



## Council Excellence Overview and Scrutiny Committee

<b>Date:</b>	<b>Tuesday, 26 March 2013</b>
<b>Time:</b>	<b>6.00 pm</b>
<b>Venue:</b>	<b>Committee Room 1 - Wallasey Town Hall</b>

**Contact Officer:** Lyndzay Roberts  
**Tel:** 0151 691 8262  
**e-mail:** [lyndzayroberts@wirral.gov.uk](mailto:lyndzayroberts@wirral.gov.uk)  
**Website:** <http://www.wirral.gov.uk>

---

### AGENDA

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

Members of the Committee are asked to declare any disclosable pecuniary and non pecuniary interests, in connection with any item(s) on the agenda and state the nature of the interest.

Members are reminded that they should also declare, pursuant to paragraph 18 of the Overview and Scrutiny Procedure Rules, whether they are 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.

**2. MINUTES (Pages 1 - 6)**

To receive the minutes of the meetings held on 30 January 2013 and 14 February 2013.

**3. REVENUE MONITORING 2012/13 - MONTH 10 (JANUARY 2013) (Pages 7 - 32)**

**4. GIFTS AND HOSPITALITY AND CONFLICT OF INTEREST (Pages 33 - 44)**

**5. ELECTED MEMBER DEVELOPMENT (Pages 45 - 54)**

**6. FORWARD PLAN**

The Forward Plan for the period March to June 2013 has now been published on the Council's intranet/website and Members are 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.

**7. REVIEW OF SCRUTINY WORK PROGRAMME**

The Chair referred to the Committee's Work Programme and sought the views of Members as to whether any matters should be recommended for inclusion in the Work Programme of the Committee for the 2012/2013 municipal year.

**8. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR**

## COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

Thursday, 14 February 2013

Present: Councillor J Hale (Chair)

Councillors P Doughty S Whittingham  
S Hodrien J Williamson  
C Muspratt P Gilchrist  
R Gregson

Deputies: Councillors S Mountney

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

Members were asked to consider whether they had personal or prejudicial interests in connection with the item 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 the item to be considered and, if so, to declare it and state the nature of the whipping arrangement.

Councillor Hale declared a personal interest by virtue of him being a member of a sports club

### 2 CONSULTATION FINDINGS : WHAT REALLY MATTERS STAGE 2

Further to minutes 29 (6 November 2012), 40 (5 December 2012) and 44 (16 January 2013), the Committee considered the report of the Chief Executive upon the outcome of the What Really Matters Stage 2 Consultation, which had been considered by the Cabinet at its meeting held on 7 February 2013 (minute 184 refers).

The comprehensive programme of consultation and engagement had been undertaken to inform the development of the Council's Corporate and Financial Plan for 2013-2016 and further to inform the decision making process surrounding significant budget savings. The Cabinet had noted the consultation process and implementation described within the report, and thanked Wirral residents, staff and other stakeholders for their input. Cabinet had also noted the detailed consultation findings in relation to each budget option as contained within Appendices 1, 2 and 3.

The report detailed the consultation findings and provided information in relation to targeted engagement and the methodology for the geographic and demographic analysis that had been undertaken. Key messages were that the Council should

protect the vulnerable, retain responsibility for quality and look to raise income and eliminate waste. The Chief Executive had responded personally to all direct communication from members of staff and a team was in place to ensure Equality Impact Assessments, continued engagement and consultation and to show due regard to concerns raised.

Individual views expressed by Members in relation to the general analysis of consultation responses were that, in some instances, the comments did not represent a neutral interpretation; for example, 51% being shown as either strong support for an option or, conversely, being a slight majority against. However, Members noted that the comments were subjective.

The Chair indicated that the use of the word “strongly” was not a clear indication of strong support to the proposals and that the Council should not be exaggerating and misleading the figures.

Mr McCallum indicated that the option summaries were included to provide Members with a snapshot of the proposals. These would not be used by Cabinet to form the basis of their decision making.

The Chair, supported by the Committee suggested that future questionnaire questions be circulated to each Committee to allow Members to comment and give their feedback prior to publication. Mr McCallum agreed to feed this back to the Policy Department.

The Committee was requested to give consideration to the consultation feedback in relation to the following specific items, which fell within its remit and the Chair proposed that individual views expressed by Members could form the basis of feedback to Budget Cabinet –

#### **1. Reducing Council Management**

The Committee indicated that they had no further comments and noted this option

#### **2. Workforce Conditions of Service**

The Committee indicated that they had no further comments and noted this option

#### **3. Procurement**

The Committee indicated that they had no further comments and noted this option

#### **4. Treasury Management**

The Committee indicated that they had no further comments and noted this option

#### **5. Rationalisation of Civic Services**

In response to Members , Mr McCallum indicated that information regarding the options were shared with the public and further details on the options was given to this Committee in November 2012.

