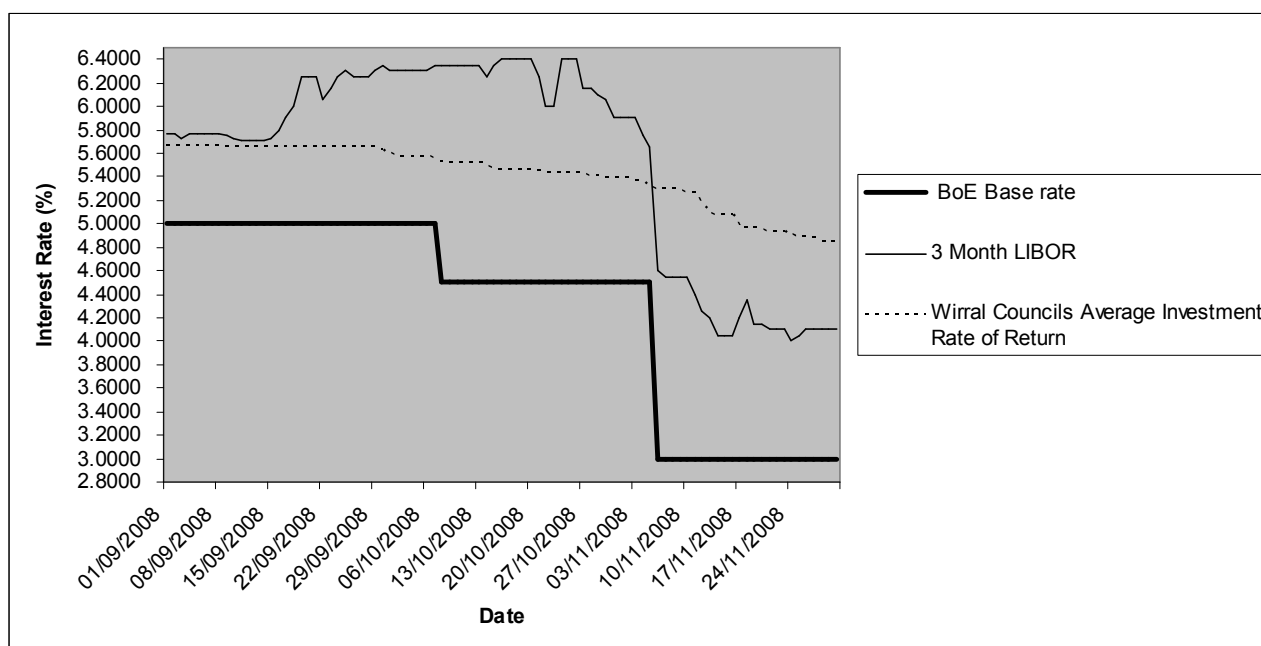
**Table 1: Investments as at 30 November 2008**

Investments with:	£m
Banks	23.9
Building Societies	24.3
Debt Management Office	7.9
Other Local Authorities	22.5
Money Market Funds	4.9
Other Unit Trusts	0.1
Gilts	0.7
<b>TOTAL</b>	<b>84.3</b>

2.2.3 Of the above investments £5.7m is invested in instant access funds, £68.6m is invested for up to 1 year, £6m is invested for up to 2 years and £4m is invested for up to 5 years.

2.2.4 The average rate of return on investments as at 30 November 2008 was 5.60%. The graph below shows the rate of return achieved against the Bank of England base rate and the 3 month LIBOR (the inter bank lending rate);

**Chart 1: Council's Investment Rate of Return in 2008/09**



2.2.5 The rate at which the Council can invest money has fallen considerably over the year, in line with the falling BoE base rate.

2.2.6 During November 2008 I reinstated some banks and building societies onto the Approved Counterparty List. The institutions reinstated are all UK based, AA rated and have received Government guarantees of support, if required in the future. The Council also continues to invest in AAA rated money market funds and the Debt Management Office (DMO).



2.2.7 The 2008/09 budget for investment income is £2.7m; as at 30 November 2008 income of £3.7m had already been secured. Investment Income is currently forecast to produce a surplus of £1.2m in 2008/09. This is due to:

- The prevailing money market rates of interest have been higher than expected primarily due to the credit crunch which has benefited the new deposits made during the early part of the year.
- Following the Treasury Management Team restructure in 2007/08 the Council has become more proactive in finding the best investment opportunities and thereby earned better returns.

2.2.8 The security of the investments always takes priority over the returns.

### 2.3 Borrowing

2.3.1 The Council undertakes borrowing to help fund capital expenditure. To date no additional borrowing has been undertaken in 2008-09. The table below shows the total borrowing of the Council as at 30 November 2008.

**Table 2: Borrowing as at 30 November 2008.**

<b>Borrowings</b>	<b>£m</b>
PWLB	113.7
Market Loans	173.6
<b>TOTAL</b>	<b>287.3</b>

2.3.2 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.

2.3.3 The Council currently has no temporary borrowing. Temporary borrowing is used to finance unexpected short term cash flow problems. The Treasury Management Team maintains an accurate cash flow forecast to minimise the risk of unexpected cashflow problems. This work generated savings in 2007-08 of £350,000 and it is hoped that it will generate further savings in the future.

### 2.4 Monitoring of the Prudential Code Indicators

2.4.1 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 demonstrate that it is complying with the statutory responsibility of establishing prudence and affordability within its capital strategy.

2.4.2 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.

#### Net External Borrowing and Capital Financing Requirement (CFR) Indicator

2.4.3 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 3 below shows the cumulative CFR and net borrowing of the Council.

**Table 3: Net External Borrowing compared with CFR.**

	£m
CFR in previous year (2007-08)	312.3
additional CFR in current year (2008-09)	23.6
additional CFR in 2009-10	9.4
additional CFR in 2010-11	10.7
<b>Cumulative CFR</b>	<b>356.0</b>
<b>External Borrowing as at 30 Nov 2008</b>	<b>287.3</b>

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

Authorised Limit and Operational Boundary Indicators

2.4.5 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.

2.4.6 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 4: Authorised Limit and Operational Boundary Indicator**

	Sep 08 £m	Oct 08 £m	Nov 08 £m
Authorised limit	445	445	445
Operational Boundary	435	435	435
Total Council Borrowing	287	287	287

2.4.7 The table above shows that neither the authorised limit nor the operational boundary was breached between September and November 2008. This is a key indicator of affordability.

Interest Rate Exposures Indicator

2.4.8 The Prudential Code 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 is subject to variable rates of interest and the amount which is subject to fixed rates of interest.

2.4.9 To give the Authority flexibility during the current unsettled market conditions the upper exposure limits have been set at 100% for both fixed and variable. Table 5 show the interest rate exposure as at 30 November 2008.

**Table 5: Interest Rate Exposure:**

<b>Interest Rate Exposure</b>	<b>Fixed Rate of Interest</b>	<b>Variable Rate of Interest</b>	<b>Total</b>
<b>Borrowing</b>	£277m	£10m	<b>£287m</b>
Proportion of Borrowing	97%	3%	<b>100%</b>
Upper Limit	100%	100%	
<b>Investments</b>	£10m	£74m	<b>£84m</b>
Proportion of Investments	12%	88%	<b>100%</b>
Upper Limit	100%	100%	
<b>Net Borrowing</b>	<b>£267m</b>	<b>£-64m</b>	<b>£203m</b>
Proportion of Total Net Borrowing	132%	-32%	<b>100%</b>

2.4.10 The table above shows that borrowing is largely at fixed rates of interest and investments are at variable rates of interest. This was considered to be a good position while interest rates were rising, due to the credit crunch, as the cost of existing borrowing has remained stable and the investments, at variable rates of interest, have generated increasing income.

2.4.11 However as the environment changes to one of falling interest rates the Treasury Management Team has begun to adjust the position. This can be done by investing in more long term fixed rate deals, to maintain investment returns into the future, and by looking to restructuring debt to benefit from cheap interest rate payments.

#### Maturity Structure of Borrowing Indicator

2.4.12 The maturity structure of the borrowing has also been set to achieve maximum flexibility with the Authority able to undertake all borrowing with a short maturity date or a long maturity date. Table 6 shows the current maturity structure of borrowing.

**Table 6: Maturity Structure of Borrowing**

<b>Maturity Structure of Borrowing</b>	<b>£m</b>
Under 12 months	3
12 months and within 24 months	14
up to 5 years	43
5 years and within 10 years	57
10 years plus	170
<b>Total</b>	<b>287</b>

### 3. REVENUES COLLECTION

- 3.1. The following statement compares the amount collected for **Council Tax** in the period 1 April 2008 to 30 November 2008 with the amount collected in the same period in 2007/08.

	<b>Actual 2008/09 £</b>	Actual 2007/08 £
Cash to Collect	<b>119,235,255</b>	114,684,077
Cash Collected	<b>90,291,615</b>	86,192,387
% Collected	<b>75.7%</b>	75.2%

- 3.2. The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2008 to 30 November 2008 with the amount collected in the same period in 2007/08.

	<b>Actual 2008/09 £</b>	Actual 2007/08 £
Total Collectable (including arrears)	<b>67,074,730</b>	60,690,845
Amount Outstanding	<b>16,893,910</b>	13,131,090
% Outstanding	<b>25.19%</b>	21.64%
Amount Collectable 2008/09	<b>64,282,667</b>	57,745,975
Net 2008/09 Cash Collected	<b>48,846,201</b>	45,974,106
% Collected	<b>75.99%</b>	79.61%

- 3.3. The improved situation in Council Tax collection is due to the increased take up and prompt administration of Direct Debit and ongoing prompt recovery. The reduction in collection rate in Business Rates from 2007/08 levels is mainly as a result of the new 100% level for empty property rate which accounts for approximately £5m of the increase in the amount collectable for 2008/09. In addition the current economic climate and the recent creation of rates in respect of port occupations amounting to over £1m in respect of 2008/09 are also having an effect on collection. Comparison with similar local authorities shows a similar drop in collection.

- 3.4. The following statement provides information concerning collection of local taxes from 1 April 2008 to 30 November 2008.

	<b>Council Tax</b>	<b>Business Rates</b>
Reminders/Final Notices	47,465	2,862
Summonses	15,149	1,081
Liability Orders	12,096	667
Recovery action in progress		
Attachment of Earnings	1,184	-
Deduction from Income Support	4,229	-
Accounts to Bailiff	6,647	379
Pre-Committal Warning Letters	2,549	-
Committal Orders Issued	4	0
Debtors Committed	0	0

Current Status of Agent Work in respect of Committals for 1 April 2008 to 30 November 2008.

Warrants of Arrest issued by Court (Bail and No Bail)	95
Warrants of Arrest (Bail) to Warrant officer	90
Warrants of Arrest (No Bail) to Warrant officer	39
Returned successful (Bail)	72
Returned successful (No Bail)	47
Returned other reasons (Bail)	5
Returned other reasons (No Bail)	0

### 3.5. Insolvency cases to 30 November 2008

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

#### New cases from 1 April 2008 to 30 November 2008

Bankruptcy	10
Charging orders	12
Winding up orders	<u>0</u>
	<u>324</u>

#### Status of Insolvency cases at 30 November 2008

Winding-up paid	3
Charging orders granted	30
Winding up Order	1
Supporting other petitions	3
Cases paid	78
Bankruptcy orders	94
Cases closed	84
Ongoing cases	<u>31</u>
	<u>324</u>

### 3.6. **Fees and Charges**

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

	<b>2007/08 Budget</b>	<b>Income to 30-Nov-07</b>	<b>2008/09 Budget</b>	<b>Income to 30-Nov-08</b>
i. School Meals	£1,404,000	£744,113	£1,578,400	£992,655
ii. Sports Centres	£3,457,100	£2,100,952	£3,579,300	£2,007,643
iii. Golf Courses	£859,800	£641,545	£885,600	£598,377
iv. Burials and Cremations	£2,344,600	£1,263,922	£2,429,200	£1,397,029
v. Building Control Fees	£876,700	£497,100	£796,700	£417,400
vi. Land Charges	£464,600	£247,500	£470,100	£140,300
vii. Car Park (Pay and Display)	£2,591,500	£1,416,400	£2,424,200	£1,532,000
viii. Car Park (Penalty Notices)	£1,116,300	£690,000	£1,149,800	£636,800

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

- (i) Schools Meals: Currently it is expected that the budgeted income will be achieved.

- (ii) Sports Centres: Currently it is expected that the budgeted income will be achieved.
- (iii) Golf Courses: Due to the adverse weather conditions over the summer it is predicted that there will be an adverse variance of £150,000 at the year end.
- (iv) Burials and Cremations: Currently it is expected that the budgeted income will be achieved.
- (v) Building Control Fees: The 2008-09 Building Control Fees budget has been adjusted to reflect the 2007-08 shortfall. However, Income continues to decline and it is likely that there will be a significant deficit by the year end, possibly in the region of £200,000.
- (vi) Land Charges: Land Charges income is declining and there is likely to be a deficit during 2008-2009. Current predictions are in the region of £200,000. The housing market is continuing its downturn and new buyer enquiries have slipped. A decline in the local housing market is a principal factor in the reduction in the number of local Land Charge searches being received.
- (vii) Car Parks Income (Pay and Display Tickets): Currently it is expected that the budgeted income will be achieved
- (viii) Car Park Income (Penalty Notices): Currently it is expected that the budgeted income will be achieved.

### 3.6.3. Sundry Debtors

	<b>Actual 2008/09</b>	Actual 2007/08
Amount Billed in last 12 months as at 30.11.08	<b>£78,951,400</b>	£58,508,101
Total outstanding as at 30.11.08	<b>£20,785,473</b>	£21,189,137
Arrears at 30.11.08	<b>£12,927,088</b>	£13,323,013
Number of invoices in arrears at 30.11.08	<b>12,376</b>	11,291
Number of reminders 01.04.08 to 30.11.08	<b>21,999</b>	26,111

The increase in sums billed reflects the increase in Adult Social Services accounts now being issued. However it is important to note that the total outstanding includes the sum still within the normal settlement period. The arrears sum reflects debts over one month old and this has remained constant despite the overall increase in accounts.

#### 4. HOUSING BENEFITS

- 4.1. 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 30 November 2008.

	2008/09	2007/08
Number of <b>Private Tenant</b> recipients	26,638	25,760
Total rent allowance expenditure	£69,227,673	
<b>Number under the Local Housing Allowance scheme (included in the above)</b>	<b>3,567</b> <b>£5,749,551</b>	-
Number of <b>Council Tax Benefit</b> recipients	35,217	34,790
Total Council Tax Benefit expenditure	£26,310,273	
Total expenditure on benefit to date	£95,537,946	

- 4.2. The following statement provides information concerning the breakdown according to client type as at 30 November 2008.

	Private Tenants	Owner Occupiers
Working age and in receipt of J.S.A.	13,562	1,706
Elderly and in receipt of J.S.A.	7,021	5,540
Working age and not receiving J.S.A.	4,119	798
Elderly and not in receipt of J.S.A.	<u>1,936</u>	<u>3,045</u>
<b>Total</b>	<b>26,638</b>	<b>11,089</b>

There are **37,737** Benefit Recipients in Wirral as at 30 November 2008. By comparison there were 37,266 at 30 September 2008.

#### 4.3. Housing Benefit Fraud and Enquiries

01.04.08-30.11.2008

New Cases referred to Fraud team in period	1,434
Cases where fraud found and action taken	89
Cases investigated, no fraud found and recovery of overpayment may be sought	375
Cases under current investigation	205
Surveillance Operations Undertaken	0
Cases where fraud found and action taken;	
Administration penalty	24
Caution issued and accepted	49
Successful prosecution	16
Summons issued for prosecution purposes	12

#### 4.4. Discretionary Housing Payments

- 4.4.1 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.

4.4.2 DHP is not a payment of Housing/Council Tax Benefit and is funded separately from the main scheme. The Government contribution for 2008/09 is £266,185 with an overall limit of £665,462 which the Authority must not exceed. To date I have paid £180,350

**5. STAFFING IMPLICATIONS**

5.1. There are none arising from this report.

**6. EQUAL OPPORTUNITIES IMPLICATIONS**

6.1. There are none arising directly from this report.

**7. HUMAN RIGHTS IMPLICATIONS**

7.1. There are none arising directly from this report.

**8. LOCAL AGENDA 21 IMPLICATIONS**

8.1. There are none arising directly from this report.

**9. COMMUNITY SAFETY IMPLICATIONS**

9.1. There are none arising directly from this report.

**10. PLANNING IMPLICATIONS**

10.1. There are none arising directly from this report.

**11. LOCAL MEMBER SUPPORT IMPLICATIONS**

11.1. There are none arising directly from this report.

**12. BACKGROUND PAPERS**

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

**13. RECOMMENDATION**

13.1. That the report be noted.

IAN COLEMAN  
DIRECTOR OF FINANCE



## WIRRAL COUNCIL

### FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

21 JANUARY 2009

### REPORT OF THE DIRECTOR OF FINANCE

### PROJECTED BUDGETS 2009-2011

#### 1. EXECUTIVE SUMMARY

- 1.1. This report presents the projected budgets for 2009-2011 to coincide with the period of the Comprehensive Spending Review 2007 (CSR).

#### 2. BUDGET 2008-09

- 2.1. The summary budget for 2008-09 as agreed by the Council on 3 March 2008 is as follows:

	£m
Base Budget	302.6
Resources	
Formula Grant	147.4
Area Based Grant	28.4
Council Tax	123.2
Collection Fund	- 0.5
Use of Balances	<u>4.1</u>
	302.6

#### 3. COMPREHENSIVE SPENDING REVIEW

- 3.1. The Comprehensive Spending Review (CSR) 2007, was announced on 9 October 2007. An initial report on the Pre Budget Statement by the Chancellor of the Exchequer including the CSR was presented to the Cabinet on 1 November 2007. The Department for Communities and Local Government (DCLG) announced the three year provisional Local Government Finance settlement on 6 December 2007 and the final settlement on 24 January 2008.
- 3.2. The provisional Local Government Finance Settlement for 2009-10 was issued by the DCLG on 26 November 2008, with the details of specific grants to follow. The provisional settlement restated the indicative figures included in the settlement issued on 24 January 2008 and was reported to Cabinet on 10 December 2008.
- 3.3. Consultation on the provisional settlement closed on 7 January 2009.

