

# CABINET

Thursday, 6 September 2012

<u>Present:</u>	Councillor	P Davies (Chair)	Leader of the Council Finance
	Councillors	G Davies P Hackett B Kenny AER Jones A McArdle AR McLachlan C Meaden H Smith T Smith	Housing and Community Safety Regeneration and Planning Strategy Environment Corporate Resources Adult Social Care and Public Health Improvement and Governance Culture, Tourism and Leisure Streetscene and Transport Services Children's Services and Lifelong Learning

## 69 WELCOME TO NEW CHIEF OFFICERS

Councillor Phil Davies welcomed the new Chief Executive, Graham Burgess. He also welcomed Peter Timmins, the Interim Director of Finance. Both Chief Officers were attending their first Cabinet meeting. He informed that he was pleased to have them both working for the Council.

## 70 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

No declarations of interest were received.

## 71 MINUTES

### RESOLVED:

**That the Minutes of the meetings of the Cabinet held on 19 July 2012 be confirmed as a correct record.**

## 72 POLICING REPORTS

Councillor Phil Davies introduced and welcomed the Chief Constable of Merseyside Police, Jon Murphy, and the Area Commander, Chief Superintendent John Martin to the meeting.

The Chief Constable presented his 'State of the Nation' report. He informed that Merseyside Police was facing resource difficulties along with other public services but that it remained in good shape. Staffing levels were reducing,

the number of crimes continued to drop but serious and organised crimes remained a significant problem for his Force. Police Officers continued to take weapons off the streets. They had removed 200 over the last 12 months. Also, the policing budget had been reduced by 20% over the last four years.

It had been a difficult summer for Merseyside Police as there had been a potential threat to security in London which had meant that a number of Police Officers from the Merseyside region had been deployed to London during the Olympic Games.

Also, Police aid had been provided in Manchester, where there was more severe gun crime than on Merseyside.

The Chief Constable referred to the election of the Police and Crime Commissioner which would be held on 15 November 2012. One of the first tasks for the Commissioner was to draw up a Four Year Policing Plan.

The Area Commander then presented the operational context. He informed of Wirral's policing priorities, budget savings and detailed crime statistics in relation to violence, robberies, domestic abuse, burglaries and car crime. He also reported on challenges ahead, partnership arrangements in place, the ongoing Stronger Communities Initiative and Operation Derwent.

Following these presentations Members asked the Chief Constable and the Area Commander a number of questions on the following:

- Centralisation, community safety, co-ordination and information provided;
- Police and Crime Commissioner's likely budgetary considerations and the allocation of limited resources;
- The implications of reducing the number of Police Officers in Wirral;
- The need for the public to come forward if 'Loan Sharks' were to be caught, arrested and prosecuted; and
- Laird Street Police Station, Birkenhead was no longer fit for purpose, options for relocation in a more suitable building and the resources needed to do this still being available.

Councillor Phil Davies told the Chief Constable and the Area Commander that their reports had provided Members with an insight into what the Police were doing and that he and the Cabinet were looking forward to continuing the excellent relationship that Merseyside Police and the Council had forged.

#### **RESOLVED:**

**The Chief Constable and Area Commander be thanked for their attendance at the meeting and for their informative reports on policing matters.**

## 73 **AUDIT COMMISSION ANNUAL AUDIT LETTER**

The District Auditor, Michael Thomas was in attendance at the meeting and presented the Audit Commission's Annual Audit Letter dated 14 August 2012 which summarised the audit work for the 2010/11 audit of the Council, including the Merseyside Pension Fund.

Mr Thomas had discussed and agreed the letter with the Chief Executive and the Interim Director of Finance.

It had been another challenging year for the Council. Mr Thomas thanked Members and Officers for the positive and helpful approach they had taken to his audit. He also thanked the Senior Management and the Council's Audit and Risk Management Committee for their support and co-operation during the audit.

Councillor Phil Davies told the Cabinet that, clearly, the Council had experienced a very difficult year. He referred to the weaknesses that the District Auditor had identified in the Council's corporate governance arrangements which Members were taking extremely seriously. Councillor Phil Davies informed that with the help of the new Chief Executive, Graham Burgess and the Improvement Board, the highlighted weaknesses were being addressed and the Council's corporate governance arrangements were being strengthened.