The Chair indicated that in relation to the reduction of mayoral visit, this was a very popular function which generated a lot of money raised for charity and that he felt should not be looked at as part of the budget savings.

Individual Members commented that although the function was indeed welcomed by the public and it raised a lot of money for charity, some public perceptions differ and in the current climate may not be classed as an essential service to retain.

Surjit Tour, Acting Director of Law, HR and Asset Management indicated that this option was not looking to reduce mayoral visits, but the additional costs, i.e. overtime and extra mayoral car.

Mr Tour indicated that originally the Council had two chauffeurs and two car to transport the mayor and deputy to functions, this had now reduced to one chauffeur so the service would now have to look at the budget provision and manage visits within this. Security was an important issue in relation to undertaking mayoral visits; this would have to be given careful consideration.

The Committee noted this option.

#### **6. Moving to Four Yearly Elections**

The Committee indicated that they had no further comments and noted this option

#### **7. Reducing the Cost of Democracy**

The Committee indicated that they had no further comments and noted this option

#### **8. Information Technology Service**

In response to Members, Mr McCallum explained that this option covers both employees and Members and the option detailed the proposal to replace the current I.T Strategy.

In relation I.T equipment, Members indicated that at present their equipment was not fit for purpose. Councillor Whittingham indicated that in relation to Members using their own equipment, this had been discussed at the Members Equipment Steering Group and there were security issues to be considered.

Mr Tour indicated that in relation to security we have to comply with the requirement of the Government Connect.

Members indicated that they had recently been given a demonstration of a tablet with a key board which was not suitable. Councillor Whittingham reiterated that no Member would be receiving an I Pad; however WiFi would be made available in the Town Hall.

The Committee noted this option.

### **9. Public Relations and Marketing**

The Chair commented that in view of the significant benefits of tourism to Wirral for e.g. the Hoylake Open Day and the need to build on the momentum, the Cabinet should consider carefully the impact of removing subsidies for tourism events.

The Committee noted this option.

### **10. Area Forum**

The Chair indicated that the Democracy Working Group were working on this.

The Committee noted this option.

### **11. Better Use of Buildings**

The Committee indicated that they had no further comments and noted this option

### **12. Transforming Business Support**

The Committee indicated that they had no further comments and noted this option

### **13. Restructure of Law, HR and Asset Management**

The Committee indicated that they had no further comments and noted this option

### **14. Revenues and Benefits**

The Committee indicated that they had no further comments and noted this option

### **15. Increasing Court Costs**

The Committee indicated that they had no further comments and noted this option

### **16. Council Tax Discounts and Exemptions**

The Committee indicated that they had no further comments and noted this option

### **17. Council Tax Pensioner Discount**

The Committee indicated that they had no further comments and noted this option

### **18. Council Tax Discretionary Rate Relief**

The Chair indicated that he was unclear as to the proposals the Cabinet would be considering in relation to this and that this may result in businesses closing.

Resolved – That the Cabinet be requested to have due regard to the views expressed in relation to those budget options within the remit of the Council Excellence O&S Committee.

---

This page is intentionally left blank



## WIRRAL COUNCIL

### COUNCIL EXCELLENCE OVERVIEW & SCRUTINY COMMITTEE

26 MARCH 2013

<b>SUBJECT</b>	<b>REVENUE MONITORING 2012/13 MONTH 10 (JANUARY 2013)</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>INTERIM DIRECTOR OF FINANCE</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>YES</b>

## 1 EXECUTIVE SUMMARY

- 1.1 This report was considered by Cabinet on 14 March 2013. It sets out the revenue position for 2012/13 as at Month 10 (January 2013). It identifies the latest financial projections and prioritises the risks for ongoing management actions to ensure any year end overspend is minimised.

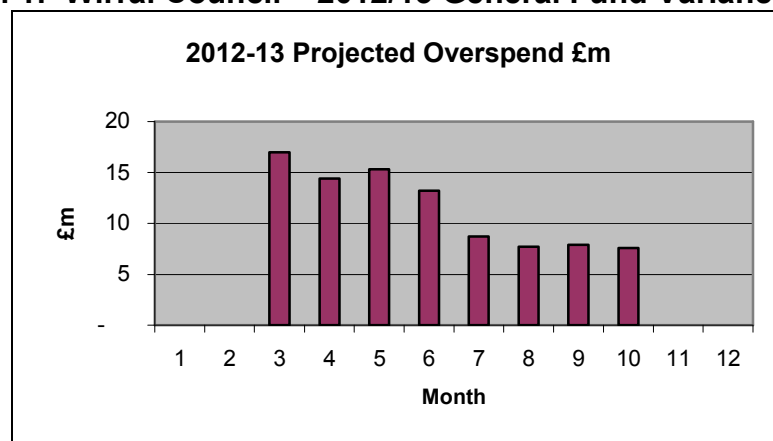
## 2 BACKGROUND

- 2.1 Cabinet on 6 September 2012, when considering the Month 3 monitor, instituted a spending freeze in the light of a £17m projected overspend. Items within the freeze agreed by 18 October, 8 November, and 20 December Cabinets are included within the monitoring figures below. The outcome of weeks since then are reported within Appendix 7, attached.