#### 4. **VARIATIONS IDENTIFIED FOR 2009-2011**

- 4.1. **Inflation** – Provision is included for pay and prices at 2% and for income at 3% for 2009-2011.
- 4.2. **Capital Financing** – Cabinet on 10 December 2008 agreed the capital programme for 2009-2012 at an additional financing cost totalling £3.2m for 2009-10 and £2.9m for 2010-11.
- 4.3. **Highways Maintenance** – provision is included for the transfer of highways expenditure of £1.7m to the revenue budget from the capital budget.
- 4.4. **Waste Disposal** – The waste disposal levy is projected to increase by 15.4% per annum.
- 4.5. **Pension Fund** - The Pension Fund has been actuarially revalued as at 31 March 2007. The phased implementation of the revised contribution rates over three years was agreed by the Cabinet on 12 December 2007.
- 4.6. **Merseytravel** – The Merseytravel levy is projected to increase by 4% per annum.
- 4.7. **Invest to Save Schemes** – The Cabinet has agreed a number of invest to save schemes which will reduce expenditure by £0.9m in 2009-10 and by a further £0.4m in 2010-11.
- 4.8. **Private Finance Initiative** – Increase in PFI payments of £0.4m in 2009-10 and a further £1m in 2010-11 as the PFI reserve reduces.
- 4.9. **Benefits Subsidy** – The Department for Work and Pensions has announced that benefits subsidy will be reduced by 3% per annum in real terms, 5% per annum in cash for certain elements of the subsidy, a reduction of £0.7m per annum.
- 4.10 **Local Area Agreement** – Options for the use of the Reward Grant, the revenue element of which is estimated at £1.9m for each of 2009-10 and 2010-11 were agreed by the LAA Board on 19 November 2008 with £1.4m being used to support the budget.
- 4.11. **Energy** – The increased cost of fuel and energy has been estimated at £9m in 2009-10 as reported to Cabinet on 9 July 2008.
- 4.12. **Foster Care Fees** - Cabinet on 4 September 2008 agreed to an increase in foster care payments of £0.5m for 2009-10.
- 4.13. **Technical Services** - Cabinet on 10 December 2008 agreed to increased requirements for 2009-10 totalling £0.7m.
- 4.14. **Other Unavoidable Growth** – A number of relatively minor items of unavoidable growth of less than £0.2m will arise. These should total less than £1m.

## 5. OTHER DEVELOPMENTS

5.1. There are a number of other developments which are likely to impact on the financial position of the Authority over the period 2009 to 2011. The impact of these issues will be reported to the Cabinet as and when they are resolved. Some of the potentially most important issues are:-

- (a) Implementation of Local Housing Allowance from 1 April 2008 which was reported to Cabinet on 12 December 2007.
- (b) Revised Local Government Pension Scheme introduced from 1 April 2008.
- (c) Review of the calculation of the Minimum Revenue Provision which was reported to Cabinet on 16 April 2008.
- (d) Review of the Local Authority Business Growth Incentive Scheme. A consultation paper on a revised scheme to commence in 2009 was reported to the Cabinet on 29 November 2007. A further consultation paper has been received which if implemented could result in a grant of £0.2m in 2009-10 and £0.5m in 2010-11.
- (e) Replacement of Planning Delivery Grant with the Housing and Planning Delivery Grant which was reported to Cabinet on 25 September 2008.
- (f) Review of Supporting People Grant to be undertaken in 2009 with the grant to be absorbed into the Area Based Grant from 2010-11.
- (g) Implementation of supplementary business rates which was reported to Cabinet on 29 November 2007.
- (h) Review of the Area Cost Adjustment.
- (i) Review of the population statistics to include the effects of recent migration, which was reported to the Cabinet on 16 April 2008.
- (j) Review of the funding of social care with proposals to be released in 2009.
- (k) Transfer from the PCT of responsibility for the commissioning of social care for adults with learning disabilities from 2009-10. Agreement with the PCT on the scale of the transfer had to be reached by 1 December 2008. The PCT has reported that the transfer should be £6m.
- (l) Transfer of the responsibilities of the Learning and Skills Council to Local Authorities from 2010.
- (m) Introduction of the Community Infrastructure Levy in October 2009.
- (n) Implementation of International Financial Reporting Standards from 2010 which will increase leasing costs.

## 6. BALANCES

- 6.1. The balances for 2008-09 have been set at £5m but the Audit Commission has restated its view that balances should be a minimum of 2% of the net revenue budget which for Wirral would be £6m.
- 6.2. The financial out-turn for 2007-08 was reported to Cabinet on 26 June 2008 indicating a net underspending of £1.6m, and additional late grant notifications totalling £0.6m.
- 6.3. Increased energy and fuel costs for 2008-09 estimated to total £3.5m were reported to Cabinet on 9 July 2008.
- 6.4. The Insurance Fund annual report was presented to Cabinet on 9 July 2008 incorporating a transfer of £3.0m from the Insurance Fund to the General Fund.
- 6.5. The receipt of additional Local Authority Business Growth Incentive grant totalling £1.3m was reported to Cabinet on 23 July 2008.
- 6.6. Cabinet on 4 September 2008 agreed a projected overspending of £3.5m in 2008-09 on Adult Social Services, of which £0.8m will continue into 2009-10. Cabinet on 16 October 2008 agreed to bring forward the closure of Feltree House thus reducing the projected overspending in 2008-09 by £0.2m and in 2009-10 by £0.5m. The Director of Adult Social Services has reported to Overview and Scrutiny Committees that the projected overspending is likely to exceed this figure but this has yet to be reported to the Cabinet.
- 6.7. There is a projected overspending of £0.8m on Regeneration.
- 6.8. Following the Audit of the Accounts for 2007-08 the capitalisation of highways improvements has been reduced from £3.7m to £1.5m in 2008-09 as reported to Cabinet on 16 October 2008.
- 6.9. Cabinet on 6 November 2008 agreed to fund the following improvement teams from the Efficiency Investment Budget in 2008-09.

	£000
Procurement and Creditors	1,022
Change	635
Customer Services Development	183
Adult Social Services Reform	<u>360</u>
	2,200

In 2009-10 the cost of the Adult Social Services Reform Team will increase to £518,000. Funding of these teams from the Efficiency Investment Budget will allow the original funding to be added to balances.

6.10. Cabinet on 10 December 2008 agreed to transfer reserves and provisions totalling £360,000 into the General Fund balances, £230,000 of which is to offset the projected overspending in Regeneration.

6.11.		£m
	Balances as at 1 April 2008	5.0
	Out-turn 2007-08	1.6
	Additional Grants	0.6
	Insurance Fund	3.0
	Energy and Fuel	- 3.5
	LABGI	1.3
	Adult Social Services	- 3.3
	Regeneration	-0.6
	Highways Improvements	- 2.0
	Improvement Teams	2.2
	Reserves and Provisions	<u>0.1</u>
		4.4

## 7. EFFICIENCY REQUIREMENTS

7.1. The gap between projected expenditure and anticipated resources will need to be bridged by a combination of savings and/or increased Council Tax.

7.2. Cabinet on 13 March 2008 agreed the following efficiency targets for 2009-11 but reserved the right to vary these targets during the year.

Department	Target	Target
	2009-10	2010-11
	£000	£000
Adult Social Services	4,620	3,780
Children and Young People	2,350	1,920
Corporate Services	710	580
Finance	740	600
Regeneration	3,060	2,500
Technical Services	1,620	1,320
	13,100	10,700

7.3. The efficiencies agreed in preparing the budget for 2008-09 included £0.9m in Adult Social Services which will become effective from 2009-10.

7.4. Cabinet on 16 October 2008 agreed a number of efficiencies:-

	£m
Children Residential Care	0.7
ERIC Service	0.5
Housing and Council Tax Benefit	0.6
Treasury Management	0.5
General Efficiencies	<u>0.6</u>
	2.9

7.5. Cabinet on 6 November 2008 agreed a number of efficiencies:-

	£m
Supported Living	1.0
Reform Care Grant	1.5
Corporate Procurement Contracts	1.5
General Efficiencies	<u>0.5</u>
	4.5

7.6. Cabinet on 27 November 2008 agreed general efficiency proposals totalling £1.0m.

7.7. Cabinet on 10 December 2008 agreed a number of efficiencies:-

	£m
Nursing Home Fees	1.0
General Efficiencies	<u>0.3</u>
	1.3

7.8. I am assuming an annual Council Tax increase of 4%.

7.9. The Minister for Local Government has confirmed that the Council Tax capping limit will remain at 5%.

## 8. FINANCIAL IMPLICATIONS

8.1. The projected budgets for 2009 to 2011 are compiled from the base budget for 2008-09 approved by Council on 3 March 2008, the Medium Term Financial Strategy 2009-2012 agreed by the Cabinet on 23 July 2008, and updated for the issues outlined in this report. The projected budgets are shown in the Appendix.

## 9. STAFFING IMPLICATIONS

9.1. There are none arising from this report.

## 10. EQUAL OPPORTUNITIES IMPLICATIONS

10.1. There are none arising from this report.

## 11. HUMAN RIGHTS IMPLICATIONS

11.1. There are none arising from this report.

## 12. LOCAL AGENDA 21 IMPLICATIONS

12.1. There are none arising from this report.

## 13. COMMUNITY SAFETY IMPLICATIONS

13.1. There are none arising from this report.

14. **PLANNING IMPLICATIONS**

14.1. There are none arising from this report.

15. **LOCAL MEMBER SUPPORT IMPLICATIONS**

15.1. There are none arising from this report.

16. **BACKGROUND PAPERS**

16.1. Comprehensive Spending Review – Treasury – October 2007  
Medium Term Financial Strategy – 2009-2012 – July 2008  
Provisional Formula Grant Settlement 2009-10 –DCLG –November 2008  
Estimates 2008-09 – March 2008

17. **RECOMMENDATION**

17.1. That the projected budgets continue to be reported to the Cabinet in line with the agreed financial and performance management timetable.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/297/08

## WIRRAL COUNCIL

## PROJECTED BUDGETS 2009-2011

	2009-2010	2010-2011
	£m	£m
Base Budget	299.6	311.9
Increased Requirements		
Pay Inflation	3.4	3.3
Price Inflation	3.6	3.6
Capital Financing	3.2	2.9
Highways	1.7	-
Waste Disposal	2.2	2.5
Pension Fund Revaluation	0.5	0.5
Merseytravel	1.0	1.0
Private Finance Initiative	0.4	1.0
Benefits Subsidy	0.7	0.7
Energy and Fuel	9.0	-
Foster Care	0.5	-
Technical Services	0.7	-
Area Based Grant	2.7	- 0.4
Supporting People	-	10.3
Unavoidable Growth	1.0	1.0
Efficiency Investment Fund	<u>2.9</u>	<u>2.9</u>
	333.1	341.3
Reduced Requirements		
Income Inflation	-1.0	-1.0
Invest To Save	- 0.9	- 0.4
LABGI	- 0.2	- 0.3
Children Residential Care	- 0.7	-
ERIC Service	- 0.5	-
Housing & Council Tax Benefit	- 0.6	-
Treasury Management	- 0.5	-
General Efficiencies	- 3.3	- 0.2
Supported Living	-1.0	-0.3
Reform Care Grant	-1.5	-
Corporate Procurement		
Contracts	- 1.5	-
Nursing Home Fees	- 1.0	-
LAA Reward Grant	<u>- 1.4</u>	<u>-</u>
Forecast Expenditure	319.0	339.1
Balances	<u>1.6</u>	<u>-</u>
	320.6	339.1
Resources		
Formula Grant	152.7	157.9
Area Based Grant	31.1	41.0
Council Tax	123.2	128.1
Forecast Resources	<u>307.0</u>	<u>327.0</u>
Shortfall	13.6	12.1
Council Tax Increase	4.9	5.1
Efficiencies required	8.7	7.0





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## WIRRAL COUNCIL

### CABINET

27 NOVEMBER 2008

### REPORT OF THE CHIEF EXECUTIVE

### FINANCIAL AND PERFORMANCE MONITORING SUMMARY

#### 1. EXECUTIVE SUMMARY

- 1.1. This is one of a series of reports submitted throughout the year presenting an overview of the performance of the Council in delivering the Vision for Wirral as set out in the Corporate Plan and is for the quarter-ended 30 September.

#### 2. OVERVIEW

- 2.1. The main influence continues to be the economic situation. The financial pressures within the global economy have repercussions at national and local levels as the volatility of the world financial markets continues.

- 2.1.1 Wirral benefitted through exercising prudent financial management around cash flow and investments that realised additional income and a reduced need for temporary borrowing. However the impact upon the banking sector has placed at risk £2 million of investments with an Icelandic bank although there remains every possibility that this will be recovered.

- 2.1.2 The current, and projected, world economic position is placing additional pressures upon all who rely on the financial sector with implications for the delivery of the Wirral Investment Strategy, major investment schemes and the NewHeartlands initiative. As such the developing links with the thriving China economy present an opportunity for securing additional investment to Wirral.

- 2.1.3 Against this background the Council continues to seek to maintain progress in achieving the priorities set out in the Corporate Plan whilst recognising the impact on the building industry and, as a consequence, the worklessness priority.

- 2.2. The following sections report on the progress in delivering the priorities including the financial and risk issues with further details down to departmental level in the appendices. The underpinning projects are presently either on target or actions are in place to enable them to be achieved during the year. In terms of the supporting indicators again, of those presently measurable, most are on target.

- 2.3. The key issues highlighted and requiring to be addressed in the forthcoming period are the:-

- continuing development of the personalisation agenda;
- safe reduction of the number of looked after children;
- development and implementation of the strategic asset review;
- management of the potential overspends in 2008/09 within Adult Social Services, Children & Young People and Regeneration;
- decisions to enable the setting of the Council budget for 2009/10.

### **3. CORPORATE PLAN AND PERFORMANCE**

- 3.1 On 13 March 2008, Cabinet agreed the Council's Corporate Plan which detailed how the vision 'of a more prosperous and equal Wirral, enabling all communities and people to thrive and achieve their full potential' would be achieved. The vision set five clear objectives, and identified eleven immediate priorities for improvement in the year ahead.
- 3.2 This section includes narrative and performance indicators on the priorities for improvement areas for 2008/09. The narrative includes the progress made to date, challenges remaining and further improvements to be completed.

#### **3.3.1 Reduce worklessness**

##### **Progress made:**

Wirral continues to make steady progress in reducing the number of Incapacity Benefit (IB) and Lone Parent claimants. However, reductions in these benefit groups have been negated by rises in Job Seekers Allowance claimants. The Wirral Economic Development and Skills partnership (WEDS), through the Working Wirral programme has commissioned activity to support workless people into training and employment in line with the agreed priorities. The reach out programme has achieved impressive outcomes which include supporting 1,016 workless residents from Wirral's most deprived communities into employment. It has also developed extensive partnership working by making referral to other organisations including Registered Social Landlords, Primary Care Trust and Merseyside Fire and Rescue. This activity has been enhanced by the launch of *Reach Out Plus* that provides in-work mentoring to priority groups such as lone parents and Incapacity Benefit recipients.

##### **Challenges remaining:**

The current global economic slowdown has led to a rise in unemployment in the UK and this is expected to get worse over the next twelve months, with JSA trends in Wirral rising above the national average. WEDS continues to press central government to provide confirmation of funding for Working Neighbourhood Funding for 2009/10 and 2010/11 and have concern that further delay could significantly impact on future commissioning timescales. Refresh discussions will commence shortly with regards to Wirral's Local Area Agreement, it is important to note that the worklessness target is an already challenging target and will be even more challenging due to the economic slow down. This improvement target will be discussed with Government Office in the refresh discussions.

##### **How we're making further improvements:**

Wirral will continue to support economically inactive residents to move into employment as well as supporting vulnerable residents who are in employment but have low or no qualifications and may struggle to return to the labour market if hit by the economic downturn. Wirral continues to work strongly with partners sub regionally to develop employment and skills policy, including developing a multi area agreement submission to central government and the Working Wirral programme will continue to be used to respond to local circumstances in line with council and investment strategy agreed priorities. Wirral is further improving its

engagement with employers to ensure they benefit from the range of support services offered locally.

### **3.3.2 Increase enterprise**

#### **Progress made:**

Wirral continues to support enterprise growth through the Wirralbiz programme and the current LAA stretch targets have been achieved in terms of the number of new business starts and those which are still in operation after twelve months of trading.

#### **Challenges remaining:**

The current transitional funding for new business starts finishes in March 2009 and Wirral Council is working closely with the Northwest Development Agency (NWDA) to ensure that any future activity in Wirral is in line with the National Business Support Simplification Programme (BSSP) and also the activities funded by the Regional Development Agency.

Wirral also has a high proportion of small businesses who are not VAT registered and support for business will be tailored around the BSSP to support business growth. This is critical given the current economic slowdown.

#### **How we're making further improvements:**

We continue to work with the NWDA to ensure Wirral adds value to regional programmes to support businesses in Wirral to grow.

### **3.3.3. Increase levels of recycling**

#### **Progress made:**

Recycling rates for July – September have increased to around 41%. This is an increase on the last quarter (39.86%), primarily due to good garden waste tonnages.

The doorstep survey of 6,000 residents has been completed and has identified that residents prefer to receive specific recycling information direct to their door.

#### **Challenges remaining:**

To continue to increase participation and decrease contamination particularly in areas of low uptake.

#### **How we're making further improvements:**

Multi Occupancy recycling will be rolled out from January – March 2009, this will help to increase levels of recycling. In addition on street recycling receptacles are to be introduced in main shopping areas to encourage the public to recycle while out and about early New Year

A study will take place in November 2008 to identify areas of low material capture throughout the borough; these areas can then be targeted with specific campaigns to increase participation.

A funding bid has been put into WRAP to support a communications campaign based on education and awareness using participation officers to reduce contamination levels and increase recycling rates.

### **3.3.4. Reduce the Council's carbon footprint**

#### **Progress made:**

The Investment in Energy Efficiency Programme continues to reduce emissions, progress was reported to Cabinet in September.

On the 25 September 2008 Cabinet approved the creation of the Sustainability Unit within the Department of Law, H.R. and Asset Management to improve energy efficiency and to work with Businesses and the Community to raise awareness of the urgent need to reduce Wirral's Carbon footprint, to take action to reduce Carbon emissions and to sign up to the CRed community carbon reduction programme.

As detailed in the above report, part of the development of the Sustainability Unit is the establishment of a Climate Change Officer and a Sustainability (Cred) Liaison Officer. A report to the Employment and Appointments Committee has been drafted together with the production of Job Descriptions. The report is due to be presented to the committee on 3 December 2008.

Two Energy Awareness officers have been recruited and are now in post to push the energy savings message to staff. An environmental awareness poster campaign (as detailed below) has been produced and is currently being rolled out across the council.