### **RESOLVED: That**

- (1) the District Auditor be thanked for the work he had undertaken to date; and**
- (2) the contents of the Audit Commission's Annual Audit Letter be noted.**

## 74 **REVENUE MONITORING 2012/13 - MONTH 3 (JUNE 2012)**

A report by the Interim Director of Finance set out the revenue position for 2012/13 as at Month 3 (June 2012). It identified the latest financial projections and prioritised the risks for ongoing management actions, to ensure the year-end position would result in spend remaining within the budget allocated.

The Cabinet was told that this report was the first in a new format and had been separated from any other information. The Interim Director proposed to report monthly, therefore, reducing the time between reporting and remedial action. The Revenue Monitor tracked progress against the agreed budget decisions, on a risk basis, and forecasted anticipated significant variances, to enable corrective action to be taken.

A view had been taken on the likely impact of 'pressures' and the consequences for the General Fund balances. The concept of 'pressures' would be replaced by the more exact 'overspend/underspend' measures in the next monitor. The Cabinet was informed that the aim in the forthcoming months was to expand the report to include the cumulative information as the year progressed, being built-up by the monthly reporting. Appendix 1 to the report set out the timetable for reporting the revenue monitor during 2012/13. A Capital Monitoring report would also be presented to the Cabinet on a monthly basis.

The report included proposals including Management actions, the institution of a spending freeze, as a matter of prudence and actions to deliver £7m of savings in 2012/13 in order that the General Fund balance was £4m.

The Cabinet had agreed the Performance Management arrangements for 2012/13 at its meeting on 29 March 2012. These included the quarterly Performance and Financial Review reports to the Cabinet which incorporated summary financial information with the appendices, which were placed in the Library, containing more detailed Financial Monitoring and Capital Monitoring reports. All Members also received the monthly Financial Monitoring Statement which comprised a side of narrative and a side of more detailed information. It was recommended that the revised arrangements replace those previously agreed by Cabinet.

It was noted that the projected revenue forecast for the year, at Month 3 (to 30 June 2012), showed a potential overspend of £17m on the General Fund which could be partially offset by the proposed actions set out in paragraph 2.18 of the report. The Interim Director drew Members' attention to the risk that the overspending may be higher, for it had been calculated by reference to individual budgets that may turn out to be unsound. The Management Actions section of the report developed this matter further and, given these facts, it was proposed to institute a spending freeze, until there was a clearer view.

Councillor Phil Davies informed that the Council faced a big challenge over the next three years as it had to make £100m of savings and that the £17m potential overspending added to this problem. Budget cuts had been imposed on the Council by the Government. Also, the Council had failed to address fundamental issues. Services had not been adjusted to match resources available. Councillor Phil Davies welcomed the report as it highlighted the issues. This was something that had not been done in the past.

Members agreed that it was necessary to take urgent actions to address this overspend and the Council's Administration and the Cabinet must take the lead on this. Councillor Phil Davies proposed that Political Assistant support

would no longer be provided to Political Groups and changes to Members' support and the Council's Scrutiny function would be made to make savings.

**RESOLVED: That**

- (1) the Cabinet notes the following: That**
  - (a) at Month 3 (30 June 2012), the full year forecast projects a potential General Fund overspend of £17m;**
  - (b) the Dedicated Schools Grant (DSG) funded activities will have no impact on the General Fund, as it is ring fenced to services funded by the DSG;**
  - (c) there are a number of risks and uncertainties that may impact adversely on the General Fund financial forecasts for the remainder of 2012/13;**
  - (d) Management actions have been identified to begin to recover the Departmental overspends (as detailed in Appendix 5 to the report);**
  - (e) a review of Earmarked Reserves be undertaken;**
  - (f) the General Fund balance is currently £14m and the projected overspends total £17m which will exhaust the balances should the overspends materialise. Earmarked reserves are currently £86.2m; and**
  - (g) the increase in the total budget is referred to full Council;**
- (2) the Cabinet agrees to the following:**
  - (a) To institute a spending freeze on non critical expenditure until further notice;**
  - (b) That this format of revenue monitoring report be presented on a monthly basis to the Cabinet, it be made available to all Members of the Council, and it replaces the previously produced Financial Monitoring Statement; and**
  - (c) That actions be taken to taken to restore the general fund balance to £4m by implementing £7m of savings from those identified in Section 2.18 of the report, namely savings in the Members Support Service, the Finance Department savings for 2012/13 identified in July and the release of an Earmarked Reserve;**

and

- (3) **As the Council is facing significant financial challenges, both in-year and over the next three years;**

