

CABINET

Thursday, 8 November 2012

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

115 LEADER'S ANNOUNCEMENTS

Councillor Phil Davies informed that Item No. 10 on the agenda – Workforce Change and Consultation was being brought forward and the Cabinet would be considering it after Item No. 3 on the agenda - Minutes of the last meeting.

Councillor Phil Davies also informed that Item No. 15 on the agenda – Recommendations from the Improvement Board would be considered in Part 1 of the meeting in the presence of the press and public because it did not contain any exempt information.

116 A MINUTE'S SILENCE

The Cabinet stood in silence for one minute in memory of Councillors Anne McArdle and Peter Johnson who had both died in the last week.

117 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

No declarations of interest were received.

118 MINUTES

RESOLVED:

That the Minutes of the meeting of the Cabinet held on 18 October 2012 be confirmed as a correct record.

119 WORKFORCE CHANGE AND CONSULTATION

A report by the Chief Executive sought authority for him to consult with the Trade Unions and workforce on a range of issues to enable the Council to meet its budget deficit for 2013/14.

The Chief Executive introduced his report informing that the Council was facing a considerable financial challenge to reduce its net budget. The current position was that the Council was facing a budget deficit of £100m or so over the next three years and a projected deficit of £39M for 2013/14. The Chief Executive told the Cabinet that this would necessitate significant changes to the manner in which the Council conducted its business.

The Council had completed its first stage of consultation with the community and the responses and findings were included in a report elsewhere on the agenda. The Chief Executive reported that officer options for budget savings would be published shortly. These had the potential to change service delivery which would potentially impact on staff. This, therefore, required consultation at the earliest possible opportunity.

All options for addressing the Council's budget deficit were being considered.

It was noted that the Council had a legal obligation to consult with the workforce on business and service changes that may affect the workforce. The requirements for consultation were laid out in the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA). The Council welcomed consultation with the Trade Unions and staff to consider all proposals to meet the financial challenge.

The Cabinet noted that the issues requiring consultation were as follows:

- (1) There was a proposal to reduce the running costs for the Council through its management costs. The Chief Executive had brought a proposal to strengthen the strategic leadership for the Council as part of the Improvement Programme to the Cabinet meeting on 18 September 2012 (Minute No. 83 refers). At that stage it was agreed that further restructuring would follow to fund the new roles of Strategic Director and also to reduce the overall management cost for the Council. To deliver this agreement, the Council would consider options to reduce the number of managers across the Council. This option would require consultation with all managers and the Trade Unions.
- (2) The Council currently employed its workforce on national and local conditions of service. The local conditions of service were subject to a local agreement through a collective agreement with recognised Trade Unions (JNC Recognition Agreement with Trade Unions). Consultation with recognised Trade Unions and staff were required to consider

options to reduce the cost of the workforce and so reduce the potential numbers of job losses.

- (3) Options needed to be considered with the aim of reducing the costs to the Council and the local tax payer of the Council's enhanced discretionary severance scheme. The aim would be to seek ways to reduce the costs, which would in turn protect more jobs and services, whilst keeping an enhanced scheme to reduce the potential impact on the lowest paid.
- (4) In the event that the scheme was modified any staff leaving after a new scheme came into effect had to leave on the new terms, regardless of when the dismissal process began. In order to manage expectations, it was recommended that the current voluntary redundancy scheme be suspended immediately.
- (5) The Council had a requirement to implement the final stages of job - evaluation, under the (national joint agreement with date). Further consultation would enable the Council to explore options concerning the arrangements to implement job evaluation for those staff on grade principal officer (earning over £27,849 and above). This would enable the Council to implement a legally fair, affordable and sustainable pay policy at this level.
- (6) In seeking to set the budget for 2013/14, the Council had consulted with the community and explored a range of areas. In response to the first stage of consultation, reported to the Cabinet, the Chief Executive would publish a range of officer options for the budget savings 2013/14. Those options would be considered by Members through a series of Overview and Scrutiny Committees and with the public through specific targeted consultation. Whilst no decisions were made on the future of services, any options that were being considered that potentially impacted on staff required consultation at the earliest possible stage. Consultation with staff did not pre-empt community consultation or the Council's decision-making process, but was required if options were being considered that affected the workforce.

Joe Taylor, Unison Wirral Branch Secretary was in attendance at the meeting and was invited to address the Cabinet. He informed that Unison members were enraged by the Council's proposals and over its decision to employ a number of external consultants at a cost of £4m per annum.