### OVERALL POSITION AT MONTH 10 (JANUARY 2013)

- 2.2 The projected revenue forecast for the year, at Month 10 (to end January 2013), shows a potential General Fund **overspend of £7.6m**, down £0.3m on the M9 projection of a £7.9m overspend. This improvement to the projected overspend is largely due to a reduced projected overspend within Technical Services Department, plus a number of other departmental variations.

**Graph 1: Wirral Council – 2012/13 General Fund Variance, by month**



- 2.3 Work is continuing to examine the level of debt which has previously been included within the Authority's accounts and assumed was collectable. A report on this issue is to be released in the near future and is likely to increase the size of the projected overspend. The release of earmarked reserves to cover this cost has been identified.

## CHANGES TO THE AGREED BUDGET AND VARIATIONS

- 2.4 The Budget for 2012/13 was agreed by Council on 1 March 2012 and is detailed in Appendix 2; any increase in the Budget has to be agreed by full Council. Changes to the budget have occurred since it was set and these are summarised in the table below. These comprise variations approved by Cabinet / Council including approved virements, budget realignments reflecting changes to the departmental structure and responsibilities, expenditure freeze decisions as well as any technical adjustments. These are detailed in Appendix 3.

**Table 1: 2012/13 Original & Revised Net Budget analysed by Department**

	Original Net Budget	Approved Budget Virements Month 1-9	Previous Freeze Decisions	Approved Budget Virements Month 10	Revised Net Budget
	£000	£000	£000	£000	£000
Adult Social Services	66,660	-327	-85	898	67,146
Children & Young People	73,665	-195	-172	-	73,298
Finance	24,610	-2,524	-493	100	21,693
Law, HR & Asset Management	13,901	1,183	-54	-	15,030
Regeneration, Hsg & Planning	25,764	130	-962	-898	24,034
Technical Services	59,478	178	-526	-	59,130
Freeze Savings	-	-	2,292	-	2,292
Efficiency Fund	-	2,232	0	-100	2,132
<b>Net Cost of Services</b>	<b>264,078</b>	<b>677</b>	<b>0</b>	<b>0</b>	<b>264,755</b>

Note 1: the Month 10 virements include budget transferred from Regeneration, Housing & Planning to Adult Social Services as agreed by 19 July Cabinet, to reflect a contribution towards the cost of outsourced supported living services in Birkenhead, and £100,000 revised Efficiency Fund 2012/13 commitments.

- 2.5 A budget realignment exercise took place in January. This was conducted mainly on a departmental basis with departments allocating some monies to overspending areas such as employees and supplies and services from underspending budget lines, such as Transfer payments, Third Party payments and Recharges. A large number of individual virements have been made in the month. As the exercise was self funding this has not solved the overall forecast overspend but has moved a number of budgets closer in line.
- 2.6 The main report will only comment on large variations (Red and Yellow items). The 'variations' analysis distinguishes between overspends and underspends and the proposed 'risk band' classification is:
- Overspends - Red (over +£301k), Amber (+£141k to +£300k)
  - Acceptable - Green (range from +£140k to -£140k)
  - Underspends - Blue (-£141k to -£300k),
  - Yellow (over -£301k)

**Table 2: RAGBY Classification of 2012/13 Departmental Projected General Fund Budget variations (Month 9 in brackets)**

Department	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
Adults	4	2 (2)	0 (0)	1 (1)	1 (0)	0 (1)
Children & YP	7	2 (2)	1 (1)	0 (0)	2 (2)	2 (2)
Finance	6	0 (0)	1 (1)	1 (1)	0 (0)	4 (4)
Law, HR & AM	7	1 (2)	1 (0)	3 (3)	1 (1)	1 (1)
Reg, Hsg & Plan	5	0 (0)	0 (0)	3 (3)	1 (0)	1 (2)
Technical Servs	7	1 (1)	1 (1)	5 (5)	0 (0)	0 (0)
<b>TOTAL</b>	<b>36</b>	<b>6 (7)</b>	<b>4 (3)</b>	<b>13 (13)</b>	<b>5 (3)</b>	<b>8 (10)</b>

2.7 The reporting process identifies over or underspends and classifies them into risk bands. The projection is for a total potential General Fund overspend of £7.6m across the six Directorates for 2012/13, as set out in the table below, which records four departments on red and two on yellow (unchanged from M9).

