

# COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

Thursday, 8 July 2010

Present:

Councillor	P Gilchrist (Chair)		
Councillors	J Keeley	A McArdle	
	P Davies	D McCubbin	
	A Brighouse	J Stapleton	
	P Kearney	S Williams	
	B Kenny		

## 15 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST/PARTY WHIP

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

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

Councillor Kearney declared his personal interest in agenda item 11 – Freedom of Information (FOI) Requests (see minute 25 post) by virtue of having made a number of such requests prior to being elected to the Council.

No further declarations were made.

## 16 MINUTES

**Resolved – That the minutes of the meetings held on 17 March and 14 June 2010 be approved.**

## 17 APPOINTMENT OF VICE-CHAIR

**Resolved – That Councillor Alan Brighouse be appointed Vice-Chair for the ensuing municipal year.**

## 18 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 2010. The monitoring statement included the composition of the original 2010/2011 budget by Department including agreed savings and policy options; monitoring against the 2010/2011 budget including the financial implications of any changes agreed through Cabinet decisions; anticipated variances not agreed by Cabinet, against the original

budget; and comments which provided an explanation of variances and areas identified as requiring further attention.

At this stage of the financial year only Children and Young People were projecting an overspend and the Director highlighted potentially volatile areas that had been identified within departments. He identified also decisions taken by the Cabinet which had an impact upon the financial position.

As at 31 May 2010 the decision taken by the Cabinet and the overspend in Children & Young People, if realised, would reduce the balance at 31 March 2011 by £1.8m (from £6.5m down to £4.7m). The Director of Children's Services continued to look at actions to address the projected overspend.

In response to questions from Members, the Director provided information in relation to the revenue implications associated with digital infrastructure. He also confirmed that both LABGI and LAA grants were now not available and that ABG had been reduced by £3.9m. The implications of the reductions would be highlighted in the June monitoring statement, which would soon be issued to Members.

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

## 19 REVENUES AND BENEFITS

The Director of Finance provided information on the position in the period 1 April 2010 to 31 May 2010 in relation to Council Tax, National Non Domestic Rate, general debt and cash income collection and the payment of benefits and he provided comparison figures for the same period in 2009/2010.

Members commented upon income levels in relation to both Sports Centres and Golf Courses and, in particular, upon people playing on the Council's courses without having paid to do so. The Deputy Chief Executive/Director of Corporate Services proposed that a briefing note would be circulated to Members direct. In response to further comments in relation to Building Control Fees and Land Charges, he indicated that a fall off in building activity as a direct impact of the recession had resulted in a significant reduction in fee income. He proposed that a further more detailed briefing note be also circulated to Members.

**Resolved –**

- (1) That the report be noted.**
- (2) That briefing notes from relevant officers be provided to Members in relation to the fee income levels, now discussed.**
- (3) That the officers be requested to arrange for Finance training to be provided, primarily for Members and deputies of the Council Excellence Overview and Scrutiny Committee and that all Members of the Council be invited to attend.**

The Director of Finance reported upon progress of the Benefits Service over 2009/2010 and he outlined the challenges to be faced in the coming months. He reported that traditionally the Benefits Service had administered around 36,500 to 37,000 live claims for Housing Benefits and Council Tax Benefits (HB/CTB). However, during the past two years a significant shift in claimant activity had led to an increased (and increasing) caseload. The rate of increase escalated from January 2009 when the caseload exceeded 40,000 and the Director indicated that the continuing trend had resulted in 40,647 live claims at 31 May 2010. For 2009/2010, the benefit bill had increased substantially from the original estimate of £137,608,027 to £151,636,296. However, the Director indicated that the initial estimate for 2010/2011 of £154,979,207 was expected to increase further in line with national trends, influenced by the increased cost of Local Housing Allowance (LHA). In response to a question from a Member in relation to the staffing impact of increased caseload, the Director indicated that the Performance Delivery Team (PDT) of the DWP had provided assistance to the Council in relation to the improvement of systems. In addition, work was ongoing with software providers to ensure that computer systems were prepared for changes announced in the recent budget. In response to further comments with regard to rules changes, the Director indicated that regular updates of the impact of changes were provided to the Cabinet. If Members wished, the updates could also be presented to future meetings of the Committee.