Mr Taylor went on to raise a number of concerns about the proposed job losses and compulsory redundancies. He also referred to employees' current terms and conditions, the proposed loss of weekend working enhancements and the proposal to introduce four days unpaid leave and the effect this would

have on pensions. He made reference to the agreement Unison had with the Council on job evaluation and the three years pay protection.

Mr Taylor also expressed Unison's disappointment over the proposal to suspend the Council's enhanced voluntary severance scheme. He requested that this be not allowed to happen. He raised concerns over the shortness of the proposed 28 day consultation exercise and the threat of redundancy. He requested that "at risk" notices be not sent to staff members at the present time and, instead, requested that the Council embark upon a proper meaningful consultation exercise without the threat of redundancy.

Councillor Phil Davies told the Cabinet that the Council was in the situation it was because of the coalition Government's significant cuts in respect of local government; and that he disagreed with the Government's austerity policy. The Government was earmarking local authorities in deprived areas in the North West of England. He considered that the responsibility lay with the Government nationally.

Councillor Phil Davies informed that the Council had a legal responsibility to "balance its books" and set the budget. The Council would mitigate the impact of the cuts as much as possible and make as good a job as possible of this. The Council had to save £103m over the next three years and that was one third of the Council's budget. No decisions on how to meet the budget challenge were being made at this meeting. The report was only asking for the consultation exercise to begin. Councillor Phil Davies informed that he was willing to meet with Mr Taylor and other Trade Union officials to discuss alternative ways to make the necessary savings.

Councillor Phil Davies also reported that the Council had taken the decision to pay 'the living wage', thereby helping to lift lower paid workers out of poverty and helping them have a socially acceptable minimum standard of living.

RESOLVED: That

- (1) the Chief Executive be authorised to open formal consultation with trade unions and staff under TULRCA and as a matter of good practice on:**
 - (a) changes to the council's enhanced discretionary severance scheme policy under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006;**
 - (b) changes to the local conditions of service;**
 - (c) the terms upon which to implement the final stages of Job Evaluation, under the 1997 National joint agreement; and**

- (d) **the potential impact on staff of the officer budget options including redundancy.**
- (2) **the Chief Executive be authorised to immediately suspend applications to the Council's existing employee enhanced Voluntary Severance Scheme.**
- (3) **the Chief Executive be authorised to recommend to the Employment and Appointments Committee that this report be considered and the Chief Executive be authorised to open consultation as outlined in Recommendation (1) and that recommendation (2) above be implemented; and**
- (4) **the Chief Executive be instructed to report back on the progress of the consultation at the special budget Cabinet meeting scheduled for 20 December 2012.**

120 **WHAT REALLY MATTERS:CONSULTATION FINDINGS**

A report by the Chief Executive informed that the Cabinet, at its meeting on 10 July 2012, had instructed officers to implement a comprehensive programme of consultation and engagement in order to inform the development of the Council's Corporate and Financial Plan for 2013-2016 and further to guide the development of significant budget savings (Minute No. 45 refers).

Included in the report were the results of the first stage of the consultation process for the Cabinet's consideration. These results were intended to provide a good understanding of residents, partners and employees views on the Council's future priorities and appropriate methods in which savings should be delivered.

All of the comments provided through the consultation were analysed and summarised within the report, and all comments would be published on the Council website during November 2012.

The Cabinet was told that, subject to its approval, the report would be followed by a second stage of consultation which would begin in November 2012. This second stage would involve consultation with residents, employees and other stakeholders to gather views on a range of detailed options for achieving the necessary budget savings for 2013/14.

The Cabinet noted that the consultation had involved a programme of over 150 events, and speaking to over 13,000 residents. Over 37,500 paper questionnaires had been distributed, and 6921 responses had been received – giving a return rate of around 18%. This was a higher response in comparison to any previous Wirral Council consultation and, according to published data, higher than any comparable exercise anywhere in the UK.

Members noted that the summarised results analysis contained within the report demonstrated support for each of the principles contained within the consultation, with a number of caveats to be considered as detailed budget options were developed.

Each of the Council's five Overview and Scrutiny Committees had met to consider the findings of the What Really Matters Consultation and the respective Minutes were circulated for the Cabinet's information.

Councillor Phil Davies remarked on the very good response to the consultation. He was pleased that so many people had engaged and participated in the consultation. He informed that as a result of the very substantial cuts to the Council's budget it now needed to produce a model for delivering Council services. The feedback from the survey and from the Overview and Scrutiny Committees' discussions would be taken into consideration when the budget was set following a progressive open and transparent process having regard to all of the issues.

Councillor Phil Davies on behalf of the Cabinet thanked all who had taken part in the consultation exercise and the staff who had co-ordinated the whole process.

