

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

Tuesday, 12 July 2011

Present: Councillor P Gilchrist (Chair)

Councillors RL Abbey J Hale
A Brighouse C Jones
A Cox J Keeley
D Dodd S Williams
P Doughty

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

Members were asked to consider whether they had a personal or prejudicial interest in any matters to be considered at the meeting 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 matter to be considered and, if so, to declare it and state the nature of the whipping arrangement.

No such declarations were made.

2 APPOINTMENT OF VICE-CHAIR

On a motion by the Chair, duly seconded, it was –

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

3 MINUTES

Resolved – That the minutes of the meeting held on 16 March 2011, be approved.

4 ORDER OF BUSINESS

The Chair agreed to vary the order of business and take items 17, 18 and 13 next.

5 THE PEOPLE STRATEGY 2010 - 2013: 2010/2011 ACHIEVEMENTS

The Director of Law, HR and Asset Management presented an update on the People Strategy achievements for 2010/2011. The aim of the Strategy was to ensure that the Council had an effective and productive workforce to meet its current and future objectives, the principles being that people who were well led, healthy, motivated and developed were more likely to deliver effectively.

In response to comments from Members the Head of HR and OD outlined the agile working policy which was driven by service change and office accommodation rationalisation and informed the committee that a restructure policy was in place to help with restructures. A performance management framework was in place which would help with the measurement of the effectiveness of key policies within the strategy. A staff survey was also been considered to obtain feedback from employees. She outlined the benefits of the MBA leadership course and the criteria which applied for pursuing this as the Council did need to increase its leadership capacity.

She also acknowledged that it had been a difficult year for staff and that some employees were feeling demotivated, but the aim of the People Strategy was to support staff.

A Member suggested the need for a report on the current position with the change programme.

Resolved – That the officers be thanked for a comprehensive report and update on the People Strategy achievements in 2010/2011 and that a further report be brought to the next meeting which would look at the effect on employees of remodelling / redeployments and the support in place for individuals.

6 CORPORATE PLAN - PERFORMANCE REPORTING

The Chief Executive reported that at its meeting held on 14 April 2011 (minute 379 refers), the Cabinet approved a report setting out the arrangements for governance, delivery and monitoring of the Corporate Plan, and an outline of proposed structure for the quarterly reports. The report set out in more detail the planned, strengthened approach to delivering the Corporate Plan with a robust structure to manage performance and delivery and he commented that the approach was intended to ensure that the new Corporate Plan was the key driver for departmental activity and managing performance.

Responding to comments from Members, the Interim Head of Corporate Planning, Engagement and Communications stated that she would be happy to circulate performance indicators to Members and that she was looking at ways in which performance information could be displayed in the Town Hall.

The Chair referred to the need to see performance reports regularly and the possibility of them being emailed to Members once they were in the web library.

In respect of governance, the Director of Finance commented that the Audit and Risk Management Committee was the responsible committee for that area.

Resolved –

(1) That the detail of the proposed approach for reporting and managing performance against the 2011/2014 Corporate Plan targets be noted, including –

- **Reporting Structure**

- **Planned arrangements to ensure progress against the Corporate Plan is subject to continuous review by officers to ensure effective reporting to Cabinet and Overview and Scrutiny Committees**
- **Supporting Performance Systems**

(2) That the officers be thanked for the report and the Committee looks forward to receiving further information.

7 EQUALITY IMPLICATIONS OF COUNCIL BUDGET

Further to minute 126 (16 March 2011), the Interim Director of Corporate Services reported that as part of the Equality Duty 2010, all public sector organisations were required to 'give due regard to the impact on equality of their funding and policy decisions'. It was therefore a legal requirement for the Council to complete equality impact assessments. He reported that the Directors of Corporate Services; Technical Services; Finance; Law, HR and Asset Management; and Children and Young People, had assessed their departments and, as no cuts or significant changes to frontline services were required, there had been no need to complete formal equality impact assessments.