The Director reported that key activity areas for the HB/CTB service comprised claims processing and the administration of the many changes that occurred during the life of a claim. This equated to optimising benefit take-up and maximisation for those already claiming, whilst actively securing the gateway to minimise the risk of loss through fraud and error. The Director highlighted the need for high levels of accuracy and expressed disappointment that the key work was not supported by robust national performance standards. However, performance monitoring procedures focused closely on accuracy and quality of processes, and a current average of between 94% and 95% was in keeping with historical national standards. Despite dips in performance at key holiday times, where impact on processing times was minimal, the Benefits service had maintained good service standards through a further period of increasing demand, challenge and change. Improvement and enhancement programmes continued with strategies routinely reviewed to ensure the ability to respond to customer expectation and ongoing DWP reforms.

The Director highlighted the work undertaken to prevent and detect fraud and reported upon service development with HB/CTB being subject to an ongoing review at national level. He commented also upon measures to further improve efficiency and set out the challenges for 2010/2011 in relation to the reform of LHA and Job Centre Plus.

**Resolved –**

- (1) That the report be noted.**
- (2) That updates in relation to the impact of Housing Benefit/Council Tax changes be presented to future meetings of the Committee.**

The Director of Finance presented the annual update on the work of the Customer Services teams, who provided the main access channels to services provided by the Council in line with the Customer Access Strategy. A wide range of training and development enabled most enquiries to be resolved on first contact with the Council, either on a face to face basis, by telephone or via the web. Work with departments was undertaken to identify efficiencies and improve their processes to ensure that the customer facing element of the service was transparent and was easily accessed.

The Director provided details of performance monitoring in relation to the Call Centre and One Stop Shops and commented that although the trend showed an improvement in 2009/2010, performance had been affected in the current year as a result of a surge in customer enquiries related to adverse weather conditions in December 2009 and January 2010.

He reported that a peer review exercise was currently underway to assess awareness of, and performance against, the Corporate Customer Care Standards. He commented that should the exercise identify the need for further training and awareness initiatives he would review what additional supporting resources were required, as it was imperative that the customer standards endorsed by the Council were acted upon by all staff so that members of the public could be assured of a consistent level of service. Customer surveys, a focus group and a mystery shopping exercise contributed to the improvement of service delivery and he commented that the Audit Commission Access to Services inspection team had ranked provision of services at two stars, on a scale of zero to three stars, with promising prospects for improvement. Building on this positive assessment, the Authority had continued to progress the recommendations to ensure that services were provided in ways that customers wanted. Compliance had also been achieved with the standards for both Charter Mark and Investors in People. In response to a comment from a Member, the Director proposed to present a report to a future meeting in relation to the Customer Focus Group.

He reported that the Customer Relationship Management (CRM) system was used to record, progress and analyse customer feedback, excluding statutory complaints in Adult Social Services and Children's Social Care and the challenge was to consistently record and respond to feedback received across all Council departments. The reporting period 2009/2010 showed a 5% increase in corporate complaints received over the previous 12 months, compared to a 22% increase reported in 2008/2009. He commented that a single issue again dominated the 2009/2010 complaint figures (as with the Strategic Asset Review in 2008/2009) with the adverse weather conditions experienced in quarter 4 affecting delivery of key services such as refuse collection, which recorded 359 stage 1 complaints in January 2010. The annual report of complaint handling was presented to the Standards Committee on 21 June 2010 (minute 4 refers).

As the Audit Commission outlined in the Access to Services report, the Director indicated that it was the cutting edge approach to working with others where customers benefited most significantly and he provided details of partner agencies and community networks working with One Stop Shops and the Call Centre. In response to a question from a Member, the Director indicated that staff received significant levels of training in relation to work with other agencies.

**Resolved –**

- (1) That the thanks of the Committee be accorded to the officers for the comprehensive Annual Report, and the high levels of customer service be noted.**
- (2) That a further report be presented to a future meeting of the Committee in relation to the work undertaken by the Customer Focus Group.**

**22 TREASURY MANAGEMENT ANNUAL REPORT 2009/2010**

The Director of Finance presented a review of Treasury Management activities in 2009/2010, which confirmed compliance with treasury limits and prudential indicators and had been prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential Code for Capital Finance in Local Authorities.