#### **Challenges remaining:**

Energy costs have risen significantly over the last twelve months and are likely to add around six million pounds to the Council's annual expenditure. A large part of the authority's energy consumption is buildings related.

It is vital that the Climate Change and CRed officers are appointed and the Sustainability Unit set up as soon as is practicable within the new department. These two new posts are key to progressing NI 185, once the Sustainability (CRed) Liaison Officer has been appointed we will be able to complete the development of the Wirral CRed website and promote the scheme and CO2 emission reduction initiatives across the borough.

To ensure increased awareness of this priority amongst council staff and managers across the Council.

#### **How we're making further improvements:**

The Strategic Asset Review will consider energy conservation as a key consideration during the current review of all the Council's buildings and will make appropriate recommendations.

A waste energy survey is being conducted with council staff to get a baseline figure of staff's understanding of energy reduction methods.

Energy Saving week will take place 3–11 November, with 7 events across the council for employees. Target has been set for recruitment of 30 energy champions from throughout the organisation.

As part of the work of the Nottingham Declaration Working Group, which includes our partners Wirral PCT and Cheshire and Wirral Partnership NHS Trust, a co-funded joint poster campaign has been produced around the themes contained within the Council's Climate Change Strategy of Awareness, Energy, Transport and Adaptation. The joint launch will take place in November 2008 to coincide with Energy Saving week.

### **3.3.5. Reduce number of people killed or seriously injured in road accidents.**

**Progress made:**

Numbers of people killed or seriously injured continued to fall. In the past quarter a successful pilot campaign of Bring Accidents down 2 zero has taken place. Results of this campaign showed that 74% of drivers preferred the new scheme with the voluntary 20mph speed limit to physical speed reducing measures and 89% of drivers thought that the scheme should be provided in other areas of Wirral.

**Challenges remaining:**

New locations need to be identified and agreed in order to roll out the Bring Accidents down 2 zero campaign.

**How we're making further improvements:**

Partners continue to work closely to monitor progress of this priority for improvement.

Working in partnership with the Police a Christmas Drink Driving campaign will be implemented over the next quarter and education programmes within schools will continue including Go Goliath and 4 Wheel Ed. Road Safety Officers are continually delivering Road Safety Education in primary and high schools across the Borough. A new Schools Road Safety Campaign to encourage children to walk to school will be implemented in the New Year.

In addition an anti-speeding and in car safety campaign in partnership with the Police during the month of October.

**3.3.6. Promote greater independence and choice****Progress made:**

Progress this quarter against many key performance indicators is significantly improved upon the same period last year, in particular timeliness of payments. Staff have taken responsibility for the personalisation agenda and have been implementing changes and promoting their benefit throughout this period. This has resulted in an immediate impact on improved outcomes for service users.

A detailed project management methodology has ensured that changes were delivered to deadlines with robust impact and risk assessment, incorporating Equality Impact Assessments of the projects. The IDeA review of Healthier Communities reported "the Council's partnership with Wirral PCT is strong and mature with evidence of joint working".

Structured investment by DASS & Primary Care Trust to develop early an intervention network & a range of "transitional care services". The Home Assessment and Reablement Team is now in place and is embedding the reablement ethos across the whole range of provider services. This ensures timely transfers from hospital care and where appropriate, new pathways into these services which avoids the need for secondary care. There is a strong evidence base demonstrating improved outcomes from people who have used these services.

**Challenges remaining:**

The Department has commenced a major restructure to transform social care and continues to face significant financial pressures.

Capturing the new information required for a number of the new performance indicators in partnership with the PCT has been a challenge during this period.

**How we're making further improvements:**

The issue relating to partnership performance indicators is being resolved as a result of productive partnership working with the PCT.

A three year strategy has been adopted to address financial pressures, with the Efficiency Plan (Budget Stabilisation Strategy) monitored at Departmental level, linked to the Transformational Change Programme Board.

A steering group for the Joint Strategic Needs assessment has been established with a full time project manager appointed. The JSNA to be published shortly will address issues of equality and inclusion, with specific target groups highlighted amongst learning disabilities, mental health, older people and carers.

DASS has also undertaken to become a member of the Carers UK forum called Employers for Carers, which will demonstrate the Department's active involvement in setting positive practice standards and will hopefully encourage other local employers to follow. It is intended that this development will be marked by a communication to all staff about their rights as carer's via their November pay-slip which will in turn be reported upon as part of Carer's Rights Day in December 2008.

Work on early intervention continues to be prioritised for example the development of the System dynamic modelling tool based on Wirral's Dementia Pathways working with Care Services Efficiency Delivery Programme.

Key focus for the coming months will be the further development of integrated posts and work to reduce duplication across the health and social care economy as part of the Wirral Integrated Services Programme (WISP).

**3.3.7. Raise overall educational attainment, particularly lower achieving young people****Progress made:**

At Key Stage 1 Levels 2+ and 3+ performance is slightly down. This is mainly the result of work undertaken to moderate assessments in order to ensure that a more accurate benchmark was established. A gender gap is apparent at KS1 which is in line with the national trend but the actual position will become clearer once the figures for Wirral's statistical neighbours are available.

At Key Stage 2 complete data for all schools is not available. The current position is that good progress has been made at level 4+ for all indicators. All of the indicators are above Fischer Family Trust (FFT) level B, with overall performance in English equivalent to the Fischer Family Trust (FFT) level D and a significant improvement for boys in all subjects.

The picture at Key Stage 3 is less clear because of the significant percentage of schools that received incomplete data for one or more subjects. Provisional indications are that we continue to perform better than the national figures but performance in 2008 has either remained static or dropped slightly. The recent announcements about the cessation of Key Stage 3 SATs will impact upon how we measure progress across this Key Stage and across secondary schools in the future.

At Key Stage 4 Wirral pupils have achieved over 50% (50.4%) for five GCSE subjects at A\*-C grades, including English and Maths. Overall, 66% of students have achieved 5 A\*-C grades. This is above the FFT level B. At A-level there has been a significant improvement in the percentage of pupils gaining A-C grades, from 63.7% in 2007 to 67.6% in 2008. The Average Point Score per student has also increased.



With regard to looked-after children, there continues to be a wide shortfall in performance:

- At Key Stage 2 they are, respectively, 23, 17 and 11 percentage points below the Wirral average for English, Maths and Science;
- At Key Stage 3, the gaps were 57, 44 and 49 percentage points.
- At Key Stage 4, provisional figures indicate that 10% of children achieved 5+ A\*-C grades including English and maths compared to 8% in 2007 and 50.4% for all Wirral children. 51% achieved 5+ A\*-G grades compared to 68% in 2007 and 98% for all Wirral children
- Further analysis of the performance of Looked After Children, using pupil-level FFT data and value-added data is being undertaken to see whether LAC pupils made the progress they should have done even though the overall outcomes are lower in 2008 than 2007.

#### **Challenges remaining:**

Improving the outcomes for Maths at all Key Stages will be a priority.

National Strategies through the Target Setting Guidance expect all schools to set targets at FFT-D, and SIPs in Wirral have engaged with schools so they set targets that are appropriately aspirational to FFT-D. The Government has also produced combined statistics for English and Maths, with the aim of ensuring that standards in both subjects are improved simultaneously.

There is also the challenge of increasing the proportion of pupils who make two levels progress across the Key Stages.

Improving the tracking and monitoring of the progress of Looked After Children, using FFT data is a priority to ensure that LAC achieve their potential, taking into account prior attainment. In addition improving the performance of National Challenge schools is also crucial.

#### **How we're making further improvements:**

Wirral, as with most other local authorities, has made its views clear on the KS3 marking issue and has submitted anecdotal evidence to the Sutherland Report Committee. There has been some significant variations in the performance of individual schools at Key Stage 3 (level 5+) which still needs to be analysed.

The attainment of looked-after children is examined on an individual basis and various factors that might affect performance are taken into account, such as level of attendance. Designated teachers for Looked After Children are in place. Schools have been given an additional £500 per pupil through their budgets to assist in work to support Looked After Children.

### **3.3.8. Safely reduce the number of looked after children**

#### **Progress made:**

The number of children who are looked after at the year end (March 2009) is targeted to reduce to **590**. In September 2008 the position against the target was 608.

We expect to receive between 250 – 300 referrals each month; these are requests for a service. The target is that 71% of these referrals will proceed to an initial assessment (NI 68). A high percentage of work progressing to an initial assessment – confirms that people know what and when to refer to Social Care – and is indicative of a good understanding of criteria for referral. In September 2008 the position against the target was 53.3%.

Our target is to reduce the number of repeat referrals from 26% last year, to 23% or below. Low numbers of repeat referrals signifies that a request for service is fully and properly responded to – it evidences that thresholds are becoming appropriately lower, and prevents children and families being stuck in a revolving door. Some repeat referrals will always be appropriate, since it shows that cases are not remaining open unnecessarily; and people return to seek help when experiencing further difficulties. In September 2008 the position against the target was 25%.

Our target is to make sure (NI 59) 72% or more initial assessments are completed within 7 working days, and (NI 60) 80% or more core assessments are completed within 35 working days. In September 2008 are position against these targets was NI59 68.2% NI60 60%.

Compared to statistical neighbours, we would expect to have between 160 – 170 children to have a child protection plan. Best practice indicates that between 10 – 15% of children subject to a plan have been on the CPR previously (NI 65). The target is to have 6% or less, children who have ceased to be subject to a child protection plan during the year, who have been subject to a plan for two years or more (NI 64). In September 2008 the position against the target was NI65 16.2% NI64 2.8%.

#### **Challenges remaining:**

Safely reducing the numbers is not about delaying children becoming looked after when this is required to meet their needs – so, there may be relatively high numbers of children who become looked after, however the length of time children remain looked after is reduced, as appropriate plans, which include support, are put in place.

On a Team basis we will be identifying children whose plans need to be expedited to support their return home; remove the Care Order if they are safely living at home or to achieve permanence through adoption or Special Guardianship. There will be individual Team Targets based on known children's needs.

#### **How we're making further improvements:**

Developing a consistent approach and clear understanding about when to convene a case conference shows a good understanding of when the level of concern about a child and / or family warrants a child protection plan. Prompt convening of case conferences is evidence of children and families not being stuck in limbo, or experiencing drift once a decision is made that the level of concern is such that a case conference should be convened.

Each Team will consider all children who are subject to Section 20 (Children Act 1989) and review their circumstances through the Legal Gatekeeping process to identify whether parent/s are properly exercising PR/the child is safely supported within this arrangement.

The target is to reduce the number of children placed with parents to 110 by the end of 2009. This will involve consideration of all children's plans on a Team by Team basis, focusing on those children subject to an interim care order and living at home, and those children placed with parents for a long period of time – to determine whether there is evidence that they will be safely supported in the community with no order at all, or a supervision order. This will require the presentation of compelling evidence to Court, based on sound assessment and analysis.

### **3.3.9. Improve the use of the Council's land and assets**

#### **Progress made:**

The principles that will guide the Council's Strategic Asset Review in the future have now been agreed. A working group of senior managers has been established to undertake seven area based reviews of the Council's public facing assets. These reviews are now complete and will be reported to Cabinet. The Strategic Development Plan for Leisure and Cultural Services was also approved this quarter and will be taken forward as part of the Strategic Asset Review.

#### **Challenges remaining:**

Routine maintenance and necessary structural repairs of the Council's building stock remains costly. There is a programme of planned preventative maintenance in place; however, given the age of many buildings it is inevitable that unforeseen problems will emerge causing unplanned restrictions on use. Energy costs have risen significantly in the last year adding significantly to the Council's annual expenditure budget. A large proportion of the Council's energy bill is buildings related.

#### **How we're making further improvements:**

A full review of the Council's office and administrative buildings (including Facilities Management arrangements) is underway with a view to moving to a smaller number of buildings and maximizing value for money.

The remaining Area reviews have commenced and are being expedited to ensure the Asset Review progresses on a Borough wide basis.

Discussions are underway with the PCT and the Police (and other potential public and voluntary sector partners) to explore opportunities for shared use of assets.

In addition Cabinet reports are being prepared on:

- An update on backlog maintenance (together with an action plan)
- A draft policy on community management and ownership of public assets
- A draft policy on asset disposals

### **3.3.10 Create a sustainable and stable budget, providing value for money**

#### **Progress made:**

The Council Budget for 2008/09 was agreed in March and was supported by the s151 officer statement as being sustainable.

The regular financial monitoring updates have highlighted potential overspends and increased 'one-off' resources. The overspending is primarily in Adult Social Services as reported to Cabinet in September.

The Annual Efficiency Statement 2007/08 reported to Cabinet in June was submitted to, and subsequently, agreed by Government in July.

A review of the high spending areas as identified by the Audit Commission 'spend profiles' was reported to Cabinet on September 25.

The Director of Finance provides regular updates on the Projected Budget position to Cabinet and this is supported by regular liaison between Cabinet and Chief Officers to assess the implications and address the gap between likely spend and resources.

#### **Challenges remaining:**

To address the identified areas of overspending in 2008/09 to ensure overall spend remains within the resources available.

To report to Government the achievements in respect of NI 179. (the net value of ongoing cash releasing gains).

To agree a sustainable and stable budget for 2009/10 by March 10 2009.

**How we're making further improvements:**

The Director of Adult Social Services is providing regular updates to Cabinet on progress in stabilising the departmental budget.

Clarification now received around the reporting of NI 179 and a projection for 2008/09 is required in October.

The Projected Budget position is regularly reported to Cabinet with investment/saving decisions being taken at the appropriate times.

**3.3.11 Improve the Council's budgeting process to fully reflect its priorities**

**Progress made:**

The 2008/09 Council Budget resolution included references to, and linkages to, the Council priorities.

An Efficiency Investment Fund of £5.3 million was created as part of the 2008/09 budget with further amounts set aside for future years.

The Council strategies including the Customer Access Strategy, Medium Term Financial Strategy, IT Strategy and Risk Strategy were revised in line with the agreed Corporate Plan and then approved by Cabinet on 23 July.

In September Cabinet re-affirmed that the Corporate Plan priorities for 2008/09 remain as the priorities for 2009/10.

The budget process has been further refined in terms of the information flow to Members and Officers. The regular updates give greater clarity and focus upon the key changes.

**Challenges remaining:**

The present financial climate is bringing additional pressures on the available Council resources and the delivery of the aims and objectives of the Corporate Plan. This links to the setting of a sustainable and stable budget for 2009/10.

**How we're making further improvements:**

The Efficiency Investment Fund is available for initiatives that require resources to deliver future benefits and to invest in the priority areas of the Council. This will continue as part of the budget setting process.

Any submissions for increased resources, including from the capital and IT programmes require a Business Case which is weighted towards meeting the agreed priorities.


3.4 This following section shows the performance indicators and key projects for the priority for improvement areas 2008/09.

### 3.4.1 Reduce Worklessness

PI No.	Title	Yr End Target	Yr End Forecast	Quarter 2 Target	Quarter 2 Actual	On Target	Direction of Travel	Corrective Action
NI 152	Working age people on out of work benefits	17.74% (Lower is Better)	17.23%	17.84%	17.23%	Green	n/a	
NI 153	Working age people claiming out of work benefits in the worst performing neighbourhoods (WNF)	35.22 (Lower is Better)	35.07	35.22	35.07	Green	n/a	

Key Project	Lead Department	Quarter 2 status (green, amber or red - see below)	Corrective action (amber or red only)
Implementation of the Full Employment and Skills plan	Corporate Services	GREEN	

### 3.4.2 Increase Enterprise

PI No.	Title	Yr End Target	Yr End Forecast	Quarter 2 Target	Quarter 2 Actual	On Target	Direction of Travel	Corrective Action
LOCAL 4128	Number of new business start-ups supported through Wirral Biz or Business Link in Wirral as measured by data from both organisations	262	262	160	171	Amber		This is a demand led initiative. The performance over the last quarter recognises the increased demand for the service.

Key Project	Lead Department	Quarter 2 status (green, amber or red - see below)	Corrective action (amber or red only)
Implementation of the Enterprise Strategy	Corporate Services	GREEN	
Co-ordinate the implementation of local, sub regional and regional enterprise development and business support strategies	Corporate Services	GREEN	

### 3.4.3 Increase levels of recycling

PI No.	Title	Yr End Target	Yr End Forecast	Quarter 2 Target	Quarter 2 Actual	On Target	Direction of Travel	Corrective Action
NI 191	Residual household waste per household	636 (Lower is Better)	600	315	287.35	Amber	n/a	Green waste & recycling is diverting more residual from landfill and we are performing better than expected.
NI 192	Percentage of household waste sent for reuse, recycling and composting	34%	35%	36%	40.50%	Over Performing	n/a	The over-performance can be explained by unexpectedly high recycling yields coming on top of the anticipated seasonal increase in green waste. As such, no corrective action is required but we should adjust our year-end forecast. It is difficult to be precise at this stage but an increase of at least 1% on the 34% target seems justifiable. A further assessment will be made at Q3.

Key Project	Lead Department	Quarter 2 status (green, amber or red - see below)	Corrective action (amber or red only)
Increase participation in alternate weekly collection scheme	Technical Services	GREEN	
Promote waste minimisation initiatives to householders	Technical Services	GREEN	
Encourage recycling and minimisation of municipal waste	Technical Services	GREEN	

### 3.4.4 Reduce the council's carbon footprint

There are no performance indicators to report for this priority area at Q2.

Key Project	Lead Department	Quarter 2 status (green, amber or red - see below)	Corrective action (amber or red only)
Continue the Energy Efficiency Investment Programme	Technical Services	GREEN	
Develop and implement Wirral CRed initiative	Technical Services	GREEN	
Produce a Developer's Guide for Sustainable Development	Technical Services	GREEN	
Development of Sustainability Unit within Wirral Council	Technical Services	GREEN	

### 3.4.5 Reduce number of people killed or seriously injured in road accidents

There are no performance indicators to report for this priority area at Q2.