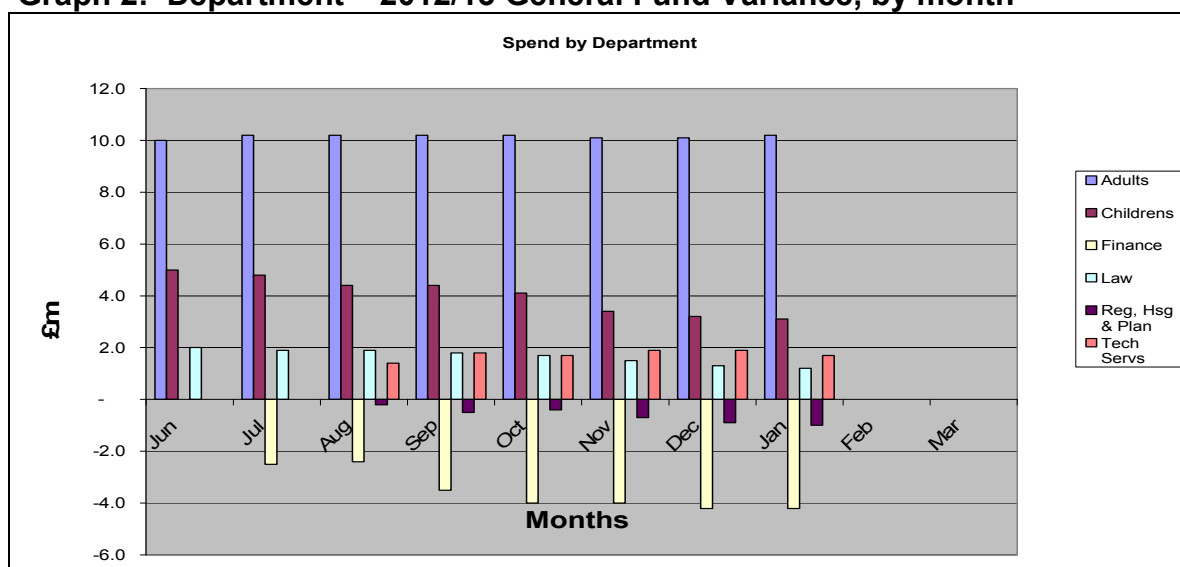
**Table 3: 2012/13 Projected General Fund Budget variations by Department**

Department	Revised Budget	Forecast Outturn	(Under) Overspend Month 10	RAGBY Classification	Month 9 (Under)/ Overspend	Change
	£000	£000	£000		£000	£000
Adults	67,146	78,342	11,200	R	11,100	100
Children & YP	73,298	76,398	3,100	R	3,200	-100
Finance	21,693	17,510	-4,200	Y	-4,200	-
Law, HR & AM	15,030	16,226	1,200	R	1,300	-100
Reg, Hsg & Plan	24,034	23,054	-1,000	Y	-900	-100
Technical Servs	59,130	60,796	1,700	R	1,900	-200
Freeze wks	2,292	-	-2,300	n/a	-2,300	-
Efficiency Fund	2,132	-	-2,100	n/a	-2,200	100
<b>TOTAL</b>	<b>264,755</b>	<b>272,326</b>	<b>7,600</b>		<b>7,900</b>	<b>-300</b>

2.8 Within the various departments there have been the following developments:

- **Adult Social Services** there is a potential overspend of £10.2m, up £0.1m since M9. Cabinet on 7 February considered a report regarding 2012-13 fees for Residential and Nursing Home fees. Whilst further work is being undertaken to identify any compensating income that may be receivable a net increased cost of £1 million has been included as a best estimate.
- **Children and Young People** there is a potential overspend of £3.1m, down £0.1m on M9.
- **Law, HR and Asset Management** there is a potential overspend of £1.2m, down £0.1m on M9.
- **Finance** is projecting a £4.2m underspend, unchanged since M9.
- **Regeneration, Housing and Planning** are forecasting a £1.0m underspend, an improvement of £0.1m on month M9.
- **Technical Services** are forecasting a £1.7m overspend, down £0.2m since M9.

**Graph 2: Department – 2012/13 General Fund Variance, by month**



2.9 To complete the analysis, the table below sets out the position by category of spend/income. The largest area of variance remains supplies and services which incorporates the cost of care for adults and childrens.