With regard to changes to frontline services within the Adult Social Services Department, an equality impact assessment (EIA) into the re-provision of care services was carried out in advance of a consultation exercise, which recommended the changes that had been made. The impact assessment was completed on the whole proposal rather than on specific sites and a further equality impact assessment was carried out for Fernleigh and for the transformation of the HART Service across to the STAR service in 2010/2011.

An equality impact analysis of the service changes and the leavers programme showed no negative impact on the make up of the workforce across the Council and he indicated that the equality profiling data had not significantly altered in proportion to the rest of the workforce.

Responding to comments from Members, the Corporate Equality and Cohesion Manager stated that the Council published all completed EIAs on its website. There had been no significant change to the equality profile of the workforce following the recent round of EVRs and everyone in the Council workforce had had the same opportunity to apply for EVR / VS.

Resolved – That the report be noted and the officers be thanked for the report and the assurances that robust systems were in place to challenge and monitor equality implications of funding and policy decisions.

8 FINANCIAL MONITORING STATEMENT

The Chair agreed that this item along with items 7 (Budget Projections 2012/15) and item 14 (Financial Out-Turn 2010/11) be considered concurrently (see minutes 9 and 10 post).

The Director of Finance provided a summary of the position of the revenue accounts and General Fund balances as at 31 May 2011. He also circulated an update as at

30 June 2011, which highlighted a number of pressure areas that had been highlighted by Departments –

- Pressures of £6m in Adult Social Services
He reported that potential slippage in implementing the 2011/2012 savings accounted for £3m and a further £3m related to underlying pressures from increased demand for older people and people with learning disabilities. The Interim Director was looking at options to reduce any potential overspend.
- Pressures of £5.6m in Children & Young People
He reported that increasing demand within Child Care amounted to £2.8m, with foster care accounting for £1.7m of that amount. The Integrated Transport Unit had potentially a £1.1m overspend through increased commitments and the non-achievement of savings and £1.2m related to other costs including delayed EVR savings, court fees, social care car allowances and additional pension liabilities. The Interim Director was also looking at options to reduce any potential overspend.
- In respect of the other departments, the Director reported that the implementation of the policy options and delivery of the savings were all progressing. The achievement of income targets remained the key concern with this being highlighted within Corporate Services for the transferred services of building and planning control and Technical Services in respect of car parking and cultural services activities

The Director reported that the projected level of balances at 1 April 2011 when setting the 2011/2012 Budget was £14.1m. Of that, £7.2m was allocated to fund 'one-off' options and the cost of the EVR/VS Scheme in 2011/2012 leaving a projected balance at 31 March 2012 of £6.9m. The release of Connexions reserve monies allowed £4.4m (the EVR/VS scheme element) to be funded in 2010/2011. The outturn for 2010/2011 resulted in a net increase in balances of £1m and he commented that the Cabinet had agreed to fund Fernleigh House and agreed additional funding for the integrated transport unit. This resulted in current predicted balances of £11.5m, which would be reduced by any further budgetary allocations or overspends within the 2011/2012 financial year.

Responding to comments from Members, the Director stated that all chief officers were aware that they had to maintain their expenditure in line with their departmental budget. If a substantial variation was arising they would have to report this to Cabinet and it would be for Cabinet to decide where potential savings could be made to balance the projected overspend. Individual chief officers report to their relevant Overview and Scrutiny Committees on potential budget variations. He acknowledged the difficulties faced by both the Adult Social Services and Children and Young People's departments which had to manage unpredictable demand driven care services.

The Chair suggested the need for a better early warning system which would highlight where budgetary variations were occurring. A Member suggested that the relevant chief officers be invited to this Committee to explain how they were addressing any budgetary issues.

Resolved – That the Financial Monitoring Statement be noted and the Committee looks forward to each monthly statement and hopes to see an improvement.

9 BUDGET PROJECTIONS 2012/2015

The Director of Finance presented the projected budget for 2012-2015, which had been considered by the Cabinet on 2 June 2011 (minute 7 refers). He set out the assumptions which underpinned the projections and reported upon the outcome of grant negotiations and other legislative issues. Balances were projected to be £6.3m at 31 March 2012 and with savings having been taken into account, he reported that there would be a projected shortfall of £20.8m in 2012/2013, £27.6m in 2013/2014 and £30.3m in 2014/2015. (See also minute 8 ante).

