

# COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

Wednesday, 1 July 2009

<u>Present:</u>	Councillor	C Meaden (Chair)	
	Councillors	L Rowlands C Teggin D Elderton AER Jones	A Pritchard S Quinn R Wilkins
<u>Deputies:</u>	Councillors	RL Abbey (In place of J George) S Mountney (In place of G Ellis)	
<u>In attendance:</u>	Councillors	S Clarke IO Coates PL Davies G Gardiner K Hayes A Jennings	D Mitchell R Moon J Salter W Smith A Taylor P Williams

## 1 EQUALITY IMPACT ASSESSMENTS

The Chief Executive introduced the training session and thanked members and officers for their attendance. He outlined the vital importance of the delivery of equality and fairness and the need to tackle inequalities. He introduced Jacqui Cross (Equalities and Cohesion Manager), Ged Smyth (Equalities and Access Officer) and Steve Talbot (Staff Development Manager) who gave a detailed presentation on the Council's commitment to tackling inequalities and the use of Equality Impact Assessments to examine the potential impact on local people of the Council's policies and functions, having regard to the six 'strands' or 'pillars' highlighted in the Equality Scheme.

In response to comments from members, the Equalities and Cohesion Manager indicated that a report was to be presented to the Cabinet in July, which would recommend that all committee reports would state that an Equality Impact Assessment had been completed. In relation to partners, she commented that by expressing and demonstrating the Council's commitment to equality would set a positive example to partners and other organisations. The Wirral Equality Forum allowed best practice to be shared and for consultation to be co-ordinated. However, it was unlikely that a single form would be developed, in view of the specific requirements placed on other organisations such as Police and Fire.

**Resolved – That the presentation be noted and the thanks of the Committee be accorded to all officers and members involved in the development of the equalities agenda in Wirral.**

## **2 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.

## **3 MINUTES**

**Resolved – That the minutes of the following overview and scrutiny committee meetings be received –**

- **Community and Customer Engagement**      **8 April 2009**
- **Corporate Services**                              **2 and 16 April 2009**
- **Finance and best Value**                              **24 March 2009**

## **4 APPOINTMENT OF VICE-CHAIR**

On a motion by Councillor Meaden and seconded by Councillor Jones, it was –

**Resolved – That Councillor C Teggin be appointed Vice-Chair for current municipal year.**

## **5 TERMS OF REFERENCE**

The Director of Law, HR and Asset Management presented for information and guidance the Committee's terms of reference –

In support of Objective 5 of the Corporate Plan, which is:

***to create an excellent council, and in particular to:***

- ***improve the use of the Council's land and assets;***
- ***maintain a sustainable and stable budget, providing value for money;***
- ***improve the Council's budgeting process to fully reflect its priorities,***

the Overview and Scrutiny Committee will

(i) review and/or scrutinise decisions made or actions taken in connection with the discharge of the Council's functions;

(ii) make reports and/or recommendations to the Council and/or the Cabinet and/or any joint or area committee in connection with any policy or the discharge of any functions;

(iii) consider any matter affecting the area or its inhabitants; and

(iv) exercise the right to call in, for reconsideration, decisions made but not yet implemented by the Executive;

within the following terms of reference of the Cabinet portfolio(s) indicated:

### **Community and Customer Engagement**

(1) Development of the Council's approach to Community engagement and to build community capacity.

(2) The Council's Area Forum network.

(3) Initiatives in the wider community that will increase the understanding of the democratic process, and reduce alienation and apathy.

(4) The Council's Customer Access Strategy and for ensuring that it takes full account of the needs of hard to reach people.

(5) The Council's compliance with the requirements of the Freedom of Information Act.

(6) Grants and loans to voluntary and community organisations.

(7) Contributing to the development and operation of Wirral's community Legal Service.

(8) The following areas:

- mayoralty and civic ceremonial
- hospitality
- town twinning
- registration of births, marriages and deaths
- maintenance of memorials
- membership of outside bodies.

(9) The Council's Communication Strategy and public relations.

(10) Equality and diversity.

### **Corporate Resources**

(11) The development, implementation and review of the Council's arrangements for ensuring effective use of resources including meeting the requirements of the Audit Commission's Use of Resources Assessment.

(12) Financial monitoring, including standing orders and financial regulations.