**Table 4: Projected Departmental Variations by Spend and Income**

	Reported Budget	Virement Month 10	Revised Budget	Forecast Outturn	Variance	RA GBY	Change from Month 9
	£000	£000	£000	£000	£000	£000	£000
<b>Gross Expenditure</b>							
Employees	142,338	1,088	143,426	143,221	-205	B	-1,105
Premises	20,477	-1,266	19,211	18,457	-754	Y	40
Transport	7,187	191	7,378	8,741	1,363	R	23
Supplies and Services	112,973	1,878	114,851	126,451	11,600	R	-1,046
Third Party Payments	74,286	-803	73,483	73,754	271	A	780
Transfer Payments	170,810	-26	170,784	170,750	-34	G	389
Support Services	80,190	-191	79,999	77,939	-2,060	Y	186
Financing Costs	71,376	-1	71,375	69,544	-1,831	Y	-340
Schools Expenditure	442,596	-	442,596	440,996	-1,600	Y	-50
<b>Total Expenditure</b>	<b>1,122,233</b>	<b>870</b>	<b>1,123,103</b>	<b>1,129,853</b>	<b>6,750</b>		<b>-1,123</b>
<b>Gross Income</b>							
Schools Income	439,851	-	439,851	438,451	1,400	R	-
Government Grants	212,636	829	213,465	214,764	-1,299	Y	707
Other Grants and Reimbursements	17,769	-177	17,592	21,457	-3,865	Y	-67
Customer/Client Receipts	45,971	-54	45,917	40,989	4,928	R	-63
Interest	920	185	1,105	1,337	-232	B	-220
Recharge Other Rev A/c	140,331	87	140,418	140,526	-108	G	431
<b>Total Income</b>	<b>857,478</b>	<b>870</b>	<b>858,348</b>	<b>857,524</b>	<b>824</b>		<b>788</b>
<b>Net Expenditure</b>	<b>264,755</b>	<b>-</b>	<b>264,755</b>	<b>272,329</b>	<b>7,574</b>		<b>-335</b>

Note: budgets reflects realignment exercise virements per paragraph 2.6 above

- 2.10 Schools expenditure is funded from the Dedicated Schools Grant. As this grant is ringfenced any over/underspend will not impact on the General Fund financial position.

## **RAGBY REPORTING AND OTHER ISSUES**

- 2.11 The Red and Yellow RAGBY issues that are the subject of corporate focus are detailed in the following sections by Business Area (by Department identifying the service) and then by Subjective Area (by the type of spend / income). The Business Areas are defined as the high level Objective Summary as per the Council Estimates (Blue Book).

### **2.12 Business Area Reds**

**Adult Social Services:** Two of the Department's Business Areas remain reported as red (unchanged from month 9); Personnel Assessment and Planning; and Personal Support. A forecast overspend of £10.2 million is forecast for the department. The issues mainly involve underlying pressures in Community Care, shortfall in 2011/12 re-provision and unachieved income which totals £6.55 million. There is slippage across a number of savings targets including market review £1.6 million, corporate EVR/VS £1.35 million and £0.7 million relating to staff savings targets.

**Children and Young People:** Two of the Department's Business Areas are flagged as red (unchanged from month 9) with a £3.1 million overspend forecast for the department. The red areas are Children's Services and the Integrated Transport Unit. Children's Services pressures relate in the main to social care costs and case numbers, and remain unchanged. Transport is provided by the department on behalf of all departments and the projected overspend remains at £1.1m.

**Finance:** No Business Areas are flagged as red.

**Law, HR and Asset Management:** One area remains flagged red (one less than month 9) with a forecast overspend of £1.2m. The red area is Asset Management, which continues to report issues regarding the non-achievement of savings across a number of activities. These include facilities management, office rationalisation and asset disposal savings. Human Resources has dropped from a red to amber rating, although business transformation and terms and conditions within Human Resources continue to struggle to achieve their savings target.

**Regeneration, Housing and Planning:** No Business Areas flagged as red.

**Technical Services:** Only one area is flagged as red (unchanged from Month 9). Engineers, where shortfalls in car parking income and income relating to inspection and alteration of highways is significantly below target, remains red.

**Schools:** The authority remains in discussion with the Department for Education regarding the possible loss of £1.4 million of grant for schools. Table 4 reflects a potential loss of grant with a corresponding reduction in schools expenditure.

## 2.13 **Business Area Yellows**

**Adult Social Services:** No Business Areas are flagged as yellow. Finance and Performance, previously flagged as yellow in Month 9, has now moved to green rating as a consequence of the budget realignment exercise.

**Children and Young People:** Two areas remain flagged as yellow, LEA School Costs and Non-School Costs. LEA School Costs reflect the receipt of additional refund of deducted grant and fees in respect of Academies plus general expenditure savings. The non school variance is due to savings relating to Connexions expenditure and receipt of a Troubled Families Grant.

**Finance:** Four areas are flagged as yellow (unchanged from Month 9). Financial Services reflects savings on Treasury Management; lower borrowing costs will provide benefit of £1.7m. Benefits and Revenue Services are forecast to provide a further £1m of savings from additional grant receipts and £0.5 million relating to staffing savings through vacancy control. IT Services are forecast as yellow mainly due to savings on equipment costs. Customer Services is forecast as yellow due to savings on staffing costs.