The Director commented upon the outlook for the economy and interest rates as at February 2009, when the Treasury Management Strategy for 2009/2010 was determined. The economic recession and downturn in growth extended into 2009 and he reported upon events in 2009/2010, which indicated an outlook for 2010 of slow growth accompanied with high unemployment. He set out the strategy and outturn in relation to borrowing and investments and reported upon compliance with treasury limits and indicators. During the year Internal Audit carried out a review of the efficiency and effectiveness of the Treasury Management system controls, which were assessed as being 'excellent' and the Director commented that in the financial year 2009/2010 the treasury management activities had resulted in £1.2m of additional receipts from investment income, which had been returned to balances.

**Resolved –**

- (1) That the Treasury Management Annual Report be noted.**
- (2) That the transfer to the General Fund balance of additional investment income of £1.2m in 2009/2010 be noted.**

**23 AUDIT COMMISSION PERFORMANCE MANAGEMENT REVIEW**

The Deputy Chief Executive/Director of Corporate Services commented that Wirral Council had taken some significant steps to improve performance management in recent years and he reported that in April 2009, the Audit Commission began a three stage review of the Council's performance management arrangements, in order to work with the authority to deliver further improvements. He provided the Audit Commission's final report on the findings of the review and set out the areas for focus which had arisen from it. Overall, the Council had sound systems and processes to manage its performance effectively but those arrangements were not being consistently implemented across the organisation.

The report included an action plan for continued improvement that had been developed by the Council's Performance Management and Corporate Improvement Groups and had been approved by the Chief Officers Management Team.

**Resolved –**

- (1) That the findings of the Audit Commission review be noted.**
- (2) That the Audit Commission's final report and action plan, appended to the report now submitted, be noted.**

**24 ANTI-FRAUD AND CORRUPTION POLICY**

Further to minute 51 (1 February 2010), the Director of Finance reported upon a review by Internal Audit of the Anti-Fraud and Corruption Policy, which had been endorsed by the Cabinet on 15 April 2010 (minute 395 refers). The review had been undertaken during an exercise to assess the effectiveness of the overall arrangements for managing the risk of fraud and it indicated that the policy was found to be in need of updating in order for it to be compliant with current best practice and CIPFA/SOLACE guidance.

The Director presented an updated Anti-Fraud and Corruption Policy and indicated that it was essential for it to be embedded within the culture of the organisation and pro-actively drawn to the attention of all members of staff, officers and Members of the Council. To facilitate this, the Policy would be made available on the Council's Intranet and Internet and would be drawn to the attention of all Chief Officers via all available Council communication channels. Awareness training was also scheduled for later in the year including targeted sessions with relevant members of staff and the utilisation of on line training packages.

**Resolved –**

- (1) That the Anti-Fraud and Corruption Policy be endorsed.**
- (2) That the Anti-Fraud and Corruption Policy be made available to all Members, officers, and citizens by being included on the Council's Internet site and that awareness training be scheduled to promote compliance across the Council.**

**25 FREEDOM OF INFORMATION REQUESTS**

Further to minute 58 (17 March 2010), the Director of Finance presented an analysis of 903 Freedom of Information (FOI) requests that had been received by the Council in 2009. He commented that since the introduction of the legislation which gave a general right of access to all types of recorded information held by public authorities, Wirral Council had received a higher than average number of FOI requests, which reflected both local topical issues and national media stories. A recent two year study by the Government Constitution Unit had produced a report on Freedom of Information Legislation and one of the key findings for local government was that the number of requests had not stabilised, as has been the case for Central Government, but remained on the increase.

He indicated that requests were required to be in a written format and that 95% of those received at Wirral were by email. The new web pages allowed for a Service Request button to be used to generate an FOI from the public. The requests were

received by the Information Manager, who liaised with the most appropriate officers in the various Departments of the Council to obtain the information.