Resolved –

(1) That the budget projections be reviewed on a regular basis.

(2) That the Committee expects Members of the Council to be updated on the financial pressures with more information than is contained within the financial monitoring reports.

10 FINANCIAL OUT-TURN 2010/2011

At the request of the Chair, the Committee was requested to give consideration to concerns expressed by the Cabinet (minute 26 (23 June 2011) refers) in relation to the Financial Out-Turn 2010/2011. (See also minute 8 ante).

Resolved – That this Committee notes that budget projections are reported regularly to Cabinet and also that they should be regularly reviewed and reported to all Members.

11 OFFICE ACCOMMODATION - UPDATE REPORT

The Director of Law, HR and Asset Management reported upon the Phase 2 proposals of the Office Rationalisation Project. Recent activity included Westminster House being vacated and prepared for sale; discussion in relation to the relocation of staff from the Old Courthouse building; the relocation of staff based at Willowtree to the former Pensby Park Primary School; and, the baseline information of building occupancy being updated to reflect the position following the Voluntary Severance/Early Voluntary Retirement exercise.

Phase 2 proposals included the identification of the following buildings as options for closure once staff and services had been relocated into suitable alternative accommodation –

- Liscard Municipal Offices
- Bebington Town Hall
- Bebington Town Hall Annexe

The Director also presented information on the occupancy figures and staff space per person for all council buildings.

Responding to comments from Members the Director informed the Committee that Wirral Partnership Homes was still very much interested in acquiring Westminster House and he fully expected it to be sold in the near future. A report would be considered by Cabinet at its next meeting on 21 July. He would provide further details if the Committee were to go into exempt session.

He commented that 350 office based staff had left the Council over the last 6 months and this would need to be factored into a revised business case. Currently the Council was occupying twice the amount of office space that it needed. A report would be going to Cabinet in September to seek approval for a way forward in terms of office rationalisation and he assured the Committee that they would be provided with an update in September.

The Chair commented that he would be anxious to see the report to Cabinet in September and consider its contents at the earliest opportunity and a future list of Council buildings should include a breakdown of staff by department in each. He also suggested that a seminar for Members on office accommodation would be worthwhile.

Resolved – That the report be noted and the Committee looks forward to receiving a report in September.

12 REVENUES INCOME AND BENEFITS

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

Resolved – That the report be noted.

13 ICT SECURITY SOFTWARE TENDER REPORT

The Director of Finance reported upon the award of a contract, under delegated authority, for the provision and support of ICT security software. The contract was awarded to Software Box for a period of three years at a total cost of £107,000, with an option to extend it for a further year if it was considered advantageous to the Council. He outlined the tendering process and set out the key issues in relation to ICT security including the duty of care under the Data Protection Act to protect personal or sensitive information, including that stored in computer systems.

He reported also that Wirral was connected to the Government Secure Extranet (GCSx), which was used to exchange data with Government departments, other local authorities and the NHS. The Department for Work and Pensions (DWP) used this network to deliver benefits information to the Council and it was therefore essential to the effective provision of Housing Benefit and Council Tax Benefit. Since any network was only as secure as its weakest link, the Council had to comply with the GCSx Code of Connection in order to remain connected to the Government networks. The software procured as part of the tender delivered some of the requirements to ensure compliance was achieved.

Resolved – That the award of the contract to Software Box for a period of three years at a total cost of £107,000, with the option to extend it for a further year, be noted.

14 LOCAL GOVERNMENT RESOURCE REVIEW

The Director of Finance reported that on 17 March 2011, the Government launched the Local Government Resource Review, the vision of which was of 'self-funded' councils that kept their local business taxes, with central grant dependence scaled back, except where it was needed to protect the interest of taxpayers. The Review was expected to conclude in July 2011 and he reported that part of the first phase of it was to consult with interested parties, including businesses of all sizes. Although the Government had stated that councils which were more deprived would continue to receive Government support, the Director indicated that the main risk was financial, as Wirral collected less than it received back from the Government in grant support.