**As the Administration, we need to show leadership and demonstrate how we will also contribute to immediate savings, whilst ensuring that all Elected Members are equipped to deliver their roles with appropriate and integrated support;**

**Cabinet resolves: That**

- (a) **current arrangements for scrutiny support are revised to become a more integrated part of the Council's management structure to provide advice and support for all political groups;**
- (b) **the Political Groups no longer be supported by Political Assistants funded by Council Tax payers and these posts be deleted accordingly with a view to realising savings in-year of up to £50k and a saving of £135k annually, which will be used to support front line services;**
- (c) **all Elected Members and the Administration are supported by a Central Policy Unit and Member Services, which will include a new casework management system, as part of the improvements in political leadership and governance; and**
- (d) **the Acting Director of Law, HR and Asset Management and Head of Human Resources and Organisational Development begin formal consultation with the staff directly affected by these proposals in accordance with the relevant Council policies.**

75 **CAPITAL MONITORING REPORT 2012/13 - PERIOD 3 (JUNE 2012)**

Councillor Chris Meaden declared a disclosable non – pecuniary interest in this item of business by virtue of her being a school governor.

A report by the Interim Director of Finance informed the Cabinet of the current position regarding the Council's 2012-13 to 2014-15 capital monitoring programme, taking into account the latest monitoring information on the progress of the schemes, any budget increases/decreases and the reprofiling of budgets during 2012-13 and future years. The report reflected:

- The re-profiled 2012-13 capital programme budget;
- The expenditure to date, which was less than it should be;

- The projected outturn figures for 2012-13, which suggested a slippage of £10m; and
- The current funding of the programme and its future affordability which, in the light of the Revenue monitor, required review.

Councillor Phil Davies referred to the Council's high level of unsupported borrowing and agreed that it was imperative that capital schemes spend across the Council were reviewed on a monthly basis.

**RESOLVED: That**

- (1) **the Period 3 net decrease of £381k, to the latest 2012-13 Capital Programme, to produce a revised Capital Programme of £75.586m be agreed;**
- (2) **the pause for two months in the start to new unsupported capital schemes be agreed;**
- (3) **the re-profiled capital budgets of £28.273m for 2013-14 and £12.424m for 2014-15 be approved;**
- (4) **the spend to date of £5.72m, which represents 7.6% of the revised capital budget, with 25% of the financial year having elapsed be noted;**
- (5) **the implementation of Capital Programme Group be noted;**
- (6) **the £48.8m of new unsupported borrowing included over the next three years, which will result in approximately a £3.5m additional revenue costs be noted; and**
- (7) **the work to detail the schedule of sites to validate the estimate of capital receipts be noted.**

76 **TREASURY MANAGEMENT PERFORMANCE MONITORING**

A report by the Interim Director of Finance, presented to the Cabinet by the Acting Deputy Chief Executive reviewed Treasury Management policies, practices and activities during the first quarter of 2012-13 and confirmed compliance with treasury limits and prudential indicators. The report had been prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential Code for Capital Finance in Local Authorities.

**RESOLVED: That**

- (1) the Treasury Management Performance Monitoring Report be noted; and**
- (2) it be noted that during this quarter, the Council entered into a new lease contract for IT equipment and catering equipment to the value of £138k.**

77 **COUNCIL'S IMPROVEMENT PLAN**

A report by the Chief Executive, presented to the Cabinet by Councillor Anne McLachlan and the Director of Public Health set out the Council's Improvement Plan and proposed the mechanism for its successful management and delivery. The Plan set out the key targets and objectives for improvement as well as the anticipated success criteria and a delivery timetable.

The report proposed how delivery of the Improvement Plan would be managed through a governance model which illustrated clear lines of responsibility in relation to programme management and assurance. The report included an outline of the resource requirements to set up and initiate the programme supported by a delivery model which detailed how the initial resource plan would be expanded upon. The report also set out the proposed reporting arrangements and a summary of how risk would be managed.

The Improvement Plan had been presented to the Improvement Board at its last meeting on 20 July 2012. The Cabinet was requested to formally approve the Plan in order that delivery could commence as a matter of urgency.

Councillor Anne McLachlan told the Cabinet that the Improvement Plan would be integral to the Council's Corporate Plan as it was developed. The planning approach had been strengthened and all Members of the Council were to be fully engaged with the process. She went on to thank the Director of Public Health, the Executive Team and the Officer Team behind the Improvement Agenda who were all carrying out very good work behind the scenes.