Key Project	Lead Department	Quarter 2 status (green, amber or red - see below)	Corrective action (amber or red only)
Develop initiatives to deliver road safety education, training and publicity	Technical Services	GREEN	
Implement engineering measures to improve road	Technical Services	GREEN	
Work with Merseyside Police via the Accident Reduction Partnership to improve road safety	Technical Services	GREEN	



### 3.4.6 Promote greater independence and choice

PI No.	Title	Yr End Target	Yr End Forecast	Quarter 2 Target	Quarter 2 Actual	On Target	Direction of Travel	Corrective Action
NI 130	Social care clients receiving Self Directed Support (Direct Payments and Individual Budgets)	322.3	241	255.2	155.6	Red	n/a	The Direct Payments Team is continuing to monitor the take up of Direct Payments and exploring reasons why people are opting not to enter into an agreement for a Direct Payment. Solutions to these barriers will then be explored in order to eliminate or reduce them. A Monitoring Group is established with a risk management action plan monitored on a monthly basis.. From April 2009 a Resource Allocation System (RAS) will be in place and Individual Budgets will be an option for all.
NI 135	Carers receiving needs assessment or review and a specific carer's service, or advice and information	18.0%	18%	10.0%	23.63%	Over Performing	n/a	Performance for this new national indicator has exceeded targets at present. Monthly monitoring of performance will continue, and consideration will be made to refresh targets as part of the LAA review.
NI 136	People supported to live independently through social services (all adults)	2185.80	2185.80	2161	2326.44	Amber	n/a	Currently over performing and corrective action is not required at present. Targets will be refreshed within the new Departmental Plan.

NI 146	Adults with learning disabilities in employment	8.3%	8%	6.0%	3.5%	Red	n/a	The next quarter (Q3) will show an increase due to people completing the JOBS (Jointly Overcoming Barriers equals Success) programme and entering the jobs market.
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Key Project	Lead Department	Quarter 2 status (green, amber or red - see below)	Corrective action (amber or red only)
Enablement and re-ablement	Adult Social Services	GREEN	
Carers Strategy	Adult Social Services	GREEN	
Access and assessment arrangements	Adult Social Services	AMBER	Clear timescales and plans to implement changes to the structure.
Promoting independence	Adult Social Services	GREEN	
Develop Self Directed Support services	Adult Social Services	AMBER	Action plan in place and monitoring group from April 2008 resource allocation system will be in place and individual budgets an option for all. Key element of personalisation agenda.
Implement the Strategic Framework for Health and Wellbeing	Adult Social Services	Awaiting Status	
Joint Strategic Needs Assessment	Adult Social Services	GREEN	

### 3.4.7 Raise overall educational attainment, particularly lower achieving young people

PI No.	Title	Yr End Target	Yr End Forecast	Quarter 2 Target	Quarter 2 Actual	On Target	Direction of Travel	Corrective Action
NI 72	Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy	54%	48.3%	54.0%	48.3%	Red		Provisional*
NI 73	Achievement at level 4 or above in both English and Maths at Key Stage 2		74%		74%		n/a	Provisional*
NI 74	Achievement at level 5 or above in both English and Maths at Key Stage 3		70.7%		70.7%		n/a	Provisional*
NI 75	Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths	52%	49.9%	52.0%	49.9%	Green		Provisional*
NI 83	Achievement at Level 5 or above in Science at Key Stage 3	76%	73.3%	76.0%	73.3%	Green	n/a	Provisional*






PI No.	Title	Yr End Target	Yr End Forecast	Quarter 2 Target	Quarter 2 Actual	On Target	Direction of Travel	Corrective Action
NI 87	Secondary school persistent absence rate	(Lower is Better)	5.7%		5.7%		n/a	Provisional*
NI 92	Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest	31.5% (Lower is Better)	32.0%	31.5%	32.0%	Green	n/a	Provisional*
NI 93	Progression by 2 levels in English between Key Stage 1 and Key Stage 2		83.5%		83.5%		n/a	Provisional*
NI 94	Progression by 2 levels in Maths between Key Stage 1 and Key Stage 2		76.9%		76.9%		n/a	Provisional*
NI 95	Progression by 2 levels in English between Key Stage 2 and Key Stage 3		29.9%		29.9%		n/a	Provisional*
NI 96	Progression by 2 levels in Maths between Key Stage 2 and Key Stage 3		59.9		59.9		n/a	Provisional*
NI 97	Progression by 2 levels in English between Key Stage 3 and Key Stage 4		58%		58%		n/a	Provisional*
NI 98	Progression by 2 levels in Maths between Key Stage 3 and Key Stage 4		22.1%		22.1%		n/a	Provisional*
NI 99	Looked after children reaching level 4 in English at Key Stage 2	60%	61.5%	60.0%	61.5%	Green	n/a	Provisional*
NI 100	Looked after children reaching level 4 in maths at Key Stage 2	62.5%	61.5%	62.5%	61.5%	Green	n/a	Provisional*
NI 101	Looked after children achieving 5 A*-C GCSEs (or equivalent) at Key Stage 4 (including English and maths)	13.5%	10.3%	13.5%	10.3%	Red	n/a	Provisional/Un-validated - The attainment of looked-after children is examined on an individual basis and various factors that might affect performance are taken into account, such as level of attendance. Designated teachers for Looked After Children are in place. Schools have been given an additional £500 per pupil through their budgets to assist in work to support Looked After Children.

\*All audited data for attainment figures will be received in January.


Key Project	Lead Department	Quarter 2 status (green, amber or red - see below)	Corrective action (amber or red only)
Project plan to close the attainment gap where poverty affects achievement	Children & Young People	GREEN	
Strategies Intervention Project	Children & Young People	GREEN	
Ensure there are no schools in Ofsted categories	Children & Young People	AMBER	Intervention and support provided to the one school in a category.
Develop a range of intervention strategies to support underachieving and under attaining pupils	Children & Young People	GREEN	
develop literacy and numeracy via family learning programmes	Children & Young People	GREEN	

### 3.4.8 Safely reduce the number of looked after children

PI No.	Title	Yr End Target	Yr End Forecast	Quarter 2 Target	Quarter 2 Actual	On Target	Direction of Travel	Corrective Action
NI 61	Timeliness of placements of looked after children for adoption following an agency decision that the child should be placed for adoption	68.0	68.0	50.0	50.0	Green	n/a	
NI 62	Stability of placements of looked after children: number of placements	11% (Lower is Better)	13.0%	11%	13.2%	Red		We have identified all young people with two moves so far this year to be alert to their potential instability & are being extra vigilant about how we support them in their current placement to prevent them having a 3 <sup>rd</sup> move. This figure of 13.2% falls within the OFSTED "Very Good" category.
NI 63	Stability of placements of looked after children: length of placement	63.0	65.5	63.0	65.5	Green		
NI 68	Percentage of referrals to children's social care going on to initial assessment	71%	71.0%	71.0%	53.3%	Red		A review of data recording practice has been undertaken. A team by team analysis of performance against this target is being prepared monthly in order to more closely identify issues. As a result of this work it is anticipated that over future months improvements will occur.

Key Project	Lead Department	Quarter 2 status (green, amber or red - see below)	Corrective action (amber or red only)
Project plan to safely reduce the number of looked after children	Children & Young People	GREEN	

### 3.4.9 Improve the council's use of land assets

PI No.	Title	Yr End Target	Yr End Forecast	Quarter 2 Target	Quarter 2 Actual	On Target	Direction of Travel	Corrective Action
LOCAL 6275	The number of working days/shifts lost due to sickness absence	8.5	10.00		10.21	No target set for Q2		Detailed work is being undertaken with Departments and this should ensure that the figure is likely to continue a downward trend

Key Project	Lead Department	Quarter 2 status (green, amber or red - see below)	Corrective action (amber or red only)
Undertake a Strategic Asset Review	Law, HR & Asset Management	GREEN	
Deliver and implement the people strategy	Law, HR & Asset Management	GREEN	

### 3.4.10 Create a sustainable budget, providing value for money

There are no performance indicators to report for this priority area at Q2.

Key Project	Lead Department	Quarter 2 status (green, amber or red - see below)	Corrective action (amber or red only)
Agree a budget which is sustainable, and which identifies resources for further developing Council Services.	Finance	GREEN	
Contain expenditure within agreed budgets and provide services to agreed standards.	Finance	AMBER	Potential DASS overspend of £3.6m reported to Cabinet on 4th September. Further report to November Cabinet
Review comparative data to ensure we provide our services most cost effectively taking into the needs of our community	Finance	GREEN	
Implement our procurement strategy to ensure that services and goods are acquired economically and efficiently, and if advantageous, in partnership with others.	Finance	AMBER	Further improvements in communication and co-ordination are taking place corporately in order to reinforce procedures and ensure that invoices are processed more efficiently. The Procure to Pay section is analysing information which will identify and classify service areas that do not forward invoices in a timely manner, allowing for targeted support and corrective action.

Key Project	Lead Department	Quarter 2 status (green, amber or red - see below)	Corrective action (amber or red only)
Implement agreed change programme which includes change, financial systems, customer access and IT development.	Finance	AWAITING STATUS BUT RED (PART)	Cabinet agreed 23 July to team to prepare scope for implementation of the HR System. Suspended due to non-acceptance by sponsor department. Update to Cabinet on 27 November.
Exceed government standards for Housing and Council Tax benefits and Council Tax collection.	Finance	GREEN	
Delivering the pay review	Law, HR & Asset Management	GREEN	

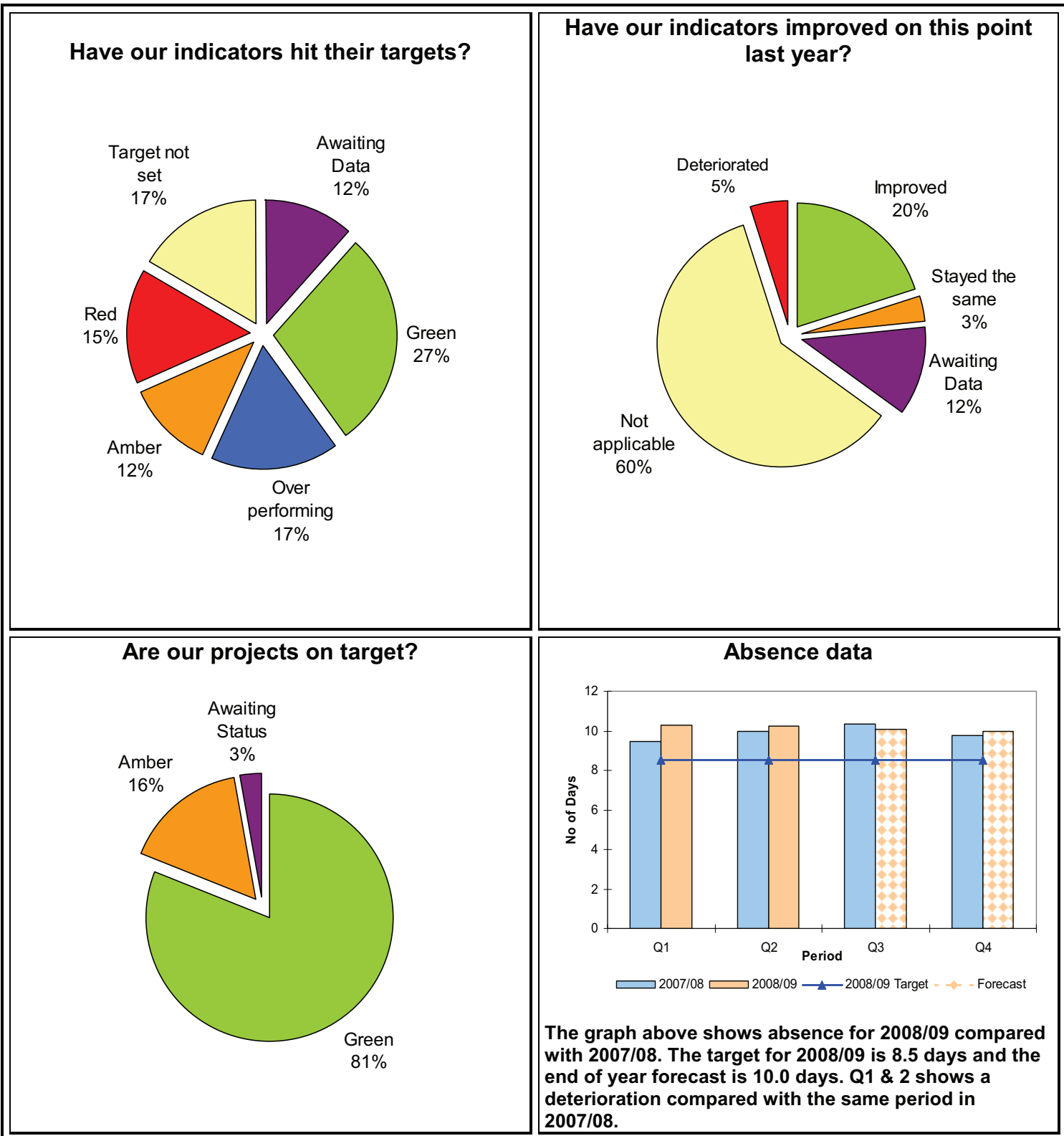
### 3.4.11 Improving the council's budgeting process to fully reflect its priorities

There are no performance indicators to report for this priority area at Q2.

Key Project	Lead Department	Quarter 2 status (green, amber or red - see below)	Corrective action (amber or red only)
Reflect the implications of the priorities in the Corporate Plan in our Medium Term Financial Plan and corporate planning processes.	Finance	GREEN	



### 3.5 Corporate Plan Performance Summary

3.5.1 The charts below show the overall council position for all key performance indicators and projects within the council's 2008/09 corporate plan at the second quarter.



### 3.6 Performance Exceptions

This section includes all corporate plan indicators which are red at Quarter 2 not including priority for improvement indicators. All other performance exceptions can be found in Appendix A.

PI No.	Title	Yr End Target	Yr End Forecast	Quarter 2 Target	Quarter 2 Actual	On Target	Direction of Travel	Corrective Action
NI 15	Number of most serious violent crimes (PSA 23: Priority Action 1) per 1000 population	0.37 (Lower is Better)	0.44	0.18	0.22	Red	n/a	There has been a steady rise in the number of serious violence offences between the months July and September, 2008. Domestic Violence and Alcohol separately play their part in contributing to these figures but beyond that there remains no pattern to this offence. Performance in this area is subject to a monthly meeting of senior Police Officers in an effort to reduce the number of offences.
NI 117	16 to 18 year olds who are not in education, employment or training (NEET)	7.4% (Lower is Better)	9.0%	9.0%	10.3%	Red		The Authority EET Action plan is in place which outlines partner responsibilities and contributions to achieving the NEET target. The Wirral Wise Programme, supported by ESF, has commenced, with its 3 strands of interventions targeted at young people who are NEET, aimed at progression via placements and work trials. The September Guarantee thresholds have been met in Wirral this year, with: 94.95% of Year 11 and 80.51% of 17 year olds having a recorded offer of a place in EET. Targeted action with vulnerable young people and within NEET hotspot areas continues. The annual Activity survey of Year 11 leavers which is continuing up to the November count date currently indicates over 90% of the cohort in Learning.
LOCAL 4049	Total number of homes acquired, demolished, refurbished or built as a result of HMRI investment	950	950	354	196	Red		Discussions with contractors to remedy outstanding snags with Group Repair improvements. They are virtually all complete and should report in Q3. Targeted marketing to increase Energy efficiency outputs.

### 3.7 Corporate Plan Project Exceptions

Project	Priority for Improvement	Department	Status	Corrective Action
Progressing the production of the Local Development Framework		Corporate Services	AMBER	Full resource continues to be utilised
Develop neighbourhood management approach in deprived communities including education & enforcement		Technical Services	AMBER	Partnership approaches are being discussed but have not yet been implemented. The approach will be influenced by the imminent review of Wardens duties and responsibilities.
Develop and implement heritage strategy		Regeneration	AMBER	Tenders going out October/November

Project	Priority for Improvement	Department	Status	Corrective Action
Work of the Family Safety Unit		Regeneration	AMBER	This is an overall status for 2 other Family Safety / Domestic Violence Projects which are also Amber.
Achieve level three in ESLG		Corporate Services	AMBER	Ensure delivery of project plan through regular monitoring of hotspots and intervention where necessary
Customer Access Strategy		Finance	AMBER	Customer Care standards are being re-launched to all staff and to the public in October 2008. The revised Customer Access Strategy was approved by Cabinet on 23rd July. Both general website useage and e-citizen registrations are well in excess of original projections, indicating the growing importance of the web as an access channel. An upgrade to our current web software is under review in order to ensure optimum access and ease of use. This will further enhance the Council's web presence.

- 3.8. Customer feedback is now recorded on the Customer Relationship Management (CRM) system and includes both complaints and compliments. Of the Stage 1 complaints these primarily related to Technical Services and service delivery issues in refuse collection. A total of 17 enquiries were received from the Ombudsman primarily around schools admissions (12). This reflects the normal cyclical trend with the admission enquiries under investigation. Of the compliments recorded the majority were for Adult Social Services.

#### 4. FINANCIAL MONITORING

- 4.1. The net Council spend for 2008/09 is £299 million. The monitoring compares spend against the approved budget which includes growth and policy options as well as the agreed savings targets. When setting the 2008/09 budget the projected balances at 31 March 2009 were £5 million.
- 4.2. At 30 September the position, as detailed in Appendix B, is:-

Details	£million	£million
<b>Projected General Fund balances at 31 March 2009 when setting the budget for 2008/09</b>		5.0
<b>Cabinet decisions</b>		
26 June - Financial out-turn for 2007/08 showed an underspending and contribution to balances		+2.5
9 July - Release of Insurance Fund reserve to general balance		+3.0
23 July - Receipt of Local Authority Business Growth Incentive (LABGI) grant to general balance		+1.3
23 July - Funding for street lighting energy and Children & Young People transport costs		-0.9
<b>Projected variances / potential overspends</b>		
Overspend		
Adult Social Services	+3.5	
Children & Young People	+1.7	
Regeneration	+0.6	
Underspend		
Treasury Management	-1.2	-4.6
Potential liability		
Reported to Cabinet 23 July in respect of fuel and energy costs in 2008/09		-2.6
<b>General Fund balances at 31 March 2009 based upon the latest projections</b>		3.7

- 4.3. The completion of the year-end accounts resulted in an increase in the projected balances at 31 March 2008 by £2.5 million. The main spending pressures within Adult Social Services more than offset by the increase in Housing Benefit grant and the benefits from Treasury Management activities.
- 4.4. The release of £3 million from the Insurance Fund reserve to the general balance is a result of the continuing improved performance in respect of



insurance and risk management. This improved performance evidenced by the annual Actuarial assessment and the potential liability for claims.