The whole process would feed into the Local Government Financial Settlement 2013/14 and responding to comments from Members he stated that all options currently put forward would see Wirral lose out but this only formed one element of local government finance.

Resolved –

- (1) That action be taken to protect, as far as possible, the Council's financial position.**
- (2) That support be given to any responses from SIGOMA (Special Interest Group of Metropolitan Authorities) and the Liverpool City Region which seek to ensure that those local authorities with a low income from business rates and a high level of Government grant support are not adversely affected.**
- (3) That this Committee expresses its concern that the business rate option, as understood, places Wirral in a difficult situation unless other funding streams replace them and that these concerns be referred to Cabinet.**

15 PROCUREMENT STRATEGY

The Director of Finance presented the revised Procurement Strategy which had been agreed by the Cabinet on 2 June 2011 (minute 8 refers). The Strategy had previously been amended following an Audit Commission review of commissioning and procurement activity and he commented that the present revision had been developed in the context of enhancing good procurement practice to support better value purchasing and delivery of specific financial targets agreed in the 2011/2012 Budget.

Resolved – That the revised Procurement Strategy be noted.

16 **BENEFITS ANNUAL REPORT**

The Director of Finance presented the Housing and Council Tax Benefit Annual Report 2010/2011, which highlighted developments within the benefits service over the last year. In line with the economic recession, a shift in claimant activity had resulted in an increasing workload of 41,244 claims, compared to 39,332 two years ago. He commented also that not only had the cost of the service increased in terms of the payment of benefits and administration, the workload was also impacted upon by the volumes of 'intentions to claim' and defective claims received, which were not reflected in the increasing live caseload but nevertheless drew on resources and were reflective of the current economic climate.

He commented also upon performance issues and reported that given the ongoing increase in service demand and customer expectation, the ability to respond to need had been excellent, despite the impact of the Voluntary Severance/Early Voluntary Retirement process. He reported upon the work of the Fraud Investigation Team and indicated that a focus on higher level fraud had led to more complex investigations and resulted in an increase in the level of prosecution cases.

A Member commented upon the need to monitor the impact the introduction of universal credit may have on claimants.

Resolved – That the report be noted.

17 **CUSTOMER SERVICES ANNUAL REPORT**

The Director of Finance presented the Customer Services Annual Report for 2010/2011. The work of the Customer Services Teams was to implement the Customer Access Strategy and support officers by working to ensure that the main access channels, the Call Centre, the One Stop Shops and the web, provided up to date responsive advice with an ability to resolve many enquiries at first point of contact. In November 2010 the Library Service joined the Finance Department and the Director commented that its role would be key in extending and improving customer services both in that service and in the help it can give to services throughout the Authority and to other organisations as part of a fully co-ordinated customer contact service.

Staff were working towards a merger of Libraries and One Stop Shops and the Director indicated that their co-location would improve accessibility to all Council services for customers, with the provision of both services in one facility. It offered savings in terms of building rationalisation and there would be opportunities throughout the structure for staff from both Libraries and One Stop Shops to learn more skills for career development. Crucially there would be no detriment to the current provision of the Library service and range of Library activities. Likewise within the One Stop Shops, the restructure was planned to deliver an enhancement to current provision.

The Director reported also upon performance of the Call Centre and One Stop Shops and set out areas for future development of the service. Significant work had been undertaken in relation to customer feedback from a range of sources and work was ongoing to ensure a consistent approach. Benchmarking was undertaken by way of the Call Centre being a member of 'Call North West', a support organisation for

contact centres across various service sectors. In addition, One Stop Shops were a member of the National One-Stop Shop Benchmarking Group. Wirral shared with the other authorities the One Stop Shop Customer Satisfaction Statistics which, in 2010, was 95%. This compared well to the other 24 members and no Metropolitan Authority recorded a higher return.

Resolved – That the report be noted and the officers be thanked for the services offered to the public during the year.