- (13) Financial propriety.
- (14) Procurement compliance and contract compliance within the Authority.
- (15) Restrictive and selective tendering (other than civil engineering).
- (16) Where it is not a specified responsibility of the Employment and Appointments Committee, personnel issues including employee development and training, equal opportunities in employment and service delivery, health and safety, disciplinary and grievance procedures and recruitment.
- (17) The provision of legal and administrative services to the authority; and the Coroner's Service.
- (18) The preparation, maintenance and review of an overall strategy for the management, use and disposal of all Council-owned land property (including the preparation of the Asset Management Plan).
- (19) Land issues including:
- acquisition, disposal and appropriation of all land and property;
  - provision and management of administrative and civic offices;
  - commercial development and redevelopment of the Council land and property;
  - matters relating to the Council's freehold interest and shareholding in Birkenhead Market.
- (20) The organisation of a corporate planned maintenance policy.
- (21) Co-ordinating performance management and performance indicators.

### **Finance and Best Value**

- (22) The Council's contribution to the major partnership initiatives in which it is engaged, such as the Local Strategic Partnership, Local Area Agreement Partnership Board, Liverpool City Region and Local Government Association.
- (23) The following areas:
- the formulation and submission of proposals relating to strategic policy;
  - the overall production of the Corporate Plan;
  - revenue and capital budgets, including preparations for the annual budget and Capital Plan;
  - schemes under the Private Finance Initiative;
  - procurement.
- (24) Information technology.
- (25) Financial matters including insurance, rating, council tax and housing and council tax benefits.

(26) The performance of the Council as measured through the Comprehensive Performance Assessment and Comprehensive Area Assessment process.

(27) Initiatives in relation to local democracy and the modernisation of local government.

### **All portfolios**

(28) Those parts of the Corporate Plan within the remit of this Committee.

(29) To seek to achieve continuing and improving performance, better value for money and customer satisfaction in respect of those services provided through these areas.

(30) To support the Council's equal opportunity policies by promoting and monitoring initiatives to encourage equality of opportunity amongst disadvantaged groups including: the disabled, ethnic minorities, the long-term unemployed, the poor, and women;

(31) To scrutinise Local Area Agreements that fall within the areas set out above and to hold partners to account.

**Resolved – That the terms of reference be noted.**

## **6 FINANCIAL MONITORING STATEMENT**

The Director of Finance provided a summary in tabular format of the current position of the revenue accounts and General Fund balances as at 31 May 2009. He commented that at this stage of the financial year, Adult Social Services reported a projected overspend of £2.3m. The Director was developing action plans to address the overspend, which was a consequence of Community Care pressures and the impact of the changes agreed by Cabinet to non-residential care charges and residential and nursing home fees. He reported also upon a projected overspend of £1.8m in Children and Young People as a result of increasing demands within the areas of residential care and Special Educational Needs.

The Director indicated that the impact of the overspends, if realised would be to reduce the balance at 31 March 2010 from £6m to £1.9m, which would have to be restored at the next budget. In response to concerns expressed in relation to the significant overspends so early in the financial year, the Director confirmed that the Directors continued to look at actions to address the projected variations.

In response to comments from members in relation to planning for future budgetary pressures, the Deputy Chief Executive/Director of Corporate Services indicated that considerable work was done by officers in relation to the Forward Plan and the Medium Term Financial Plan in order to ensure budgets were adhered to. However, it was not always possible to predict future variations associated with increased demands on service.

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

## 7 **PROJECTED BUDGET 2010 - 2011**

The Director of Finance presented the projected budget for 2010-2011 which would be the final year of the Comprehensive Spending Review (CSR) 2007 and was compiled from the base budget for 2009-2010 and the Medium Term Financial Strategy 2009/2012. He set out variations that had been identified for 2010-2011 and reported upon other developments which were likely to impact on the financial position of the authority during 2010-2011.

The gap between projected expenditure and anticipated resources was £10.7m, which would need to be bridged by a combination of savings and/or increased Council Tax. The Director had assumed an annual Council Tax increase of 4% and indicated that efficiencies of £5.5m would be required to achieve a balanced budget.

**Resolved – That the projected budget for 2010-2011 be updated and reported regularly to the Cabinet.**

## 8 **BUDGET PROJECTIONS 2011 - 2014**

The Director of Finance reported that with the release of documents supporting the Chancellor of the Exchequer's Budget on 22 April 2009 it was now possible to make an initial estimate of the projected budgets for the years 2011 to 2014. He set out a number of assumptions which underpinned the projections and indicated a budget shortfall of £23m in 2011-2012, £21.4m in 2012-2013 and £22.6m in 2013-2014.