**Law, Human Resources and Asset Management:** One area, Regulatory Services, is flagged as yellow (unchanged from Month 9). The variation is due to higher than anticipated income for Community Patrol services and the Fair Trading scheme, combined with an underspend within Environmental Health transport costs and controls on expenditure.

**Regeneration, Housing and Planning:** One area is flagged as yellow (one less than Month 9). A freeze on grant payments is contributing to the underspend in Strategic Development. Housing and Regeneration Services has moved from a yellow to blue rating.

## 2.14 **Subjective Area Reds**

**Transport:** The Integrated Transport Unit is managed by Children & Young People and the budget continues to be under pressure as a consequence of the demands in respect of Adults Services and Special Education Needs.

**Supplies and Services:** The variation is mainly comprised of pressures within Adult Social Services and Children & Young People relating to care service costs. An element of the overspend in expenditure is funded from health grants which show as a corresponding over achievement of income within the other grant income line. The month 10 decrease is a result of the inclusion of budgets for the Troubled Families grant, which is matched by a corresponding change in the income budget.

**Schools Income:** Discussions have taken place with the Department for Education regarding potential loss of schools grant. Any shortfall will be met by a corresponding decrease in schools expenditure.

**Customer and Client Receipts:** This mainly reflects likely income shortfalls within a number of departments. Areas forecasting to underachieve budget include car parking, Cultural Services, cemeteries and crematorium fees, highways inspection and alteration fees, building control and planning and social services fees. The forecast outturn position reflects the need to write off a sizeable amount of irrecoverable income relating to a court case regarding New Road and Street Works Act invoices.

As outlined above in paragraph 2.3 a major risk has been identified regarding levels of collectable debt which will have a substantial financial impact upon the authority's finances. Officers have urgently put in place a system to ensure ongoing income is recovered by implementing agreed policy. The further release of earmarked reserves has been identified to cover the costs.

## 2.15 Subjective Area Yellows

**Premises:** The major reasons for the projected saving are the restrictions to highways and parks expenditure, which is classed within this category, together with projected savings on authority rates bills and a number of spending freeze decisions. Offsetting this is the delivery of savings under the rationalisation of office accommodation which is not progressing in accordance with the expected timetable.

**Support Services Costs:** The variation within this area is mainly due to the abolition of the Efficiency Fund. For reporting purposes the £2.1m unused budget has been left within the report totals rather than shown as a transfer to General Fund balances.

**Financing Costs:** Lower borrowing costs arising from slippage and reductions to the capital programme will realise savings of £1.7m in this area.

**Government Grants:** The Authority is forecasting an increased level of Housing and Council Tax Benefit grant receipts. The month 10 variance decrease relates to the inclusion of budgets for the Troubled Families grant, which is matched by a corresponding change in the Supplies and Services expenditure budget.

**Schools Expenditure:** The underspend in this area reflects reductions to compensate for a potential loss of grant within the year. There are some further savings in relation to asset costs.

**Other Grants and Reimbursements:** This includes additional monies received in respect of Academy funding, plus monies from health which are partly funding the increased community care costs within the supplies and services line.

## MANAGEMENT ACTIONS

2.16 The Departmental Directors and the Executive Team continue to seek to identify actions to keep spend within the Budget allocated – these actions are detailed in Appendix 4. Besides the normal Management actions to address the financial pressures, the spending freeze was implemented by Cabinet on 6 September 2012 and agreed decisions are reflected within the tables above.

2.17 A number of items have been identified as recurring issues, such as the inability to meet income targets in a range of service areas. An exercise has been undertaken to review the accuracy of budgets, in order to:

- Identify short-term funding for 2012/13, if there is a net increase in cost; and,
- As part of compiling next year's budget, propose growth or savings to ensure that the budget inaccuracies are corrected and budgets are soundly based.

A parallel review of Earmarked Reserves has been undertaken together with a review of the requirements of the 2012/13 policy options. Cabinet 8 November also agreed to remove the Efficiency Fund base budget and replace with a self replenishing fund initially funded from reserves.

2.18 A series of actions are being undertaken to produce a further reduction in the overspend. Departments have a number of control measures in place with spend being authorised at senior levels, vacancy control measures and restrictions in the use of overtime and agency staff.

## FREEZE PROCESS AND OUTCOMES

2.19 The Freeze process was agreed on September 6 and developed further as reported in the month 5 monitor. Adjustments of £2,291,867 have been incorporated into the current monitoring forecast representing decisions made by Cabinet on 18 October and 8 November. No additional items have been rejected in the month.

2.20 The purpose of the exercise is to reduce the projected overspend which, by Section 28 of the Local Government Act 2003, is the duty of the Council, that is, all its Members. No items have been recommended under the freeze process this month.