Councillor Ann McLachlan told the Cabinet that the response to the consultation had been excellent and she was heartened to hear what the next stage would be. It was vital that the Council engaged with the public and the community and listened to what they had to say.

RESOLVED: That

- (1) the Cabinet notes the findings of the What Really Matters consultation and thanks Wirral residents for taking the time to take part in this process;**
- (2) the Cabinet notes that officers will shortly be publishing detailed savings options, and instructs officers to consider the following principles highlighted in the consultation alongside those options:**
 - ensure that local communities, partner organisations and the Council's workforce are fully engaged and consulted upon changes which will affect them;**
 - ensure that every step is taken to prevent vulnerable people and low income families becoming disadvantaged through changes to services or increases in charges;**

- ensure that the Council retains overall responsibility for the quality of the services delivered to Wirral residents in the event of outsourcing;
 - ensure that communities do not become isolated through changes to services or closing of Council facilities;
 - ensure services provide value for money for local residents through reducing operational running costs and achieving full cost recovery for services that the Council charges for;
 - enable community organisations and groups of staff to create co-operative or mutual organisations to deliver services that the Council currently provides, subject to robust contract monitoring;
 - consider whether the private, community or voluntary sector could provide a more efficient service at a lower cost for services that the Council currently provides, subject to robust contract monitoring; and
 - consider and minimise any negative implications that may arise from service changes to other functions that the Council provides.
- (3) the Cabinet instructs officers to further consult on those detailed options to ensure Wirral residents have every opportunity to provide their views on how savings are made in 2013/14 and that residents are further able to influence every stage of the budget setting process, as outlined in the project objective; and
- (4) the Cabinet instructs Council Officers to report back with the results of that consultation to further meetings of Overview and Scrutiny Committees and to a Special meeting of the Cabinet on 20 December 2012 and to the Cabinet meeting on 7 February 2013 in order that the Cabinet and the Council have a robust evidence base on which to set the budget for 2013/14.

121 CAPITAL MONITORING 2012/13- PERIOD 6 (SEPTEMBER)

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 Programme. The Interim Director's report reflected the following:

- the re-profiled 2012-13 capital programme budget;

- the expenditure to date, which continued to be less than it should be;
- a request for a revision to the Capital Programme to reflect slippage of £10m of schemes into the 2013/14 Financial Year;
- a request for an increase in the Programme for schemes requiring no unsupported borrowing;
- the projected outturn figures for 2012-13, which suggested an under spend of £12m on the revised programme; and
- the current funding of the Programme and its future affordability, which was subject to a review.

Appendix 1 to the report detailed Capital Freeze Projects considered during October 2012.

Councillor Phil Davies welcomed the work being undertaken to ensure a more robust Capital Programme. He also welcomed:

- (a) the schemes that had been supported;
- (b) the Capital Steering Group that had been established; and
- (c) the work to maximise capital receipts.

Items involving capital and revenue would continue to be scrutinised when they were put forward.

RESOLVED: That

(1) the Cabinet:

- (a) agrees the revised Capital Programme of £65.609m;**
- (b) agrees slippage in the programme of £10.025m from 2012/13 to 2013/14;**
- (c) agrees an increase to the programme of £0.855m for Regeneration, Housing and Planning schemes which do not require financing from unsupported borrowing and in respect of use of a Children and Young People Aiming High for Disabled Children grant of £0.3057m;**
- (d) notes the spend to date at month 6 of £14.3m, which represents 21.8% of the revised capital budget, with 50% of the financial year having elapsed;**
- (e) notes the work of the Capital Steering Group to detail the schedule of sites to validate the estimate of capital receipts; and**
- (f) notes that a future report will include proposals to cease or reduce schemes arising from a review of the current capital programme.**

- (2) the Cabinet also agrees the rejected freeze items set out in Appendix 1 in the columns 'rejected' totalling £899,610 as evidenced in paragraph 2.15 of the report.**

122 REVENUE MONITORING 2012/13 MONTH 6 (SEPTEMBER 2012)

A report by the Interim Director of Finance continued the new format and set out the revenue position for 2012/13 as at Month 6 (September 2012). The report 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.

Attached to the report were the following Appendices for the Cabinet's consideration:

- Appendix 1 Revenue Monitoring and Reporting Timetable 2012/13.
- Appendix 2 General Fund Revenue Budget for 2012/13 agreed by the Council.
- Appendix 3 Changes to the Budget 2012/13 since it was set.
- Appendix 4 Management actions.
- Appendix 5 Progress on delivering agreed savings 2012/13.
- Appendix 6 Earmarked Reserves – General Fund.
- Appendix 7 Freeze outcomes, weeks 3 – 6.