**Resolved –**

**(1) That the budget projections be kept under review as the global recession develops.**

**(2) That further efficiencies be sought through the delivery of the strategic change programme, the extension of that programme and by specific service efficiencies.**

## 9 **GENERAL FINANCIAL MATTERS**

The Director of Finance provided information on the treasury management position, monitoring of the prudential indicators, the position regarding Council Tax, National Non Domestic Rate, general debt and cash income collection and the payment of Benefits. In response to a question from a member in relation to historic out of area Primary Care Trust (PCT) debt, the Director re-affirmed his report to the Finance and Best Value O&S Committee held on 24 March 2009 (minute 64 refers) that there was no prospect of local PCT's accepting liability in relation to the qualifying health needs of the individuals concerned. At that time formal arbitration had been requested of the Strategic Health Authority (SHA) to urgently conclude the matter. A further report was presented to the Cabinet on 28 May 2009 (minute 26 refers). The cancellation of the invoices was approved and this was charged against the Adult Social Services Department in the financial year 2008/2009.

In response to a further comment in relation to Icelandic Investment, the Director confirmed that he expected the money to be repaid in full and that the first payment from the Administrators of 15% would be returned to the Council in July.

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

10 **MEMBERS FINANCE TRAINING**

The Director of Finance reported that the finances of local government were very complex and that Wirral was a large local authority facing significant financial pressure. He commented upon the need for members of the Committee to have a good understanding of the finances of the Council and indicated that the revised Use of Resources (UoR) assessment, which formed an integral part of the Comprehensive Area Assessment (CAA) assumed training would be undertaken by members involved in the finances of the Council.

**Resolved – That the Chair be requested to liaise with the Director of Finance to identify suitable dates for training to be provided for members and named deputies of the Council Excellence Overview and Scrutiny Committee.**

11 **RISK AND RETURN - ICELANDIC BANKS**

The Director of Finance provided a summary of the key messages from the Audit Commission report 'Risk and Return – English Local Authorities and the Icelandic Banks', published in March 2009. He provided an explanation of why local authorities, and Wirral in particular, had money available to make investments. He reported that all of the money which was received by the Council was not necessarily spent on the first day of the year but rather was spent on Council services throughout the financial year. Rather than just leaving money in the current account it was invested until it was required so that it could earn interest for the Council. In this way the Council maximised the benefits of the money it received to help fund Council services and lower the Council Tax requirement.

The Director set out the five key messages from the Audit Commission report and commented that it had found that the majority of Councils had acted properly in managing their investments and were alert to the risks. Wirral Council was visited as part of the study and was considered to have acted prudently and properly in all its investment activities. However, a number of specific recommendations were made in the report for local authorities, to help strengthen investment policies and further limit the risk of exposure to any future banking failures. He provided a commentary in relation to each, to indicate what was being done in Wirral in relation to Treasury Management.

**Resolved – That the Audit Commission conclusion that Wirral Council acted, and continues to act, properly in the management of its investments, be noted.**

12 **SCRUTINY WORK PROGRAMME**

The Chair presented a report on a possible way forward for the Council Excellence Overview and Scrutiny Committee. She suggested that the work programme was designed around the four themes of the Comprehensive Area Assessment (CAA), which was how Council Excellence would be judged in future. The four key themes were –

- environmental, social and economic Sustainability;

- Tackling inequality, disadvantage and discrimination;
- People whose circumstances made them vulnerable; and
- Value for money.

She outlined the questions that would be asked by Inspectors and suggested how the work programme could be approached.

**Resolved –**

**(1) That the approach to the work programme set out by the Chair be endorsed.**

**(2) That the officers be requested to consider how best to develop the work programme and to report back to the next meeting of the committee.**

**(3) That all of the financial monitoring reports continue to be presented to all future meetings.**

**(4) That a presentation be given to all future meetings in relation to financial and performance monitoring.**

**13 CO-OPTED MEMBERSHIP**

The Director of Law, HR and Asset Management reported that all of the new overview and scrutiny committees had been asked whether they wished to extend or initiate co-opted membership.

**Resolved – That no action be taken in this respect.**

**14 EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC**

**Resolved – 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 items of business, on the grounds that they involve the likely disclosure of exempt information as defined by the relevant paragraphs of Part 1 of Schedule 12A to that Act.**

**15 COMPUTER EQUIPMENT MAINTENANCE**

The Director of Finance reported upon the award of a contract for the provision of computer hardware maintenance. The tender was accepted under delegation, being both the lowest price and having met all of the requirements of the service specification. The contract was awarded for a period of two years with an option to extend on an annual basis for a further two years.

**Resolved – That the award of the contract to Calyx be noted.**

**16 SUN MICROSYSTEMS MAINTENANCE**

The Director of Finance reported upon the award of a contract under delegated authority for the provision of a hardware maintenance service for the Sun Microsystems computer equipment. The tender was both the lowest price and met



the requirements of the service specification and the contract was awarded for a period of one year with an option to extend it for a further year if required.

**Resolved – That the award of the contract to Specialist Computer Centre, be noted.**

---