- 4.5. The receipt of the final payment of the Local Authority Business Growth Incentive (LABGI) grant of £1.3 million, which related to the 2007/08 financial year, was added to balances. In terms of fuel and energy costs it was agreed that £780,000 be provided from balances this year to meet the increased energy costs for street lighting in Technical Services and £125,000 for fuel costs relating to Children & Young People transport costs. Financial pressures were identified based upon the likely outcome of the energy contracts due to be tendered for in autumn 2008.
- 4.6. Within Adult Social Services the pressures of increasing demand for care services that resulted in an overspend in 2007/08 remain. In terms of savings there are issues around the achievement of the total required this year. The Director has reported this to Cabinet and whilst he is investigating alternative and one-off savings Cabinet has recognised the probability of a £3.6 million overspend primarily within Community Care.
- 4.7. Under Children and Young People the areas of Special Education Needs (SEN) including transport and the care of young people (which resulted in an overspend in 2007/08) and changes to court proceedings are projecting to overspend. The challenges from the employee related savings targets and impact upon existing vacancy control targets together with the service re-engineering savings brought forward from 2007/08 form the significant part of the projected overspend of £1.7 million. Actions taken so far have reduced this projection from £3 million and the Director is considering other options to reduce costs.
- 4.8. Within Regeneration income and energy costs are projected to be at variance with the budget and efforts are being made to contain spend within the budget allocated. However, the options proposed to deliver the Service Re-engineering savings targets brought forward from 2007/08 have yet to be approved meaning an overspend of £0.6 million is likely.
- 4.9. Treasury Management includes the management of cash flow and the need to borrow to fund investment has been re-engineered reducing the requirement for temporary borrowing. The savings achieved in 2007/08 continue and will deliver £0.5 million in 2008/09. Opportunities from the increased rates offered by the banking sector have been taken as a consequence of the improved cash management and at this stage of the year the additional income realised is in the order of £0.7 million. Whilst further benefits are anticipated the unpredictability in the financial sector means any surplus resources are now being invested in lower risk / lower return Government investments.

## **5. CAPITAL MONITORING**

- 5.1. The capital programme for 2008/11 was approved by Council on 17 December 2007 and confirmed as part of the budget by Council on 3 March 2008. The monitoring, which is detailed in Appendix C, compares the original programme with the latest forecast which includes slippage from 2007/08 that was agreed by Cabinet on June 26.

<b>Spend</b>	<b>Original Approval</b>	<b>Forecast June</b>	<b>Forecast September</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Adult Social Services	2,952	3,696	3,815
Children & Young People	32,221	26,377	26,426
Corporate Services	410	1,160	1,160
Law, HR and Asset Mgt	1,860	2,111	2,111
Regeneration	29,079	36,876	36,876
Technical Services	11,318	12,589	12,589
<b>Total programme</b>	<b>77,840</b>	<b>82,809</b>	<b>82,977</b>

- 5.2. The resources table similarly compares the developing programme and reflects the agreed changes, including slippage of spend from 2007/08. The generation of capital receipts through the sale of assets is used to fund the programme and at this stage £4 million is included for use in 2008/09. Income from sales, whilst uncertain in the exact timing of receipt, offers flexibility in the timing of its use and can be used to either balance the current programme or to address future budgetary issues.

<b>Spend</b>	<b>Original Approval</b>	<b>Forecast June</b>	<b>Forecast September</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Borrowing	31,092	30,257	31,073
Grant – HMRI	9,800	8,900	8,900
Grant – Education	20,899	17,868	17,100
Grant – Other	11,636	21,368	21,487
Revenue	413	416	417
Capital Receipts	4,000	4,000	4,000
<b>Total resources</b>	<b>77,840</b>	<b>82,809</b>	<b>82,977</b>

- 5.3. The Director of Adult Social Services has commenced the consultation on a review of intermediate care that will also impact upon the decisions regarding adult accommodation provision. All schemes are therefore subject to review pending the outcome of the consultation.
- 5.4. The Building Schools for the Future (BSF) – One Pathfinder project continues to progress in accordance with the timescales agreed with the Department for Children, Schools and Families. With the Department having re-profiled the funding a start on site is expected early in 2009.
- 5.5. Under the national scheme to develop Children’s Centres Phase 1 and Phase 2 has now seen 17 of the 19 centres opened. The remaining two were re-programmed into 2008/09 and are at the tender stage.
- 5.6. The funding from the Department for Children, Schools and Families for the Primary Capital Strategy is anticipated to be clarified in September. The local authority strategy document having been submitted for consideration.
- 5.7. The Oval Sports Centre is undergoing a substantial programme of works both to the main building and to the creation of 5-a-side pitches. This has been the subject of well reported delays for a variety of reasons and report is to be

presented to Cabinet in December. The redevelopment of New Brighton is progressing well which includes the Floral Pavilion that is anticipated to open in November.

- 5.8. The Special Initiatives element of the programme includes schemes and related funding in respect of Objective One (£5.5 million) and the Single Regeneration Budget (£4.5 million). The schemes contribute towards the conclusion of the Merseyside-wide programme which is shown under 2008/09 but will be further refined as it is not due to complete until 2010.
- 5.9. The Housing Market Renewal Initiative (NewHeartlands) continues to progress although the impact of the worldwide and national financial situation is affecting developers. The size and nature of the programme requires both the programme and the funding to be more flexible with the re-phasing of expenditure and resources kept under review to maintain progress.
- 5.10. In terms of future years the proposals for addressing the Bidston Moss Viaduct are nearing conclusion with the Department for transport having ear-marked the scheme for funding, subject to the constituent authorities agreeing to a share of the funding. This was reported to, and agreed by, Cabinet on May 22.
- 5.11. Cabinet is advised that in accordance with the Constitution there is a request to approve variations in the capital programme in respect of Adult Social Services IT infrastructure funded from grant and the Bromborough Pool Bridge overspend from within the LTP allocation.

## 6. RISK MONITORING

- 6.1 The revised Corporate Risk Register was agreed by Cabinet on 13 March 2008. This was the baseline document and is reviewed quarterly with Appendix D highlighting progress and any additional issues identified.
- 6.2 For most of the risks the planned improvements in control actions have been implemented along with further identified actions to ensure that the risks are being controlled. Examples of positive developments include:-

<b>Risk No.</b>	<b>Description</b>	<b>Positive Developments in Control Actions</b>
1.	Death or serious injury to a service user, staff member, or anyone to whom the Council owes a duty of care.	The first IOSH Managing Safely Course was delivered in September. 6 revised health & safety arrangements completed and subject to consultation. Health & safety audits in Cultural Services completed.
2.	Failure to prepare adequately for/manage the impact of a pandemic.	Lists of critical employees have been identified for priorities for anti-viral drugs.
5.	The Council does not maintain arrangements for good corporate governance	A further risk management training session for Members was delivered on 24 July. Revised representation on Audit & Risk Management Committee was agreed for the September cycle.

8.	The strategies supporting our key priorities are not executed effectively	Key strategies were revised and reported to Cabinet on 23 July.
12.	We do not fully exploit all available resources, including technology.	Key strategies were reviewed and reported to Cabinet on 23 July. A standardised business case pro-forma for bid submissions has been introduced.
15.	Failure to execute the Council's Investment Strategy (or failure of the Strategy to deliver).	Managerial capacity and focus on the Investment Strategy was strengthened through the establishment of the Department of Law, HR and Asset Management in September.
17.	Failure in safeguarding arrangements (adult or child)	Two new posts for safeguarding adults with mental health challenges filled.
21.	Susceptibility of IT provision to disruption	Improvements to the controlled environment for the main IT suites have been implemented. A report on a possible new data centre for the authority has been drafted.
24.	Impact of volatility and downturn in the economy	Treasury management policies reviewed. Regular dialogue has been taking place with external investment consultants. Maturing investments have been placed with the Government. Enhanced monitoring of key budget areas has been introduced through the financial monitoring report.

6.3 Those areas where progress in implementing controls has not proceeded to timetable or where information is not available are:

<b>Risk No.</b>	<b>Description</b>	<b>Areas where Control Actions have yet to be progressed</b>
3.	Key Council services are not resilient to disruption and business continuity arrangements are inadequate.	As business continuity plans have not yet been received from the majority of departments the target date for finalising all plans has been put back to January 2009.
6.	Community expectations are not properly understood or managed well.	The programme for the sustainability appraisal of the LAA is slightly behind schedule.
9.	Partnerships are not well planned and we do not work effectively with others	Preparatory work for CAA regime is slightly behind schedule.
15.	Failure to execute the Council's Investment Strategy (or failure of the Strategy to deliver).	Membership of the Corporate Investment Group has been established. However its initial meeting has yet to take place.
19.	Failure to progress the regeneration of economically disadvantaged areas	Membership of the Corporate Investment Group has been established. However its initial meeting has yet to take place.
23.	Financial and environmental impact of delay in or failure to acquire and gain planning	No progress has been made by the MWDA in the acquisition of suitable sites.

	consents for sites needed to deliver the MWDA procurement programme	
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- 6.4 The following have been identified as having potential corporate significance and are subject to further review and consideration:-
- (i) Impact of volatility and a downturn in the economy
  - (ii) Susceptibility of IT provision to disruption.
  - (iii) Financial and environmental impact of delay in or failure to acquire and gain planning consents for sites needed to deliver the MWDA procurement programme.

## **7. OTHER IMPLICATIONS**

- 7.1. There are no equal opportunities, human rights, community safety, local member support, local agenda 21 or planning implications arising directly from this report.

## **8. BACKGROUND PAPERS**

- 8.1 Wirral Corporate Plan 2008/11.  
Appendix A – Performance Monitoring Summary.  
Appendix B – Financial Monitoring Summary.  
Appendix C – Capital Monitoring Summary.  
Appendix D – Corporate Risk Monitoring Summary.

## **9. RECOMMENDATIONS**

- 9.1. That Cabinet review the performance to date and identify any areas for further action.
- 9.2. That the variations in the capital programme in respect of Adult Social Services IT infrastructure funded from grant and the Bromborough Pool Bridge overspend from within the Local Transport plan (LTP) allocation be approved.
- 9.3. That the report, without appendices, for the quarter ending 31 December be presented to the Cabinet in February. The full report, which should include the detailed appendices, to be made available on the Virtual Committee.

STEPHEN MADDOX  
CHIEF EXECUTIVE

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## WIRRAL COUNCIL

### FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

21 JANUARY 2009

### REPORT OF THE DIRECTOR OF FINANCE

### COMPREHENSIVE AREA ASSESSMENT (CAA) - USE OF RESOURCES

#### 1. EXECUTIVE SUMMARY

- 1.1 This report provides details of the Audit Commission project brief for the Comprehensive Area Assessment Use of Resources 2009 assessment which covers 2008/09.

#### 2. BACKGROUND

- 2.1 Previous reports have outlined the changes in the Use of Resources (UOR) assessment framework in accordance with the move from Comprehensive Performance Assessment (CPA) to the Comprehensive Area Assessment (CAA). The CPA assessment covered five general themes shown below which were further sub-divided into key lines of enquiry (KLOE):

CPA	Theme
1	Financial reporting
2	Financial management
3	Financial standing
4	Internal control
5	Value for money

- 2.2 Under CAA, the Use of Resources assessment has value for money at its centre and now comprises three themes. These are further divided into 10 key lines of enquiry.
- 2.3 There is a significant overlap between the old and new Use of Resources KLOES. The new regime however places an increased emphasis on non-financial resources. The most significant changes are separate KLOEs dedicated to natural and workforce resources. The work undertaken on energy efficiency initiatives, in complying with the aims of the 'Nottingham declaration', and on workforce planning will assist in meeting the requirements of these KLOEs. The CAA key lines of enquiry are as follows:

<b>CAA</b>	<b>Managing Finances</b>
1	Planning For Financial Health
2	Understanding Costs and Achieving Efficiencies
3	Financial Reporting
	<b>Governing the Business</b>
4	Commissioning and Procurement
5	Use of Information
6	Good Governance
7	Risk Management and Internal Control
	<b>Managing Resources</b>
8	Natural Resources
9	Strategic Asset Management
10	Workforce (applicable from 2009/10 onwards)

- 2.4 The Use of Resources score will again be based upon a standard four point scale and will again follow the harder test principle with authorities having to improve in order to retain the same level. The new standard scores are also likely to restrict the number of authorities achieving four stars. The table below details the CPA and CAA standard scoring scales.

Score	Standard Scale CPA	Standard Scale CAA
1	Inadequate Performance	'Failure to meet minimum standards'
2	Adequate Performance	'Getting the basics right'
3	Performing Well	'Performing Well'
4	Performing Strongly	'Excellence and genuine leading edge performance'

- 2.5 The Audit Commission issued further guidance to its auditors on the Use of Resources in October 2008 which is available on its website. The Audit Commission project brief is designed to fit in with this guidance.

### 3. **USE OF RESOURCES 2008**

- 3.1 The 2008 UoR assessment will be formally announced on 26 February 2009. Authorities received their 2008 notifications on 8 December 2008. The notification is however embargoed by the Audit Commission until 26 February 2009. Authorities can submit appeals against this initial notification.
- 3.2 The 2008 assessment was based on the 31 March 2008 position. Since this date officers have continued to work on a number of areas to deliver further continuous improvement which will be reflected within future assessments. Improvement have ranged from reviewing and strengthening the Statement of Annual Accounts processes and the production of an Annual Report, to developing the Strategic Asset Review and further development of the procurement strategy and the change programme.



#### **4. AUDIT COMMISSION USE OF RESOURCES PROJECT BRIEF AND APPROACH FOR 2009**

4.1 The Audit Commission project brief highlights a number of developments within the new Use of Resources:

- The KLOEs are more broadly based than before
- There is an increased focus on value for money achievements
- The focus will be on outputs and achievements rather than on processes in place
- The assessment will be more strategically based
- Guidance will include characteristics of performance but these will not be an essential 'must have' list

4.2 The audit approach will use a 'rounded professional judgement' to form an assessment against the key lines of enquiry. The Audit Commission states that this assessment will be on a top down rather than bottom up basis with less prescription and use of checklists. The assessment of risk will also form an important focus. The assessment will also be informed by the outcomes from other audit work and assessments conducted during the year.

4.3 The Audit Commission will undertake its fieldwork between January and April 2009. This will include the review of key documents, interviewing officers and Members and reviews of Authority minutes and agendas. Further investigation and discussion may follow from this.

4.4 The Audit Commission intends to report the Use of Resources score within the Annual Governance Report. This will be reported alongside the value for money conclusion and the opinion on the statement of accounts in September 2009. The final CAA organisational assessment will be reported in November 2009.

4.5 The approach outlined above does seem to provide for flexibility and for the assessment to be based on a rounded view of achievements. The approach however could also involve a greater degree of subjective judgement from auditors.

#### **5. FINANCIAL AND STAFFING IMPLICATIONS**

5.1 There are no direct financial or staffing implications arising out of this report.

#### **6. EQUAL OPPORTUNITIES IMPLICATIONS**

6.1 There are none arising directly from this report.

#### **7. HUMAN RIGHTS IMPLICATIONS**

7.1 There are none arising directly from this report.

**8. LOCAL AGENDA 21 IMPLICATIONS**

8.1 There are none arising directly from this report.

**9. COMMUNITY SAFETY IMPLICATIONS**

9.1 There are none arising directly from this report.

**10. PLANNING IMPLICATIONS**

10.1 There are none arising directly from this report.

**11. LOCAL MEMBER SUPPORT IMPLICATIONS**

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

**12. BACKGROUND PAPERS**

12.1. Audit Commission Project Brief Wirral Borough Council Audit 2008/09 - December 2008

12.2 Audit Commission Use of Resources Guidance for Councils – October 2008  
<http://www.audit-commission.gov.uk/useofresources/guidance/index.htm>

12.3 Audit Commission Use of Resources 2008/09 Overall approach and key lines of enquiry – May 2008

**13. RECOMMENDATIONS**

13.1 That the 2009 Use of Resources Project brief be noted

13.2 That regular reports be presented on progress on the Use of Resources.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/315/08

# Use of Resources

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## Project Brief

Wirral Metropolitan Borough Council

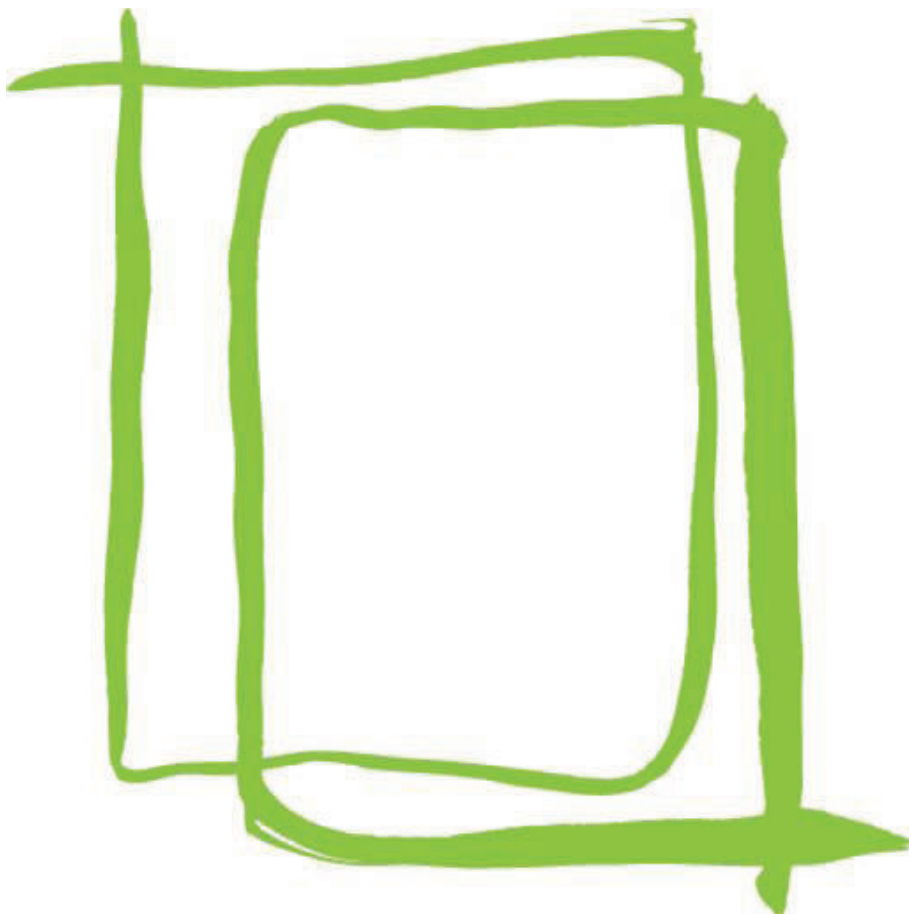
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Audit 2008/09

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December 2008

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# Contents

<b>Introduction</b>	<b>3</b>
<b>Background</b>	<b>4</b>
<b>Scope and objectives</b>	<b>5</b>
<b>Audit approach</b>	<b>6</b>
<b>Reporting and timescales</b>	<b>7</b>
<b>Audit personnel and key contacts</b>	<b>8</b>
<b>Appendix 1 – Document request</b>	<b>10</b>
<b>Appendix 2 – Key responsibilities</b>	<b>11</b>

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## Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

# Introduction

- 1 2009 is the fifth use of resources (UoR) assessment to be undertaken at councils but it will be significantly different to the previous approach as it will focus on outcomes achieved. The use of resources assessment forms part of the new Comprehensive Area Assessment (CAA) from 2009 and will also feed into other relevant performance assessment frameworks as appropriate. The use of resources key lines of enquiry will also be the 'relevant criteria' for the value for money conclusion that is part of our work under the Code of Audit Practice.
- 2 This brief outlines the approach we will take to the UoR assessment at Wirral Borough Council, who the key contacts will be and the reporting arrangements. The Audit Commission published the overall approach and key lines of enquiry (KLOE) in May 2009 <http://www.audit-commission.gov.uk/useofresources/2009kloe.asp>. It has also prepared guidance for auditors to support them in carrying out their assessments and made this available to audited bodies on its website at the following link <http://www.audit-commission.gov.uk/useofresources/2009guidance.asp>.