Of the requests received, 168 had been refused for various reasons. In all such cases, requestors had been contacted and the reasons for their request being refused had been explained to them. However, of those, 53 were refused as they formed part of a repeated and vexatious notice that had been served on an individual member of the public. The Council was therefore under no obligation to answer any requests which came under the terms of the notice. Although the individual had been contacted on several occasions to remind him of the terms of the notice served, the requests still continued.

In response to a question from a Member with regard to the impact on officers' workload of the requirement to publish information in relation to items of expenditure over £500, the Director commented that it had not, as yet, been quantified. Monitoring would be undertaken and he proposed to present a further report to a future meeting of the Committee.

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

## 26 FORWARD PLAN

The Director of Law, HR and Asset Management reported that the Forward Plan for the period July to October 2010 had recently been published on the Council's intranet/website. Members had been invited to review the Plan prior to the meeting in order for the Committee to consider, having regard to its work programme, whether scrutiny should take place of any items contained within the Plan and, if so, how it could be done within relevant timescales and resources.

The Chair referred to the Plan item 'Common Administrative Processes', which followed from the agreed implementation schedule for the HR and Payroll IT system. He proposed that this matter could form part of the Committees agreed Work Programme (see minute 27 post).

**Resolved – That the published Forward Plan be noted.**

## 27 REVIEW OF SCRUTINY WORK PROGRAMME

The Chair provided an update on the current status of the Committee's Work Programme for the previous municipal year and invited suggestions from Members for the ensuing municipal year. Among the functions of the Committee was to scrutinise the work of the following portfolio holders –

- Community and Customer Engagement
- Corporate Resources
- Finance and Best Value

He indicated that the group spokespersons had met with the Deputy Chief Executive/Director of Corporate Services and the Director of Law, HR and Asset Management on 5 July 2010 and had discussed various items for inclusion in the Committee's Work Programme. He commented upon the ways that topics selected for scrutiny could be handled and indicated that a topic chosen for review must have

the potential to make a difference and should be carefully chosen with reference to objective criteria.

**Resolved –**

**(1) That the officers be requested to prepare a Work Programme for 2010/2011 based on the following issues –**

- **A Review of Performance Indicators**  
To have regard to the areas where performance indicators are redundant, and the areas locally, which the Committee consider should continue to be performance managed. To consider also balancing the need to monitor performance, against the time spent by officers in providing monitoring information.
- **Change Programme**
- **Common Administrative Processes**
- **Budget Monitoring**  
How the authority performs against savings targets and, in particular, to review performance and the impact on local residents where savings are made.
- **Total Place**
- **Office Accommodation**
- **Cultural Services**

**(2) That, in relation to Office Accommodation, the Head of Asset Management be requested to prepare a schedule for Members to visit key sites, prior to a Special Meeting of the Committee to consider Office Accommodation, to be held on 24 August 2010.**

## **28 OFFICE ACCOMMODATION**

At its meeting held on 24 June 2010, the Cabinet (minute 45 refers) referred the Office Accommodation report of the Director of Law, HR and Asset Management, together with the EC Harris Consultancy report to this Committee for consideration.

**Resolved – That consideration of the report of the Director of Law, HR and Asset Management in relation to Office Accommodation be deferred to a Special Meeting of the Committee to be held on 24 August 2010.**

## **29 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 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. The public interest test has been applied and favours exclusion.**

30 **TENDER REPORT: INFORMATION TECHNOLOGY HARDWARE - CENTRAL PROCESSORS**

The Director of Finance reported upon the outcome of a tender to replace some of the central processors or servers required for the principal computer applications. He set out the dates on which the processors would reach their End of Service Life (EOSL), after which they would no longer be supported by the manufacturer and he reported that to meet the challenges of approaching EOSL, maintenance costs that rose with the age of equipment and the need for additional processor power, IT Services had explored options to either make better use of existing hardware or to upgrade or replace the existing processors. He outlined the most economically advantageous solution and indicated that the project formed part of the Change Programme agreed by the Cabinet. He anticipated that, over a five year period, savings of £1.1m could be achieved.

**Resolved – That the delegated decision of the Director of Finance in awarding the IT Hardware – Central Processors contract be noted.**

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