Councillor Phil Davies considered that the approach that had been adopted was positive and noted that the General Fund overspend was now down to £13.2m which was down £2.1m on the M5 projection of a £15.3m overspend. In a number of areas there were sizable overspends and this was partly due to increased demand.

Councillor Phil Davies welcomed the improvements made in relation to the budget setting process to ensure savings were delivered. He was of the view that the Council was continuing to move in the right direction but was keeping the pressure on to stop overspending and to obtain value for money

RESOLVED: That

- (1) the Cabinet notes that**
- (a) at Month 6 (September 2012), the full year forecast projected a potential General Fund overspend is £13.2m; and**
 - (b) a review of over/under spends and Earmarked Reserves has been undertaken and will be reported to a future Cabinet meeting;**

- (2) **the Cabinet agrees the rejected freeze items, set out at Appendix 7 to the report, in the columns 'Rejected', totalling £1,292,229, as evidenced at paragraph 2.20 of the report.**

123 **TREASURY MANAGEMENT PERFORMANCE MONITORING**

A report by the Interim Director of Finance presented a review of Treasury Management policies, practices and activities during the second 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 the Treasury Management Performance Monitoring Report be accepted in meeting the Council's obligations under the Treasury Management Code.

124 **QUARTERLY ANALYSIS OF 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 and contacts made by the Local Government Ombudsman, as recommended by the Cabinet at its meeting on 12 April 2012 (Minute No. 404 refers). Additional qualitative information was provided in the report on service performance in responding to contacts, highlighting any exceptions.

Councillor Phil Davies drew attention to the fact that there had been a 26% reduction in overall Freedom of Information (FOI) contacts received in comparison with the last quarter. He also pointed out that many FOI requests were received from a single source.

The Cabinet noted that a separate report would be presented to a future meeting of the Standards Committee detailing the annual review letter received from the Local Government Ombudsman (LGO), covering the Council's performance in responding to LGO contacts during 2011/2012. This report would highlight the key performance indicator used by the LGO of responses to 'first enquiries' which the Council recorded an average of 15.5 calendar days and could be favourably compared to the reported performance in the immediate North West region

RESOLVED:

That the report be noted and considered alongside the separate wider customer feedback review offered in the quarterly corporate performance report.

125 EFFICIENCY INVESTMENT FUND (EIF)

A report by the Interim Director of Finance proposed a change in the operation of the Efficiency Investment Fund (EIF), which consequently, would lead to budget savings in 2012-13 and future years.

The proposed improvements sought to respond to the problems with the current regime. The Cabinet noted the following points:

- The first proposal was to remove the base budget item which would result in a saving of up to £2.2m in 2012-13 and £4.4m in 2013-14. This would remove £6 million of growth from the £103 million gap.
- From the Earmarked Reserves, a fund would be created that would be a rolling resource, with savings paying off the 'borrowing'.
- The EIF proposals should be part of the annual budget process that was agreed by Council in March 2013. In this way, there would be clear prioritisation for limited resources. Equally, departments would have to ensure there was a payback to the fund, ensuring they took responsibility for the proposal.
- The criteria would include a short payback period, a maximum of three years and a 10% return. Partners in the investment world could assist the process.
- The elimination of the base budget item would remove the possibility of collateral damage to EIFs, from a saving being required, without a replacement scheme to deliver efficiencies.

Appended to the report were three appendices setting out:

- Efficiency Investment Fund Scheme criteria
- Problems
- Terms of Reference.

RESOLVED:

That the Cabinet agrees:

- (1) to the terms of reference set out in Appendix 3 to the report;**
- (2) the release of the £2.2m unused 2012-13 fund to general reserves;**
- (3) the elimination of the fund from the base budget from 2013-14 (£2.4m base), with a concomitant reduction in the growth target for 2013-14 (£2m) and later years (£4m) totalling £6m over the three years; and**
- (4) to receiving a report to its meeting on 29 November 2012 on the creation of a 'rolling fund', in the context of the risk level of**

Balances and the release of 'spare funds' from Earmarked Reserves.

126 TENDER REPORT FOR WALLASEY TOWN HALL ACCESS AND FIRE PRECAUTION WORKS

A report by the Acting Director of Law, HR and Asset Management advised the Cabinet of the outcome of the two-stage tender process for the work required to upgrade the access and fire escape arrangements to Wallasey Town Hall. The report sought ratification from the Cabinet to the selection of the contractor named in Appendix 1 to the report as the Council's 'preferred constructor' for the scheme.