# Background

- 3 The Audit Commission review of 2007/08 found that the Council's arrangements had continued to improve during the period of assessment, from April 2007 to March 2008. The overall assessment improved in three out of the five themes. The areas of improvement were in respect of financial management, financial standing and internal control which all scored level 3. Financial reporting and value for money remained at level 2 although there were improvements in arrangements.
- 4 The 2008/09 use of resources assessment will consider how well the Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people. It is structured into three themes that focus on the importance of sound and strategic financial management, strategic commissioning and good governance, and the effective management of natural resources, assets and people. It will be applied to all local government bodies, including police and fire authorities, and to primary care trusts in the NHS.
- 5 Many of the new KLOE within the themes are similar to the previous KLOE, although there are some new areas, such as the use of natural resources and workforce planning. The new KLOE within each of the themes are shown in the table below.

**Table 1 Use of resources KLOE 2008/09**

The new use of resources is split into three themes and ten KLOE

<b>Managing finances</b>	<b>Governing the business</b>	<b>Managing resources</b>
1.1 Financial planning & financial health	2.1 Commissioning & procurement	3.1 Natural resources
1.2 Understanding costs & performance	2.2 DQ & use of information	3.2 Asset management
1.3 Financial monitoring & reporting	2.3 Good governance & ethical behaviour	3.3 Workforce planning
	2.4 Risk management & internal control	

Source: Audit Commission

# Scope and objectives

- 6 The 2008/09 KLOE are shown at Table 1 on the previous page. The KLOE are more broadly based than previously and embrace wider resource issues such as the use of natural resources. The KLOE focus more on value for money achievements, outputs and outcomes rather than on processes, and are more strategic and less detailed. They are supported by characteristics of performance, which are used as an aid to the exercise of the auditors' professional judgment. The underlying characteristics are indicative of differing levels of expected performance, and are not criteria to be complied with in all circumstances.
- 7 The KLOE and supporting characteristics are based upon published best practice, standards and professional guidance, where available, and the principles set out in the Commission's publication World Class Financial Management.
- 8 A proportionate approach will be applied to the assessment of the KLOE. The Audit Commission has specified in its annual work programme and fees document which KLOE are to be assessed over the coming year. The specified KLOE differ for each sector in order to reflect sector priorities. In 2008/09, we will assess nine of the ten KLOE at single tier and county councils - KLOE 3.3 on workforce will not be assessed this year. However, arrangements will need to be in place from 1 April 2009 for the 2010 assessment so we have had early discussions with the Head of HR.
- 9 The objectives of our work are to:
  - make a judgement about whether we are satisfied that the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources - the value for money conclusion in the statutory audit report that we give under The Code of Audit Practice. We will apply a yes/no judgement against the criteria to indicate whether the Council has proper arrangements in place or not. A 'no' judgement is equivalent to a UoR score of 1 and a 'yes' judgement is equivalent to a score of at least 2;
  - assess how well the Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people which is part of the organisational assessment under CAA;
  - inform the managing performance organisational assessment under CAA; and
  - provide intelligence to inform the area assessment under CAA.

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# Audit approach

- 10 The approach for 2008/09 is significantly different. The emphasis of the assessment will be on a rounded professional judgement against the headline key lines of enquiry (KLOE) – ‘top down’ rather than ‘bottom up’ approach. It moves away from a checklist of criteria to illustrative characteristics of performance included within the guidance. Most importantly, there is less focus on prescriptive arrangements and process and more focus on outcomes and what difference the arrangements have made.
- 11 There will again be a four level scoring system, but levels 2 and 3 will be broad descriptions of 'getting the basics right' and 'performing well' respectively. Scores of 4 will be reserved for excellence and genuine leading edge performance. Level 1 represents a failure to meet the minimum requirements at level 2. The Audit Commission is still to determine the approach for arriving at the theme scores and the overall use of resources score.
- 12 Our work continues to be based on an assessment of risk. The approach for 2009 will be supported by evidence gained in previous years and we will update the assessments for any changes and improvements and carry out testing to confirm arrangements and outcomes. The guidance for auditors available to the Council at <http://www.audit-commission.gov.uk/useofresources/2009guidance.asp> sets out the links to the 2007/08 use of resources assessments. For example, the new KLOE 1.1 on managing finances links to the 2007/08 KLOE 2.1, 2.2 and 3.1.
- 13 We will also carry out detailed work on performance management and procurement (separate project briefs will be agreed) and current ongoing work on Ethical Governance, Governance of Partnerships and Improvement through Better Financial Management will inform the assessment. We also plan to hold a workshop for key officers to work through the details of the new approach.
- 14 We will undertake the fieldwork during 2009 and scores will be notified to councils in the autumn of 2009. Key dates for the 2009 assessment are shown at paragraph 17. The key contacts for the audit team and the Council are shown at paragraphs 18 and 20.
- 15 We will carry out the work through:
  - review of key documents;
  - interviews with officers and members; and
  - ongoing discussions and review of minutes and media.
- 16 There is no requirement for a self assessment. However, if a well evidenced self assessment is carried out, formally or informally, it will help us to make a quick and robust assessment and ensure that all relevant information is taken into account.



# Reporting and timescales

17 The use of resources assessment and value for money conclusion 2008/09 will be based on the same KLOE and will be reported in the Annual Governance Report alongside the opinion on the statement of accounts. The deadline for this is 30th September 2009. The following timetable is provisional at this stage and will be kept up to date throughout the audit.

Date	Activity/milestone
January 2009	Agree brief with Lead Director
January 2009	Workshop for key officers
January - April 2009	Fieldwork
May - June 2009	Audit team regional quality assurance (QA) and internal challenge
June/July 2009	Review of reports to members
August 2009	Submission of draft scored judgements for national QA
End August 2009	Agreement of value for money conclusion and scored use of resources judgements
Early September	Draft Annual Governance Report
Mid September	Final Annual Governance Report
Late September 2009	Audit & Risk Management Committee (papers out one week before)
October/November 2009	Draft organisational assessment report shared with the Council
Late November 2009	Final organisational assessments reported as part of CAA reporting. Issue annual audit letter.

# Audit personnel and key contacts

18 The following Audit Commission staff will be involved with the work.

Name	Contact details
Mike Thomas, District Auditor Overall responsibility for the audit	<a href="mailto:m-thomas@audit-commission.gov.uk">m-thomas@audit-commission.gov.uk</a> 0844 7987043 or 07879 667712
Liz Temple-Murray, Audit Manager Lead contact for UoR Manager for KLOE 1.1, 1.3, 2.2, 2.3, 2.4, 3.2	<a href="mailto:l-temple-murray@audit-commission.gov.uk">l-temple-murray@audit-commission.gov.uk</a> 0151 666 3483 or 07769 887358
Dave Wilson, Performance Manager Manager for KLOE 1.2, 2.1, 3.1 Manager for projects on Performance Management and Sustainability	<a href="mailto:da-wilson@audit-commission.gov.uk">da-wilson@audit-commission.gov.uk</a> 0844 7987333 or 0774 8930598
Dave Catherall, Principal Auditor	<a href="mailto:d-catherall@audit-commission.gov.uk">d-catherall@audit-commission.gov.uk</a> 0151 6663497
Kath Johnson, Performance Specialist	<a href="mailto:ka-johnson@audit-commission.gov.uk">ka-johnson@audit-commission.gov.uk</a> 0844 7983579
Rob Metcalf, Principal Auditor	<a href="mailto:r-metcalf@audit-commission.gov.uk">r-metcalf@audit-commission.gov.uk</a> 0151 6663484

19 The following staff will be our key contacts for the use of resources work overall and for the individual key lines of enquiry (KLOE). Ian Coleman and Tom Sault will be lead director and contact respectively, responsible for liaising with the audit team on a regular basis and coordinating the work, feedback and messages within the Council. The Lead Director will keep management up to date with progress on issues through the monthly Corporate Improvement Group (CIG).

20 We have agreed that the three central directors will be responsible for each of the three KLOE themes. Supporting this we have agreed key contacts for each of the individual KLOE. It is the responsibility of each of the key contacts to ensure that their line managers and the responsible Directors as well as the lead Director and Lead contact are kept up to date with issues arising on individual KLOE.

## Audit personnel and key contacts

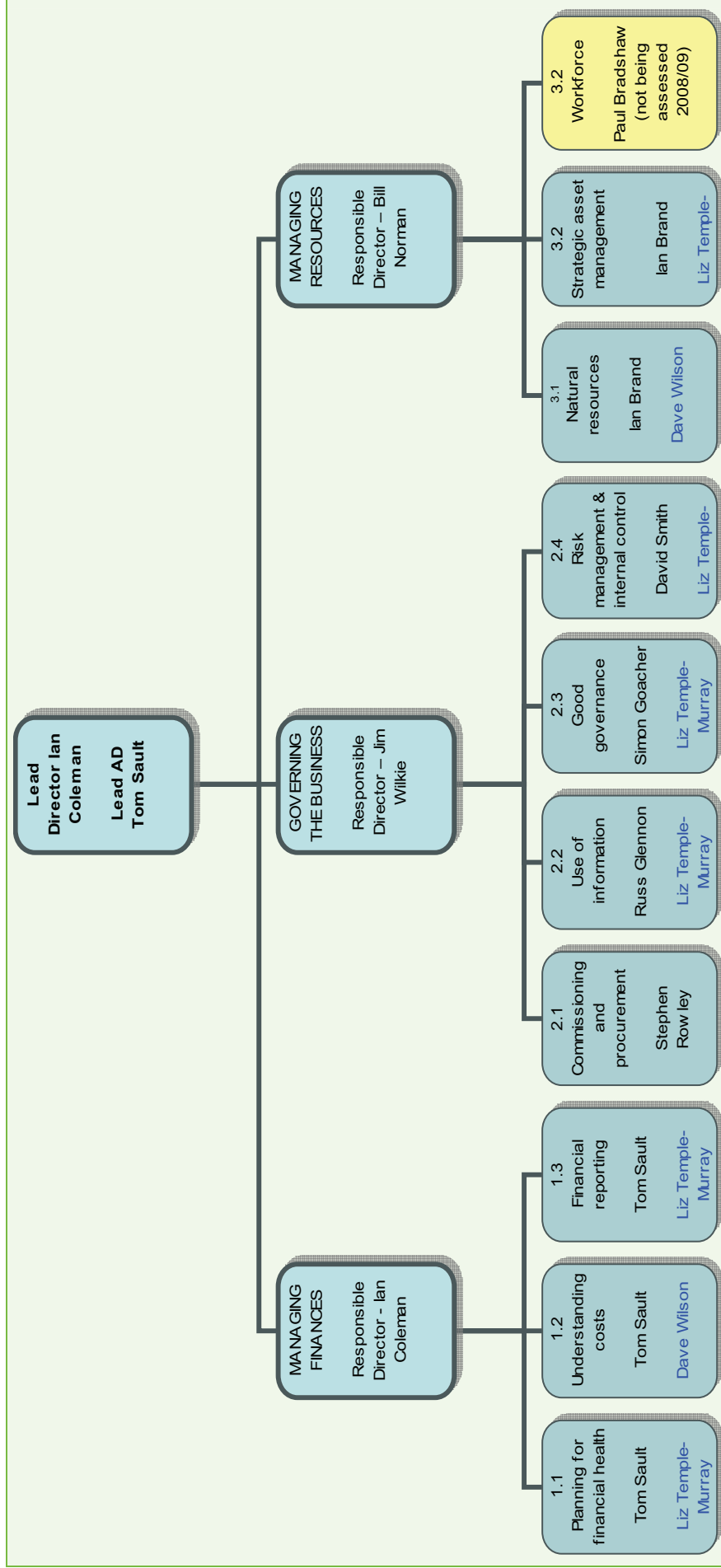
Name	Contact details
<p>Ian Coleman, Director of Finance Lead director for UoR overall Responsible director for 'Managing Finances' (KLOE 1)</p>	<p><a href="mailto:iancoleman@wirral.gov.uk">iancoleman@wirral.gov.uk</a> 0151 666 3056</p>
<p>Tom Sault, Head of Financial Services, Finance Lead contact for UoR overall Key contact for KLOEs 1.1, 1.2 and 1.3</p>	<p><a href="mailto:tomsault@wirral.gov.uk">tomsault@wirral.gov.uk</a> 0151 666 3407</p>
<p>Jim Wilkie, Deputy Chief Ex and Director Corporate Services Responsible director for 'Governing the Business' (KLOE 2)</p>	<p><a href="mailto:jimwilkie@wirral.gov.uk">jimwilkie@wirral.gov.uk</a> 0151 691 8183</p>
<p>Bill Norman, Director Law, HR and Asset Management Responsible Director for 'Managing Resources' (KLOE 3)</p>	<p><a href="mailto:billnorman@wirral.gov.uk">billnorman@wirral.gov.uk</a> 0151 691 8498</p>
<p>Stephen Rowley, Head of Support Services, Finance Key contact for KLOE 2.1</p>	<p><a href="mailto:stephenrowley@wirral.gov.uk">stephenrowley@wirral.gov.uk</a> 0151 666 3525</p>
<p>Russ Glennon, Head of Policy, Corporate Services Key contact for KLOE 2.2 [also Stephen Rowley]</p>	<p><a href="mailto:russglennon@wirral.gov.uk">russglennon@wirral.gov.uk</a> 0151 691 8152</p>
<p>Simon Goacher, Head of Legal &amp; Member Services, Dept of Law, HR &amp; Asset Mgt Key Contact for KLOE 2.3</p>	<p><a href="mailto:simongoacher@wirral.gov.uk">simongoacher@wirral.gov.uk</a> 0151 691 8569</p>
<p>David Smith, Deputy Director, Finance Key contact for KLOE 2.4</p>	<p><a href="mailto:davidsmith@wirral.gov.uk">davidsmith@wirral.gov.uk</a> 0151 666 3491</p>
<p>Ian Brand, Head of Asset Management, Dept of Law, HR &amp; Asset Mgt Key contact for KLOEs 3.1 and 3.2</p>	<p><a href="mailto:ianbrand@wirral.gov.uk">ianbrand@wirral.gov.uk</a> 0151 691 8686</p>
<p>Paul Bradshaw, Head of Human Resources, Dept of Law, HR &amp; Asset Mgt Key contact for KLOE 3.3</p>	<p><a href="mailto:paulbradshaw@wirral.gov.uk">paulbradshaw@wirral.gov.uk</a> 0151 691 8590</p>

21 This brief was agreed with the Director of Finance on 17 December 2008.

# Appendix 1 – Document request

To be agreed with key contacts. The following link to the guidance gives suggested sources of evidence for each KLOE <http://www.audit-commission.gov.uk/useofresources/2009guidance.asp>.

# Appendix 2 – Key responsibilities



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# The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

## WIRRAL COUNCIL

### FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

21 JANUARY 2009

### REPORT OF THE DIRECTOR OF FINANCE

#### CHANGE PROGRAMME

#### 1 EXECUTIVE SUMMARY

- 1.1 This report presents an update on the change programme agreed by the Cabinet on 7 February 2008.
- 1.2 It identifies four key areas for change, identified from over one hundred separate projects considered by Corporate Improvement Group (CIG), and identifies progress that could be achieved by April 2012.
- 1.3 The report details where potential savings have been identified from individual projects.
- 1.4 It notes that clear management will be essential in driving the programme to achieve efficiencies and improve the processes which underpin how the Council operates.
- 1.5 Cabinet on 10 December 2008 noted progress on the Change Programme and approved the Change Programme 2009/2012.

#### 2 INTRODUCTION

- 2.1 On 7 February, 2008 Cabinet approved the co-ordination and management of a single change programme through the CIG comprising:
  - Change Team Programme
  - Integrated Financial System Programme
  - Customer Access Programme (CAS)
  - ICT (Information Communications Technology) Developments.
- 2.2 Cabinet on 23 July 2008 considered an update, which noted the progress in assessing and managing the elements of this programme. Corporate Improvement Group was in the process of reviewing over one hundred separate projects, focusing on those which would have the most impact. A need to introduce a project management system to prioritise projects to enable effective management had been identified.

2.3 Investment in the Corporate Change Programme is in those schemes, supported by robust Business Plans, which enable:

- the Corporate Plan and Vision for Wirral
- Corporate priorities, aims and objectives

It is co-ordinated with Council strategies, including the:

- Medium Term Financial Strategy
- Customer Access Strategy
- Asset Management Strategy
- Information Technology (IT) Strategy

In using IT, priority will be given to using the corporate core IT systems of:

- Enterprise Resource Planning (ERP)
- Customer Relationship Management (CRM)
- Electronic Document and Records Management (EDRM)
- Geographic Information System (GIS)
- Principal Departmental IT Systems

2.4 To this end all the projects identified were categorised into:

- Statutory/regulatory requirements
- Cabinet resolutions
- ICT Strategic Technological Developments
- Departmental developments

Projects were also assessed against criteria of:

- Whether or not an appropriate scope had been agreed,
- Timescales had been identified, and
- Costs/savings had been identified.

2.5 Those projects which did not meet the identified criteria have not been included in the proposed programme. However, the programme will need to be continuously reviewed as more information becomes available. For example, new legislation may lead to a review of programme priorities.

2.6 CIG felt that it was important that the Change Programme considered more than IT development projects, whilst accepting that IT is key to improvement. The programme therefore seeks to integrate and support developments across the Council, although the process has been centred on IT projects. To this end, the individual projects upon which the programme is built have been proposed by departments, through CIG and the process has been co-ordinated with representatives from IT Services, the Change Team, Customer Services and Financial Services.