18 **DEVELOPMENT OF AN OUTCOME BASED COMMISSIONING FRAMEWORK**

Further to minute 9 (Cabinet – 2 June 2011), the Director of Finance provided an overview of the development of an outcome based Commissioning Framework, which could be used as the basis for fundamental service reviews and re-commissioning activity over the medium term in order to achieve the objectives set out in the Corporate Plan. He commented that the aim of an outcome based approach to commissioning was to shift the focus of what the Council did, from activities to results, and from how a programme operated to the good it accomplished. He reported that, whilst the model under development had to be capable of being applied to every function within the Council it was proposed to focus it in two areas initially –

- (a) services provided across the Council by the voluntary, community and faith sectors, and
- (b) services provided in the Department of Adult Social Services to people with a learning disability.

Lessons learnt from the pilots would be applied to other service reviews as they were undertaken and he commented that considerable work in relation to the learning disability project had already been completed as part of the DASS Improvement Plan and budget stabilisation programme. The work had been done in conjunction with NHS Wirral and had informed the development of the Commissioning Framework. Consultation was ongoing with all Council Departments and proposals would be developed for wider sector participation in the further development of the framework. The proposals would reflect the need to work in partnership with the voluntary, community and faith sector to develop a clear understanding and consensus about the framework and, in doing so, would also recognise the work that had already been done with the sector and partners to explore local commissioning approaches.

Resolved –

- (1) That the principles contained within the report of the Director of Finance that underpin the development of an outcome based Commissioning Framework, be noted.**
- (2) That a further report be presented on options for applying such a framework to major service reviews emerging from the consultation exercise.**

19 **TREASURY MANAGEMENT ANNUAL REPORT**

The Director of Finance presented a review of Treasury Management activities in 2010/2011, which had resulted in £1m of additional receipts from investment income and a saving of £2m from the capital financing activities that could now be returned to the General Fund balances. He confirmed compliance with treasury limits and prudential indicators and provided a definition of Treasury Management as 'the management of the local authority investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'. He confirmed that the Annual Report had been prepared in accordance with the revised CIPFA Code of Practice on Treasury Management and the revised Prudential Code. He commented also upon the current economic background and reported upon investment and borrowing activity during the year.

Resolved –

- (1) That the Treasury Management Annual Report for 2010/11 be noted and the thanks of this Committee be accorded to the staff for their work in contributing to the Council's finances.**
- (2) That the transfer of additional investment income of £1m and the saving of £2m from capital financing activities in 2010/2011 to the General Fund balance be noted.**

20 **FINAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2011/2013**

The Director of Law, HR and Asset Management reported that at its meeting held on 14 April 2011 (minute 144 refers), the Cabinet considered minute 128 of the Council Excellence O&S Committee held on 16 March 2011, together with the report of the Director of Finance in relation to the Final Local Government Finance Settlement. The Cabinet thanked the Committee for its referral and noted its concerns.

Resolved – That this be noted.

21 **FORWARD PLAN**

The Director of Law, HR and Asset Management reported that the Forward Plan for the period July to October 2011 had been published on the Council's intranet/website. Members were invited to review the Plan prior to the meeting in order for the Council Excellence Overview and Scrutiny Committee to consider, having regard to the 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.

Resolved – That the Forward Plan be noted.

22 **REVIEW OF SCRUTINY WORK PROGRAMME**

Members considered an update of the final work programme for the year ending April 2011 and the Chair sought views as to what topics should form the basis of the work

programme for the ensuing municipal year. The Chair commented that he had liaised with group spokespersons and it was -

Resolved – that the following issues be added to the Committee’s work programme for 2011/2012 –

- **Strategic Change Programme and progress (September)**
- **Office Rationalisation (September)**
- **Benefits and benefit changes as a result of the Welfare Reform Bill**
- **Progress on agile working**
- **Back office efficiencies and achievements**
- **The effect of the Localism Act**

23 ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 1)

A Member suggested, and it was agreed that all future meetings of the Committee start at 6.00pm.

24 EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC

Resolved - That, under section 100 (A) (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 paragraph 3 (information relating to the financial/business affairs of a third party) of Part I of Schedule 12A (as amended) to that Act. The Public Interest test had been applied and favoured exclusion.

25 ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 2)

Further to minute 11 ante, the Director of Law, HR and Asset Management gave details of the valuations which had been received for Westminster House.