2.21 An analysis by department of the freeze items so far agreed is detailed in the following table:-

**Table 5: Freeze savings analysed by department**

Description	DASS	CYP	Finance	LHRAM	RHP	Tech	Total
	£	£	£	£	£	£	£
To 31/12	85,038	171,871	492,900	54,158	961,586	526,314	2,291,867



### **3 RELEVANT RISKS**

3.1 The possible failure to deliver the Revenue Budget will be mitigated by the monthly review by Chief Officers, charged with improving performance. There are a number of risks that may impact adversely on the forecast expenditure for the remaining months of the year including:-

- Individual budgets may turn out to be unsound. A review of codes has been put in place with the aim of reducing the numbers of budget codes and improving management control. The revised coding structures will be reflected within the 2013/14 budgets;
- Increased demand for services, particularly within Adult and Children's Social Care Services, where greater than forecast numbers coming into care services can impact significantly on financial forecasts. Cabinet 20 December agreed a revised fee proposal for residential and nursing home care fees which was subject to a four week consultation with providers. The consultation outcome was reported to Cabinet on 7 February. The proposal would cost up to £1,058,000 per annum;
- The impact of the economic downturn significantly affects both the demand for services and also levels of income, such as fees and charges and arrears collection. This report already forecasts a potential under recovery of fees and charges which may need to be revised if the economic downturn was to worsen;
- The Council's arrangements for the implementation of a new pay and grade structure under Single Status are progressing and an earmarked reserve for the costs of implementation has been established. There remains uncertainty as to the likely final costs;
- There are budget saving options still to be delivered and these are detailed in Appendix 5. Those yet to be delivered are reflected in the forecast overspends of the Departments;
- There are a number of significant issues regarding outstanding debt owed to the Council which may result in increased costs if the costs are deemed to be irrecoverable.

### **4 OTHER OPTIONS CONSIDERED**

4.1 Options are included for Cabinet to consider on increasing the level of the General Fund balance.

### **5 CONSULTATION**

5.1 No consultation has been carried out in relation to this report.

## 6 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 As yet there are no implications for voluntary, community or faith groups.

## 7 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS

7.1 The agreed minimum level of General Fund balance was set at £6m, as part of the March 2012 budget decision. The November 29 Cabinet revised the policy level so that it is set in relation to the risks the Council faces. For 2012/13 it has been calculated at £12.5m, and for 2013/14 at £21.1m. Cabinet 18 February 2013 agreed a revised 2013/14 General Fund balance risk calculation of £13 million. This reflected increased certainty regarding a number of funding sources and measures regarding implementation of budget savings. However there are a number of areas which could result in adverse future pressures on the budget and the General Fund Balance, in particular the issues regarding fees and charges income.

**Table 7: SUMMARY OF THE PROJECTED GENERAL FUND BALANCES**

Details	£m	£m
Projected balance 31 March 2013 when setting the Budget 2012/13		+8.8
Add : Increase following completion of 2011/12 accounts	+2.0	
Add : Council Tax re-imburement met in 2011/12 rather than budgeted 2012/13	+3.9	+5.9
<i>Sub total</i>		+14.7
Less : Cabinet decisions since the 2012/13 Budget was agreed	-0.7	
Add : Cabinet decision September 6 to release Earmarked Reserve	+7.0	
Cabinet decision November 29 to further release Earmarked Reserves	+10.5	+16.8
Less : Potential overspends, at M10 (includes Efficiency Fund removal)		-7.6
Projected balance 31 March 2013		23.9

7.2 The current levels of Earmarked Reserves are shown in Table 8 with a full listing included at Appendix 6.

**Table 8: Earmarked Reserves 2012/13**

	Balance at 1 April 2012 £000	Movement in year £000	Current Balance 31 Jan 2013 £000
Housing Benefit Reserve	11,155	(2,000)	9,155
Insurance Fund	9,635	(543)	9,092
Working Neighbourhoods Fund	7,959	(7,073)	886
Debt Restructuring Fund	7,941	-	7,941
Grant Reserves	1,884	(296)	1,588
Management of other risks	32,530	(9,537)	22,993
School Balances and Schools Related	15,144	(280)	14,864
<b>Total Reserves</b>	<b>86,248</b>	<b>(19,729)</b>	<b>66,519</b>

Note: Cabinet on 6 September 2012 agreed to release £7m of an Earmarked Reserve (Working Neighbourhood Fund), and on 29 November 2012 agreed to release various additional reserves, totalling £12.505m.