Councillor Adrian Jones informed the Cabinet that the work must be carried out and that safety was paramount.

RESOLVED: That

- (1) the Contractor who submitted the most economically advantageous tender, as detailed in Appendix 1 (Lockwoods Construction Ltd) , be accepted as the Council's 'preferred contractor'; and**
- (2) the Acting Director of Law, HR and Asset Management be authorised to execute an appropriate construction contract with the preferred constructor in due course, subject to them developing a satisfactory Health and Safety Plan.**

127 OUR TOWN FIRST: HIGH STREET X-FUND

A report by the Director of Regeneration, Housing and Planning provided an update of work being undertaken from Government initiatives to support Town Centres. Specifically, the recently announced: Our Town First: Future High Street X-Funding. The Cabinet was informed that this £1million fund would support locations which could demonstrate existing innovative high street regeneration schemes that had effective transformation and the report detailed how these schemes could be built upon to strengthen their impact.

The Cabinet was requested to give delegated authority to the Director of Regeneration, Housing and Planning, in consultation with the Portfolio Holder for Regeneration and Planning Strategy, to approve the final applications, to draft a letter from the Council consenting to being the accountable body and to submit these to the relevant Government Department by the 6 December deadline.

The Cabinet was also asked to note the progress of Town Team Partnerships which supported unsuccessful Portas Pilot areas with a package of support to

help revitalise their high streets. Through their local MPs, Town Teams were asked to register their interest to be a Town Team Partnership to receive £10,000 from the Government to support elements of their original Portas Pilot bid. It was proposed that the Council would act as the accountable body for this funding.

RESOLVED: That

- (1) the Cabinet agrees that the Council will be the accountable body for the Our Town First: Future High Street X-Fund, for each application submitted, if successful, and the money be allocated in line with the Council's accounting principles; and**
- (2) the Cabinet agrees, for any application submitted to the Council, prior to the Government's 6 December 2012 deadline, that the Director of Regeneration, Housing and Planning, in consultation with the Regeneration and Planning Strategy Portfolio Holder be given delegated authority to agree applications to be submitted along with a letter agreeing that the Council will be the accountable body.**

128 **WIRRAL BUSINESS SUPPORT PROGRAMME**

A report by the Director of Regeneration, Housing and Planning informed the Cabinet that European Regional Development Fund (ERDF) resources had been secured to deliver business support services to small and medium sized enterprises (SMEs) across the Liverpool City Region. The Cabinet's approval was sought for:

- delegated authority to agree the contract to enable the Council to be the Accountable Body for the ERDF resources to deliver business support services for the Borough; and
- confirmation that the £500,000 of funding allocated as part of this Investment Support Services Framework can be used as match funding for this activity.

RESOLVED: That

- (1) the Cabinet agrees that delegate authority be given to the Acting Director of Law, HR and Asset Management and the Director of Regeneration, Housing and Planning, in consultation with the Leader of the Council and the Portfolio Holder for Regeneration and Planning Strategy, to finalise and sign off the ERDF grant agreement with Liverpool City Council;**

- (2) **the Cabinet confirms that £430,000 of funding allocated as part of the Investment Support Services Framework can be used as ERDF match funding for the Business Support Programme; and**
- (3) **the Cabinet confirms that £70,000 can be used to ensure businesses outside of the designated deprived areas are supported via this programme alongside other non-eligible ERDF activity.**

129 **RECOMMENDATIONS FROM THE IMPROVEMENT BOARD**

The Cabinet noted the Local Government Association's Wirral Improvement Board's Key Messages from its meeting held on 19 October 2012.

Councillor Ann McLachlan drew attention to the fact that encouraging progress had been made in implementing the Improvement Plan and consequently Improvement Board meetings would now be held bi-monthly. There was a clear message that the Council was forging ahead and was putting in place a clear structure to ensure improvement.

Councillor McLachlan also reported on the outcome of the Corporate Peer Challenge which had provided a real opportunity for employees to give candid feedback on how officers worked together to deliver services for the residents of Wirral.

The Challenge Team had informed that the Council had been correct in identifying its key challenges as improving corporate leadership capacity, addressing the £103 million budget challenge faced and improving governance and decision making. The Challenge Team had informed that the Council's plans were right – and although high risk other alternatives were riskier.

Councillor Phil Davies reported that the Council was moving in the right direction and was maintaining pace and momentum.

RESOLVED:

That Wirral Improvement Board's Key Messages from its meeting held on 19 October 2012 be noted.