- 2.7 For the Change Programme to be effective there is a need:
- at the highest level, to focus on identifying improvements and the timescales in which they could be delivered,
  - corporately, to integrate programmes which are currently being developed or managed within departments with this programme
  - for programme management to ensure that all projects and resources are co-ordinated,
  - at an operational level, to task individuals with delivering individual projects within the timeframe identified,
  - for programme assurance to ensure that appropriate processes are in place to enable delivery of the agreed programme,
  - to bring together staff with the necessary skills to deliver the programme within the timescales indicated.

This will require commitment to the programme and use of resources corporately.

- 2.8 Therefore, the proposed programme focuses on four areas for improvement – in terms of efficiency and access to services - and individual projects have been summarised within these areas. The proposed programme is at Appendix 1, and illustrates the potential for improvement over the next three years in each area, subject to the issues raised in paragraph 2.7 (above).

- **Customer Access Strategy (CAS):** initially using Streetscene Services
- **Common Administrative Processes:** including the key projects of the new Highways and Engineering Services contract arrangements (HESPE), Human Capital Management (HCM) [Human Resources and Payroll] and Integrated Financial Systems (IFS). The processes provide the Council with the potential for gaining efficiencies and improvements without any negative impact on front line services.
- **Strategic Asset Review:** this was reported to the Cabinet on 27 November 2008 and will be a catalyst for changing how people work and how services are accessed.
- **ICT Technological Developments:** the work necessary to keep computers and software functioning and up to date

Clearly, the projects are interdependent and cannot be managed in isolation from each other.

- 2.9 The proposed programme is built upon the principles of:
- Modernised, fit for purpose business processes, enabling service improvements
  - Automation of administrative processes
  - Robust, standardised Council-wide procedures for accessing and storing information
  - Improved management information availability and usage to assist service and investment decisions.
- 2.10 In delivering the programme, clear management will be essential in driving the programme to achieve efficiencies and improve the processes which underpin how the Council operates. Managers will seek to share and learn from best practice from other organisations through such as the North West Improvement and Efficiency Partnership. The Council will also build on the enhanced capacity it has developed through its MBA course at Chester University. There has been significant investment in project management and business improvement techniques training. PRINCE 2 project management training has been delivered at varying levels to over 170 officers within the Authority, enhancing the capacity to manage projects successfully. The Council has also benefited from the North West e-Government Group (NWEgg) NVQ Level 2 business improvement programme.

### **3 CUSTOMER ACCESS STRATEGY (CAS)**

- 3.1 The CAS Programme will be underpinned initially by Streetscene, given that Customer Services receives most contacts around these services, and will look at whole processes – not just, for example, replacing current computer systems. The detailed projects required to achieve this will be jointly proposed by Technical Services and Customer Services, and will be agreed by CIG.
- 3.2 The programme area is envisaged to cover:
- A full review of all Streetscene processes,
  - Issuing of licensing and permits across all services,
  - Registration functions,
  - Welfare visiting services and the provision of out of hours services,
  - Development of the web access channel incorporating development of on-line forms,
  - Development of text messaging as an additional access channel.

- 3.3 As regards current issues, the team introduced amendments to the CRM software during November that will resolve the job scheduler problems with the ERIC Service and address all but two of the technical issues that are preventing Pest Control and other potential users making full use of the mobile solution.

## **4 COMMON ADMINISTRATIVE PROCESSES**

### Overview

- 4.1 Service provision is underpinned by common administrative processes that have evolved over time often independently from one department to another. This has resulted in a lack of standardisation across the organisation leading to inconsistency in the use of systems and information technology.
- 4.2 This inconsistency has led to inefficiencies such as duplication of effort, manual processing and heavy reliance on paper based systems which are often labour intensive and open to error. There has also been a growth in duplicate databases, created to hold data locally that has already been captured centrally. This has been generally in response to the inability to obtain accurate management information from central sources.
- 4.3 These processes utilise a variety of ICT applications.

### Range of common administrative processes

- 4.4 To date, the major focus of the Change Team has been to examine corporate activities covering procurement, HCM, expenses, post rooms, case management, meeting events, mileage claims, petty cash and income recovery. The intention is to review all significant procedures and so ensure efficient and effective administration. For the immediate future, the programme includes the following activities:-
- Payments – invoices, income & cash collection, payroll, petty cash, mileage claims, expenses and suppliers,
  - Employees – recruitment, absence management, training and development,
  - Meetings & events - bookings, scheduling,
  - Maintain business & citizen records,
  - Post, document management, corporate scanning and archival,
  - Highways and Engineering Services contract management (HESPE),
  - Case Management - legal services, anti social behaviour team.

Potential Benefits example – Corporate Mail handling

4.5 Departments have their own post service and procedures, except at Wallasey, employing various postal contracts, equipment and procedures to deliver postal services. A review to develop a postal service requirement and strategy interfacing with other developments, eg scanning, EDRM, print strategy and renegotiating appropriate contracts will be taken forward. This will deliver short-term efficiencies from economies of scale. Long-term efficiencies will be realised by delivering post electronically, speeding up processes and avoiding lost post, and having out-going post directed electronically to one print facility which will produce the hardcopy and envelope and post the item.

<b>Process</b>	<b>Details</b>	<b>Annual indicative costs</b>	<b>Potential saving</b>
Delivering post	Wirral has many post room operations. These are building or complex based. Five of them process the majority of inbound and outbound post. Different equipment, processes and contracts with Royal Mail are used. Most deliver/collect mid morning and afternoon.	2006/07 figures indicate a total spend of £746,000 on postal services (excl staff costs) £246,000 of which was spent on franking credits.	Reduction in the number of collection points and the physical transfer of post may save 50% of running costs, ie £250,000

Potential Benefits example – HCM administrative processes

4.6 The proposed programme includes actions to address several primary administration areas in order to provide improved efficiency to the Council to give cashable savings and modernised, fit for purpose business processes.

4.7 As an example, following the Cabinet decision 23 July 2008 to implement Oracle HCM, the key processes relating to people and their payments will be made more efficient by the introduction of self-service functionality. This will reduce the need to process information manually. This approach to self-service will be underpinned by the principle of collecting data electronically at source and using the data repeatedly for all HCM administrative processes. This will replace duplication, manual systems, improve HCM management information and stop the tendency for local managers to hold their own databases.

4.8 Currently there are just under 70 central staff at a cost of around £1.5m dealing with payroll and related HR administration. Preliminary investigation of some HCM processes provides an insight into the potential to provide the service at reduced operational cost. The following table gives a simple overview of the initial results.

<b>Process</b>	<b>Details</b>	<b>Annual indicative costs</b>	<b>Potential saving</b>
Absence recording	Central staff spend 204 hours and departmental staff spend an estimated 450 hours each week to complete the process of recording each employee's attendance.	£135,000 central staff  £365,000 for departmental staff (non-cashable)	The use of self-service removes duplication and enables departmental staff to enter the data. The immediate savings would be in central staffing.
Processing of sick pay	The current payroll procedure for sick pay is automatic for teachers. But for the remaining 12,000 or so staff, an additional stage of perusing and checking every individual's calculation of sick pay is performed. This takes around 270 hours per week.	£140,000	Any improvement in the system calculation or data collection will result in a reduced need for this level of manual intervention.
Postage (Recruitment packs)	The current process guides applicants to request a recruitment pack. This takes central staff 28 hours to assemble and post. Additionally there is external postage and printing costs of the applications.	£64,000	Savings would occur on postage and data handling, if applicants are able to apply online using the integrated HCM system with its i-Recruitment functionality.
Recruitment administration	The current centralised manual processing from request to fill a vacancy through to employment is to be researched.	Costs to be determined	The self service functionality of i-Recruitment enables end users to manage recruitment.
Time management	There are 3000 employees submitting timesheets that take them an estimated 500 hours per week. Central staff then take a further 272 hours to check and input this information each week.	£140,000 for central staff  £260,000 for employees (non-cashable)	The online time and labour function of the HCM system would enable timesheets to be input online by those employees who have access to the system or by local administrators.

<b>Process</b>	<b>Details</b>	<b>Annual indicative costs</b>	<b>Potential saving</b>
Online Payslips	This is currently being investigated.	Not determined	Self Service provides online payslips.
Training, skills audit and equality monitoring	Not investigated	Not determined	Oracle HCM provides for these functions.

4.9 As reported to CIG, the HCM project team met on 18 September 2008 but could not complete the project initiation document in line with the Cabinet decision to implement Oracle HR and Payroll. The project remains suspended. The Director of Law, Human Resources and Asset Management should be reporting to the Cabinet on 15 January 2009 regarding the future of this project.

HESPE

4.10 The award of the service to an external contractor requires the urgent innovative use of current ICT applications to meet the go live date of April 2009. The project team has outlined proposals for an integrated use of the Council's current core systems and those of the contractor. This proposal will replace manual systems and will provide a single management database for controlling the contract and reporting performance.

Integrated Financial System (IFS)

4.11 The Change Programme 2009-10 includes a major improvement for the Treasury Management function in managing the borrowing and loan portfolio and cash flows.

4.12 As regards the current programme, the Income Review has progressed onto the next stage - to review the methods of collecting income with a view to reducing costs. The Procurement Project Team has reported on High Risk Procurement, e-Sourcing and Coordination. These are being reviewed and will be reported to CIG.

Electronic Document Records System (EDRM)

4.13 The Change Programme 2009-10 focuses upon how the Council stores types of data and on using workflow to provide improved case management processes.

4.14 The programme incorporates projects such as maintenance, problem solving and development of the current electronics document records management software, mail distribution, corporate scanning centre, and linking to legacy systems.

### Geographical Information System (GIS)

- 4.15 The 2008/09 work plan continues on target with data from Technical Services being loaded into the CRM for access by the Call Centre in January 2009. The second phase provides access of data by the public by April 2009.
- 4.16 Work is also progressing on integrating addresses within departmental systems with the corporate Local Land and Property Gazetteer. Suitable systems are being identified that will enable straightforward synchronisation.

### Regeneration Review and Reengineering

- 4.17 The Change Programme 2009-10 will build upon the current work undertaken by both the Change Team and the Customer Services Development Team and will encompass the administration review, agile working pilot with Environmental Health and the work undertaken with the Pest Control Section.

### Transport Review

- 4.18 The final report on options for change in future transport provision is due to be completed on schedule in January 2009. The Change Programme 2009 -10 will seek to implement the recommendation and outcomes of the work done in 2008-09.

## **5 ICT STRATEGIC TECHNOLOGICAL DEVELOPMENTS**

- 5.1 This group of projects concerns the mandatory changes and major maintenance that underpin the applications, infrastructure and superstructure needed to use the ICT.

### ICT Continuity

- 5.2 ICT Continuity projects completed since the last report include a contract with O2 in place for supporting Computers for Pupils and PC's for Public Services Archives installed.
- 5.3 Aside from general activity, I expect to complete the review of the Connect Server in the next period. Work continues on reviewing Oracle Release 12, and patching of Oracle CRM, which should resolve a series of technical issues.

## Government Connect

- 5.4 This programme will enable the secure exchange of information between Wirral Council and public sector partners. It will enable Wirral to respond to the Department for Work and Pensions (DWP) revised communication requirement and support the continued exchange of information with DWP on Benefit Claimants in support of delivery of Housing Benefit and the In and Out of work project.
- 5.5 The Department for Children, Schools and Families also requires the Council to use the process to exchange certain levels of confidential information by email with partners.

## **6 FINANCIAL IMPLICATIONS**

- 6.1 As part of the development of the proposed programme, departments agreed to identify any savings arising from their proposals.
- 6.2 The following table summarises those projects where savings were identified. The table also identifies:
- Costs of those schemes,
  - If the savings have already been built into the 2009/10 budget process (marked as 'declared'),
  - If the savings would be capital or revenue, and whether or not the figures have been verified,
  - Projects which provide benefits but which will not result in a budget reduction (shown as non-cashable).

<b>Project description and owners</b>	<b>Cost</b>	<b>Savings per annum</b>	<b>Comment</b>
Human Capital Management (Paul Bradshaw)	£200,000 to procure an implementer	£85,000 (Declared)	Costs and savings yet to be fully evaluated. Potential savings up to £0.5m identified.
Automation of desktop support (Geoff Paterson)	£64,000	£100,000 (Declared)	
Regeneration: Environmental Health review (Phil Dickson)	Existing change resources	£138,000 target (Declared)	Scale, source and nature of the savings have yet to be determined from the review
Equality Training Cylix (Russ Glennon)	£20,000 (Cabinet approval required for any additional funding)	£65,000 (Avoidance of non-budgeted future training costs)	Non-cashable savings. (Cabinet Report 12 June 2008 has no details of costs or savings)
CCTV in Wirral (Ian Lowrie)	£450,000 (Capital)	£100,000	Capital Bid received. But, ICT Network implications not yet assessed. Costs and savings not fully evaluated.



<b>Project description and owners</b>	<b>Cost</b>	<b>Savings per annum</b>	<b>Comment</b>
Training & development database (Paul Bradshaw)	£2,000	£11,000 (Based upon time saved by staff across the Council in filling out forms)	Non-cashable
Case management (Legal Services – Simon Goacher)	Estimated £30,000	£20,000	Costs and savings not evaluated.
Case management (Antisocial Behaviour – Caroline Laing)	Estimated £16,000	£51,000 (Based upon time saved by staff involved in the process)	Non-cashable as the time saved does not result in any staff reductions.
CYPD Application Rationalisation (Moirra Curran)	£87,500	£15,100	One year saving.
Streetscene – use of CAS functionality and self service.	Not identified.	£100,000 in 2009/10. £180,000 from 2010/11	Reduction in staff.

## **7 STAFFING IMPLICATIONS**

7.1. The Change Programme may have significant implications across the Council. These will be clarified at the scoping stage of each project.

## **8 EQUAL OPPORTUNITIES IMPLICATIONS**

8.1 There are none arising from this report.

## **9 HUMAN RIGHTS IMPLICATIONS**

9.1 There are none arising from this report.

## **10 LOCAL AGENDA 21 IMPLICATIONS**

10.1 There are none arising from this report.

## **11 COMMUNITY SAFETY IMPLICATIONS**

11.1. There are none arising from this report.

## **12 PLANNING IMPLICATIONS**

12.1 There are none arising from this report.

## **13 LOCAL MEMBER SUPPORT IMPLICATIONS**

13.1 There are none arising from this report.

**14 BACKGROUND PAPERS**

14.1 None.

**15 RECOMMENDATION**

15.1 That the change programme 2009-12 be noted.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/295/08

**APPENDIX 1: THREE YEAR OUTCOMES: COMMON ADMINISTRATIVE PROCESSES**

<b>Project Group</b>	<b>By April 2009</b>	<b>By April 2010</b>	<b>By April 2011</b>	<b>By April 2012</b>
HESPE: Highway Services Management System.	Base arrangements in operation using a combination of core systems to enable the issue, monitoring and accounting of work to new contractor.	<ul style="list-style-type: none"> <li>- Full electronic exchange of works with contractors system and development of management information.</li> <li>- Cessation of legacy Engineers' Systems and manual procedures.</li> </ul>	Development of a single Asset Management, Geographical Information System (GIS) for Engineering assets including Gullies, Street Lighting, Bridges and street furniture.	
Human Capital Management and payment of expenses.	<ul style="list-style-type: none"> <li>- The HCM Project Team to start implementation of Oracle Self Service and underlying payroll system having appointed a partner to assist them.</li> <li>- Complete testing of the electronic storage of HR records.</li> </ul> <p>(Self Service means the direct access and use of the corporate HR administrative systems by managers and employees to replace the manual, centrally based processing)</p>	<ul style="list-style-type: none"> <li>- Oracle payroll replaces the current system for all for all employees and self-service implemented for first tranche of staff and their managers. Self-service includes recruitment, absence management, training administration, online time sheets and expenses.</li> <li>- Integrate electronic storage of CYPD HR records.</li> </ul>	<ul style="list-style-type: none"> <li>- Complete go live of self-service for all staff and managers with system access.</li> <li>- Legacy system archived and released.</li> <li>- Develop Training, Skills Audit and Equality Analysis functionality of Oracle HCM.</li> <li>- Expand use of electronic HR records.</li> </ul>	<ul style="list-style-type: none"> <li>- Oracle HCM fully implemented.</li> <li>- Complete the re-engineering of HR/Payroll central sections.</li> <li>- Extend self-service to remaining staff through proxy administrators.</li> </ul>
Case management – legal services	System procured.	Proposal implemented leading to savings of £20,000 through the reduction of 1 FTE post.		

**APPENDIX 1: THREE YEAR OUTCOMES: COMMON ADMINISTRATIVE PROCESSES**

<b>Project Group</b>	<b>By April 2009</b>	<b>By April 2010</b>	<b>By April 2011</b>	<b>By April 2012</b>
Case management – Anti Social Behaviour	System procured.	Proposal implemented leading to £51,000 in non cashable savings through more efficient processing across departments/sections		
Income Collection	Eliminate duplicated manual entries and improve reconciliations by completing the e-Return system's implementation.	Implement the Income Review's proposals on expanding the use of Direct Debits for income and so reduce collection costs.		
Procurement	Complete the review and adopt proposals for improvement in the Procure to Pay process.	Implement proposals concerning:- - Replacing manual invoice processing, - Increased Catalogue coverage and reducing Purchase Coordinators workloads.	Realise staff savings for those involved with payments and procurement.	
Corporate Mail.		Review and provide a plan, recommendations and business case for replacing manual post processes with a corporate scanning and workflow system to distribute and manage all incoming mail using all electronic channels.	If the business case is proved, initiate a Corporate Electronic Mail Room, scanning and associated workflow for an initial tranche of services and locations.	Complete the Corporate Mail Room Project.