The Director of Public Health informed that it was her intention to present a further report to the Cabinet on how Members were to be involved in shaping the improvements. She also requested Members' feedback on what worked for them in terms of Member engagement.

**RESOLVED:**

**That the Plan be formally approved in order that delivery can commence as a matter of urgency.**



78 **RECOMMENDATIONS FROM THE IMPROVEMENT BOARD**

The recommendations put forward at the last meeting of the Improvement Board held on 20 July 2012 were not yet available.

**RESOLVED:**

**That consideration of the Action Points and Key Communication Messages from the meeting of the Improvement Board held on 20 July 2012 be deferred until the next ordinary meeting of the Cabinet scheduled for 27 September 2012.**

79 **FREEDOM OF INFORMATION REQUESTS AND LOCAL GOVERNMENT OMBUDSMAN CONTACTS**

A report by the Interim Director of Finance provided the Cabinet with a quarterly analysis of requests received under the Freedom of Information Act 2000 ('FOIA') and matters being dealt with by the Local Government Ombudsman, as recommended by Cabinet at its meeting on 12 April 2012 (Minute No. 404 refers). Additional qualitative information was offered on service performance in response to contacts, highlighting any exceptions.

Councillor Anne McLachlan made reference to the extreme number of Freedom of Information requests that the Council received and informed that the Local Government Ombudsman had no issues in terms of the Council's response times. She welcomed the report and the action plan that had been drawn up.

Councillor Phil Davies also welcomed the report. He was aware that the press and Wirral residents showed a lot of interest in the Council's activities. There was a need for the Council to get better at dealing with Freedom of Information requests and considered that the action plan was a good basis for making this improvement.

**RESOLVED: That**

- (1) the content of the report be noted; and**
- (2) the approach outlined in the report to deal with the issues and matters arising under the Freedom of Information Act 2000, be endorsed.**

80 **LOCAL DEVELOPMENT FRAMEWORK - JOINT WASTE LOCAL PLAN FOR MERSEYSIDE AND HALTON**

A report by the Director of Regeneration, Housing and Planning informed the Cabinet that the Joint Waste Local Plan for Merseyside and Halton was

submitted to independent public examination in February 2012. The Planning Inspector who undertook the examination identified the need for further modifications before the Plan could be found to be legally compliant and sound. These further modifications required the approval of the Council in accordance with the Council's Constitution, to allow additional public consultation to take place to comply with procedural requirements and to complete the examination process.

Appendix 1 to the report set out the modifications arising from Public Examination whilst Appendix 2 contained a Schedule of Requested Main Modifications and Additional Modifications for Merseyside and Halton Waste Local Plan.

**RESOLVED: That**

- (1) the Cabinet recommends to the Council that the proposed modifications to the Joint Waste Local Plan for Merseyside and Halton set out in Appendix 2 to this report be approved and that the proposed modifications be approved for public consultation**
- (2) the Cabinet recommends to the Council that delegated authority be given to the Director of Regeneration, Housing and Planning to make any necessary further minor and typographical changes to the Waste Local Plan before Council approval is sought for the adoption of the final Plan.**

81 **RESTRUCTURE OF THE HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT DEPARTMENT**

A report by the Acting Director of Law, HR and Asset Management informed the Cabinet of the proposed restructure of the Human Resources and Organisational Development Department (HR/OD), and sought approval for the HR/OD budgets to be aligned to the Head of Human Resources and Organisational Development.

**RESOLVED: That**

- (1) the re-structuring of the Human Resources and Organisational Department from within their substantive departments to one centralised function, ensuring the creation of one team be approved;**
- (2) alignment of the staffing FTE and budgets from the departments of Technical Services, Law, HR and Asset Management, Finance, Adult Social Services and Children and Young People's to the Head of Human Resources and Organisational Development be approved;**

- (3) the budget from the Corporate Efficiency fund for the additional resources necessary this totals £200,000 which will help the Department to meet the organisational challenges and business requirements to deliver the required budget savings be approved;**
- (4) alignment of the Training budgets from the departments of: Regeneration, Housing and Planning, Technical Services, Law, HR and Asset Management, Finance, Adult Social Services and Children and Young People's to the Head of Human Resources and Organisational Development be approved; and**
- (5) the funding of £50,000 for an additional OD management post to meet organisational development requirements of the Improvement plan from the Improvement fund be approved.**