**APPENDIX 1: THREE YEAR OUTCOMES: COMMON ADMINISTRATIVE PROCESSES**

<b>Project Group</b>	<b>By April 2009</b>	<b>By April 2010</b>	<b>By April 2011</b>	<b>By April 2012</b>
Electronic Storage and Retrieval of Documents.	CYPD HR records pilot completed and used to create an approach for extending the storage of general records to other services.	Expand the use of the general system to other services.		
Appropriate access to a corporate database of geographical and property data to support service provision.	<ul style="list-style-type: none"> <li>- Mapping data available to all members of staff.</li> <li>- Call centre and OSS staff will have maps and similar data overlays to support customer enquiries. The most useful overlays to be made available are being identified.</li> <li>- Integrate the corporately held address information to prevent supuplicate records.</li> </ul>	<ul style="list-style-type: none"> <li>- Make appropriate data available to the public via the Council web site from June 2009.</li> <li>- Information available to be agreed with service providers.</li> <li>- Additional data layers made available to staff.</li> <li>- Further integration of the LLPG with Council systems</li> </ul>	Additional data layers made available on the website.	
Development of web and online forms – linked to Customer Access Strategy	<ul style="list-style-type: none"> <li>- Ensure that the IT solution supports improved access to services over the WEB,</li> <li>- Review the feel and content of the solution,</li> <li>- Develop a plan for rolling out to services.</li> </ul>	<ul style="list-style-type: none"> <li>- All online forms made ready for implementation.</li> <li>- Content review and duplication checks completed.</li> </ul>	Integrate forms into the website.	Integrate forms into back office systems
DASS administration	Implemented revised business processes with			

**APPENDIX 1: THREE YEAR OUTCOMES: COMMON ADMINISTRATIVE PROCESSES**

Project Group	By April 2009	By April 2010	By April 2011	By April 2012
	a reduced operational cost of £100,000			
Regeneration	- Implemented revised business processes with a reduced operational cost of £138,000. - Co-location of administrative staff across Regeneration, Corporate services and Law, HR & Asset Management (through Strategic Asset Review)			
Transport	Implementation of interim arrangements for provision of transport	Development of long term strategy for cost effective provision of transport	Implementation of long-term strategy.	

**APPENDIX 1: THREE YEAR OUTCOMES: CUSTOMER ACCESS STRATEGY**

<b>Project Group</b>	<b>By April 2009</b>	<b>By April 2010</b>	<b>By April 2011</b>	<b>By April 2012</b>
Streetscene	(Services such as Abandoned vehicles and exchange bins use a system whose support licences will expire May 09.)  Move those services affected over to the Wirral Service Delivery System.	Remaining Streetscene services will be using Wirral's Service Delivery System. Such disabled parking bay applications, requests for road safety actions.  Pilot the passing of incidents of refuse collection failure electronically to the waste contractor (Biffa).	Extend the range of electronic exchange of data with the waste contractor and the Wirral Service Delivery System.  This will enable call agents to see the response to service requests.	Complete the project.
Licensing & Permits	Initial range of processes will be scoped and focus on those in Technical Services.	Technical Services licences and permits implemented.  Regeneration cross-departmental licenses and permits scoped, and implemented.	Review and implement remaining licences and permits where practicable.	
Registration functions and corporate booking		Complete scope and begin implementation initially for births, deaths and marriages.	Project extended to other identified services.	
Welfare visiting and provision of out of hours services			Complete scope to rationalise and introduce efficiencies to welfare visiting and out of ours	Project completed.

**APPENDIX 1: THREE YEAR OUTCOMES: CUSTOMER ACCESS STRATEGY**

<b>Project Group</b>	<b>By April 2009</b>	<b>By April 2010</b>	<b>By April 2011</b>	<b>By April 2012</b>
			service.	
Use of reminder text messages to confirm service times and appointments.(To reduce the current cost of failed services deliveries, e.g., Bulky collection at £15 a time)	Agree implementation plan with appointed supplier and roll out to initial services.	Roll out to Bulky Collections, Pest Control.	Continue roll out to corporate booking services and similar.	
Use of responsive text messages for the public to make reports to the Council (Examples Benefits Fraud, Youth Parliaments, Register for Tourist events)	Agree implementation plan with appointed supplier and roll out to initial services.	Continue roll out.		
Mobile working for Pest Control	Complete scoping exercise.	Mobile solution implemented for Pest Control.		
Central Advice and Duty Team (CADT)	Agree role and function of CADT and frontline service provision with DASS and CYPD.	Proposals implemented.		
Aids and Adaptations service	Establish the project scope and potential improvements.	Proposals implemented.		
Homeless People Services (Enquiry and information)	Complete scoping exercise with partners and implement initial process changes.	Complete project		



**APPENDIX 1: THREE YEAR OUTCOMES: ICT STRATEGIC TECHNOLOGICAL DEVELOPMENTS**

<b>Project Group</b>	<b>By April 2009</b>	<b>By April 2010</b>	<b>By April 2011</b>	<b>By April 2012</b>
Efficient and secure exchange of information within the public sector. (Government Connect)	Identify members of Council requiring secure exchange of information.	-Implement secure email. - Support the continued delivery of revenue and benefit system by provision of secure route between Council and DWP. - Enable In and out of Work project to be implemented. - Enable exchange of encrypted information.		
Oracle release 12	Oracle maintenance programme to be documented and agreed	Oracle 12 upgrade completed.	Maintenance programme delivered.	
Wirral Service Delivery System	Evaluate future requirements and agreed a development plan.	Implement plan.		
Business continuity	Review requirements	Implement agreed solution		
Remote support.	Continue implementation	Complete implementation		

**APPENDIX 1: THREE YEAR OUTCOMES: ICT STRATEGIC TECHNOLOGICAL DEVELOPMENTS**

<b>Project Group</b>	<b>By April 2009</b>	<b>By April 2010</b>	<b>By April 2011</b>	<b>By April 2012</b>
Corporate Network: Provision of network equipment and services. Presently supplied by BT. This project will also respond to the Council's requirement for agile working, intranet, Government Connect, telephony, WiFi and CCTV.	Identify requirement and process for acquisition.	Implement and review.		
Council Information Security - Firewalls – Authentication (internal) - Authentication (external) - Intrusion detection/prevention	Identify requirements to meet standards required of the Council	Implement and manage revised standard.		
Major review of storage and computing power	Go to tender	Contract in place by June 2009. Completed for 3 or 5 years depending on tender outcomes.		
Virtualisation. To reduce the number of the central servers saving licence, hardware and power consumption costs.	Initial test services to be implemented and proven.	Live services to be implemented. Savings by reducing hardware maintenance on 6-10 smaller servers and less power consumption due to these servers being closed down.	Power and maintenance savings.	

**APPENDIX 1: THREE YEAR OUTCOMES: ICT STRATEGIC TECHNOLOGICAL DEVELOPMENTS**

<b>Project Group</b>	<b>By April 2009</b>	<b>By April 2010</b>	<b>By April 2011</b>	<b>By April 2012</b>
Development reminder text messaging for use by the Wirral Service Delivery System.  Development of a responsive text messaging for specific applications.	Procure a supplier who will provide this service in conjunction with the Wirral Service Delivery Team and other users.	Support the implementation plan.	Support the implementation plan.	Support the implementation plan.

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## **WIRRAL COUNCIL**

### **FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE**

**21 JANUARY 2009**

#### **REPORT OF THE DIRECTOR OF FINANCE**

##### **CORPORATE RISK AND INSURANCE MANAGEMENT**

###### **1. EXECUTIVE SUMMARY**

- 1.1. This report provides information to Members on recent progress in these services and anticipated developments in the coming months.

###### **2. INSURANCE MANAGEMENT PROGRESS**

- 2.1. The results of the liability cases heard in court since the previous report has been disappointing with only one success in the 6 cases. With no changes having been made to the previously successful claims handling criteria or philosophy the reduced success rate is considered an anomaly. However the approach continues to be regularly monitored and revised as appropriate. The success rate across the public liability account as a whole, inclusive of non litigated matters, continues to exceed 80%.
- 2.2. The quarter to the end of December 2008 saw significant developments in various ongoing historical abuse cases. This is a rapidly developing area of law with new precedents being established frequently and recent case law has moved the balance in favour of individual redress over general public interest in these matters. These complex cases are handled in conjunction with our insurers and in line with current understanding of the legal position and senior Counsel advice. There are currently two cases that may progress to the House of Lords in order that a definitive position can be established on limitation, the length of time in which a claim can be brought. This is an important legal principle and therefore the legal costs in these cases will be funded by the relevant insurers who have an interest in supporting the defendant local authority community.
- 2.3. Following the agreement by the Cabinet on 27 November 2008 of the Insurance Fund budget for 2009/10 further work was undertaken on the charges to schools and the apportionment of costs between Children & Young People Department and Schools Budgets. This involved the desktop analysis of each schools potential asset and liability exposure in conjunction with a detailed review of recent loss history, and equitable premiums have now been calculated for each school. These have been benchmarked against commercially available packages and, despite some increases, still represent excellent value in terms of both cost and policy coverage. This process of aligning school premiums more precisely to risk is to be continued in 2009/10 with the roll out of a physical inspection and risk management project for all secondary school sites, the results of which are likely to have a further impact on premiums.

- 2.4. The tender for insurance broking and consultancy services resulted in the appointment of Griffiths & Armour, a locally owned and based firm, to replace the service previously provided by AON. Joint working between Insurance and Risk Management and Procurement on this tender resulted in this specialist contract being awarded on a one year basis with an optional one year extension based on performance.
- 2.5. The Risk & Insurance Team has met departments to begin developing the specification and award criteria for the tender for the Engineering Inspection and Insurance contract. Work has also started in relation to the Motor Insurance contract, both of which expire on 31 March 2009.
- 2.6. Preparations have begun for renewal of the Liabilities, Computer and Foster Carers Legal Expenses policies which expire on 31 March 2009. Contract renewals are currently expected to be in line with long term agreements and budgets.
- 2.7. The last quarter has seen an improvement in the service levels of the liability claims handlers following the introduction of their new IT systems. A high quality is key to the strong performance of the liability account and the recent changes are the subject of continued discussions with representatives at a senior level.
- 2.8. After extensive negotiation, a payment for £1,453,612 in settlement of the Rock Ferry High School fire has been received from insurers. This is the final fire claim from the 2003/04 account year for which settlements totalling £200,000 were reported to the last Committee. Negotiations in respect of the Liscard Hall fire continue but indications from an independent commercial property expert are that the pre-fire commercial value of the property will be limited.

### **3. CORPORATE RISK MANAGEMENT – PROGRESS**

- 3.1. The entry in the Risk Management category of the 2008 Local Government Chronicle Awards was highly commended in the awards ceremony on 3 November 2008.
- 3.2. On 13 November 2008 Chief Officers undertook the annual review of issues on the Corporate Risk Register in the light of the refreshed Corporate Plan. The Register was then the subject of a report to Cabinet on 10 December 2008.
- 3.3. Departments have been working on identifying their critical risks and their contribution to the improved management of the Corporate Risks as part of the 2009/10 service planning process.
- 3.4. The Risk & Insurance and Corporate Policy teams have continued to work closely to ensure that an improved risk management framework is an integral part of the governance arrangements for the Local Area Agreement (LAA).

- 3.5. The Risk & Insurance Officer has been assisting the Department of Adult Social Services with risk management arrangements for a major project to evaluate options for future service provision.
- 3.6. The Risk & Insurance Team has developed an introduction to risk management that will be incorporated within the corporate induction training. The Team is also working with the Human Resources Division to produce a set of risk management competencies for staff of different levels within the organisation.

#### **4. INSURANCE MANAGEMENT – ISSUES FOR NEXT PERIOD**

- 4.1. Liability claims statistics to 31 December 2008 will be compiled.
- 4.2. There are currently three claims scheduled for an initial court hearing in January and February 2009. It is also envisaged that there will be an increasing workload in respect of the historic liability and abuse claims.
- 4.3. The new broker will formally advertise the Motor and Engineering Insurance contracts with the outcome of these exercises to be reported to Cabinet.
- 4.4. Terms for the renewal of the Liabilities Computer and Foster Carers Legal Expenses policies will be agreed with insurers. As these policies are subject to Long Term Agreements until 31 March 2010 little change in premiums or the extent of cover is anticipated.
- 4.5. The Risk & Insurance Team plan to investigate the feasibility of commissioning a study to provide a more accurate indication of the level of funding required to meet liabilities relating to those periods where insurers cannot be identified or have become insolvent.
- 4.6. Officers will also consider the necessity of commissioning the regular Insurance Fund actuarial report. Previously procured annually the current stability in the liability account and officers knowledge of the account could suffice for the 2009/10 funding requirements with a further formal study then commissioned for April 2010.

#### **5. RISK MANAGEMENT – ISSUES FOR NEXT PERIOD**

- 5.1. The Corporate Improvement Group will carry out the next quarterly review of the Corporate Risk Register to inform the Financial and Performance Monitoring Report to Cabinet on 19 March 2009.
- 5.2. The Corporate Risk Register will be updated and refined with the information contained within Departmental Service Plans for 2009/10.
- 5.3. The Risk & Insurance Officer will undertake an audit of the quality of the information on key risks in Departmental Service Plans and provide feedback to individual departments to assist with continuous improvement.

5.4. The Risk & Insurance Officer will continue to work with the Policy and Performance Division over preparations for the introduction of Comprehensive Area Assessment (CAA) in April 2009.

5.5. Risk management arrangements for the LAA, including the creation of baseline risk assessments for each of the Priorities for Improvement, will be developed further.

**6. FINANCIAL IMPLICATIONS**

6.1. There are none arising directly from this report.

**7. STAFFING IMPLICATIONS**

7.1. There are none arising directly from this report.

**8. EQUAL OPPORTUNITIES IMPLICATIONS**

8.1. There are none arising directly from this report.

**9. ENVIRONMENTAL IMPACT STATEMENT**

9.1. There are none arising directly from this report.

**10. LOCAL MEMBER SUPPORT IMPLICATIONS**

10.1. There are none arising directly from this report.

**11. BACKGROUND PAPERS**

11.1. Responses to Request for Quotations from insurance brokers and evaluation sheets for interviews.

11.2. Data from the Figtree claims database

11.3. Liability claim statistics.

**12. PLANNING IMPLICATIONS**

12.1. There are none arising directly from this report.

**13. RECOMMENDATION**

13.1. That a further update be presented to the next meeting.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/4/09



WIRRAL COUNCIL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

21 JANUARY 2009

REPORT OF THE DIRECTOR OF ADULT SOCIAL SERVICES

TRANSFORMING ADULT SOCIAL SERVICES- ACHIEVING A STABILISED AND SUSTAINABLE BUDGET

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## 1. EXECUTIVE SUMMARY

1.1 A report was presented to a Special Meeting of the Finance and Best Value Overview and Scrutiny Committee on 22 December 2008 which detailed the projected budget overspend; the resources necessary to monitor the budget and the procedures to ensure robust commissioning and procurement systems exist. Whilst only a few weeks have passed since that meeting Committee requested that a further report be brought to this meeting to assess progress.

## 2. BACKGROUND

2.1 The Committee, at its meeting 22 September 2008, received a report entitled "Transforming Adult Social Services – Achieving a Stabilised and Sustainable Budget", previously considered by Cabinet on 4 September 2008. The Cabinet had resolved that:

- (i) the continuing efforts of officers to manage within resources, recognising the high probability of overspends of £3.483m in 2008/09 and £0.761m in 2009/10, which are likely to require funding from balances, be noted; and
- (ii) The Director of Adult Social Services be requested to present a further report to its meeting of 6 November 2008 on options to stabilise the department's medium term budget and deliver further efficiencies towards the corporate target.

2.2 Senior managers from DASS with the cabinet member attended Committee on 22 December 2008 to address concerns expressed in relation to the budget shortfall. Following the presentation of that report it was requested that a further report be made to the next meeting outlining progress being made.

## 3 Projected Outturn

3.1 The figures reported at the December 2008 meeting were based on the data in the books of account as at 31 October 2008 and identified financial pressures of £7.8m. Projected efficiencies and additional PCT funding reduced this figure to a projected deficit of £5.5m. The report included a number of initiatives to mitigate the position and it was stated that the projected overspend for 2008/09 remained at £3.5m.

- 3.2 Since the meeting it has been possible to review the detailed expenditure contained within the accounts as at 30 November 2008. The accounts confirm a reduction in expenditure and identify current financial pressures of £7.5m.
- 3.3 Further efficiencies and additional funding previously reported of £2.3m, together with a contribution of £0.2m from the Children's & Young Peoples Department towards the Emergency Duty Team and SWIFT system reduce the projected deficit to £5.0m.
- 3.4 In order to address immediately the projected deficit of £5.0m the Department is continuing to implement a number of management actions: all external training has been stopped; all requests for recruitment are vetted by Heads of Branch and only internal recruitment is permitted; overtime has ceased and "Panels" have been established to assess the eligibility of service users' needs with revised guidance and support to managers and staff on matching resources to assessed needs.
- 3.5 The report presented in December outlined a number of other initiatives to further mitigate the position these are in the process of being implemented and included:
- working closely with NHS – Wirral to develop new service models that develop improved services for people at home, including the expansion of the HART service and support for people who use services with complex health conditions who have previously been supported through social care funding;
  - the standardisation of meals charges in day services to £2.60 per full meal, to be implemented from 1 February 2009
  - The use of independent sector providers for standard home care and correct care packages being delivered by the most appropriate and efficient care providers. This will be facilitated by the early voluntary retirement of a number of in house home care staff that is being considered for approval by Cabinet on 15 January 2009;
  - The specialist review team for learning disability services continues to fully consider that packages of care allocated to individuals with a view to implementing more appropriate regimes
- 3.6 Whilst little time has passed since the December report to assess the impact of these actions it is anticipated that they will deliver efficiencies to stay within the original overspend forecast of £3.5m.

#### **4. FINANCIAL AND STAFFING IMPLICATIONS**

- 4.1 This report has revisited the financial position of the Adult Social Services Department. It has been highlighted an amount of £5.0m has been identified as being the projected over commitment and that management action is being taken to ensure the final position does not exceed the previously projected over budget figure of £3.5m.

#### **5. EQUAL OPPORTUNITIES IMPLICATIONS**

5.1 There are none arising directly from this report.

**6. COMMUNITY SAFETY IMPLICATIONS**

6.1 There are none arising directly from this report.

**7. LOCAL AGENDA 21 IMPLICATIONS**

7.1 There are none arising from this report.

**8. PLANNING IMPLICATIONS**

8.1 There are none arising from this report.

**9. ANTI POVERTY IMPLICATIONS**

9.1 There are none arising from this report.

**10. SOCIAL INCLUSION IMPLICATIONS**

10.1 There are none arising from this report.

**11. LOCAL MEMBERS SUPPORT IMPLICATIONS**

11.1 There are no specific implications for any member or ward.

**12. BACKGROUND PAPERS**

12.1 None used in the preparation of this report.

**13. RECOMMENDATIONS**

13.1 It is recommended that Committee note the progress being made to achieve a sustainable budget for DASS

**JOHN WEBB**  
**DIRECTOR OF ADULT SOCIAL SERVICES**

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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