## **8 LEGAL IMPLICATIONS**

- 8.1 The entire report concerns the duty of the Council to avoid a budget shortfall as outlined at paragraph 2.20. This is not just an academic exercise in balancing the books. The Chief Finance Officer is under a personal duty under the Local Government Finance Act 1988 section 114A to make a report to the executive if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- 8.2 If the Chief Finance Officer reports that there are insufficient resources to meet expenditure, the Council is prevented from entering into any new agreement which may involve the incurring of expenditure at any time by the authority, until the report is considered, and if the problem is ongoing until it is resolved. It is remarkably broad in its prohibition of new agreements, no matter what their scale. It would not only prevent the authority from hiring new staff or letting new construction contracts, but from ordering minor office supplies.

## **9 EQUALITIES IMPLICATIONS**

- 9.1 An Equalities impact assessment is attached to this report. This is essentially a monitoring report which reports on financial performance. However any budgetary decisions including freeze recommendations need to be assessed for any equality implications.

## **10 CARBON REDUCTION IMPLICATIONS**

- 10.1 There are no implications arising directly from this report.

## **11 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 11.1 There are no implications arising directly from this report.

## **12 RECOMMENDATIONS**

- 12.1 Cabinet is asked to note that:
- a) at Month 10 (January 2013), the full year forecast projects a potential General Fund overspend of £7.6m;
  - b) there were no rejected freeze items in the month;
  - c) a major risk continues to exist concerning the reliability of fees & charges income, going back many years. Corrective action is being taken to maximise recovery. A separate report regarding the background and recommendations relating to this issue is to be produced.

## 13 REASONS FOR THE RECOMMENDATIONS

13.1 The Council, having set a Budget at the start of the financial year needs to ensure that the delivery of this Budget is achieved. This has to be within the allocated and available resources to ensure the ongoing financial stability of the Council. Consequently there is a requirement to regularly monitor progress so that corrective action can be taken when required which is enhanced with the monthly reporting of the financial position.

**REPORT AUTHOR:** Peter Molyneux  
Chief Accountant  
Telephone (0151) 666 3389  
Email petemolyneux@wirral.gov.uk

## APPENDICES

- Appendix 1 Revenue Monitoring and Reporting Timetable 2012/13.
- Appendix 2 General Fund Revenue Budget for 2012/13 agreed by 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

## SUBJECT HISTORY

Council Meeting	Date
Revenue monitoring reports have previously been submitted as part of the Performance & Financial Review presented to Cabinet on a quarterly basis and from September 2012 are being submitted monthly.	

## REVENUE MONITORING AND REPORTING TIMETABLE 2012/13

## Budget Monitoring Timetable 2012/13

Period Number	Month	General Ledger Updated and Reports Available To Be Produced	Reports Available For The Executive Team	Reports Available For Cabinet	Reports Available For Council Excellence Overview & Scrutiny Committee
			Monthly	Monthly	Quarterly
1	April	06-May		-	-
2	May	11-Jun		-	04-Jul
3	June	06-Jul	23-Aug	06-Sep	01-Oct
4	July	07-Aug	04-Oct	18-Oct	-
5	August	07-Sep	04-Oct	18-Oct	-
6	September	05-Oct	25-Oct	08-Nov	27-Nov
7	October	07-Nov	29-Nov	20-Dec	-
8	November	07-Dec	10-Jan	24-Jan	-
9	December	08-Dec	24-Jan	18-Feb (rev)	26-Mar
10	January	07-Feb	28-Feb	14-Mar	-
11	February	07-Mar	28-Mar	(Virtual) 5-April	-
12	Outturn (Provisional)	08-Apr	30-May	13-Jun	3-Jul

## GENERAL FUND REVENUE BUDGET 2012/13

AGREED BY COUNCIL ON 1 MARCH 2012

<b>Department</b>	<b>Current Budget</b>
<b>Expenditure</b>	<b>£000</b>
Adult Social Services	66,660
Children & YP (plus Schools)	73,665
Finance	24,610
Law, HR and Asset Mgt	14,151
Regeneration, Housing and Planning	25,764
Technical Services	59,905
Merseytravel	29,060
Local Pay Review + Low Pay	248
EVR/VS Scheme	(290)
Council Tax Reimbursement	3,990
Contribution from Balances	(10,282)
<b>Budget Requirement</b>	<b>287,481</b>
<b>Income</b>	
Government Grant	144,737
C/Tax Freeze Grant	6,573
Local Services Grant	1,805
Council Tax	132,911
Collection Fund	1,455
<b>Total Income</b>	<b>287,481</b>
<b>Statement of Balances</b>	
As at 1 April	18,405
Contributions from Balances	(9,605)
<b>Balances</b>	<b>8,800</b>

## APPENDIX 3

### CHANGES TO THE BUDGET AGREED SINCE THE 2012/13 BUDGET WAS SET RELATING TO THE COMPLETION OF THE 2011/12 ACCOUNTS

Cabinet	Items	£m
21 Jun	2011/12 Financial Outturn report resulted in an improvement in balances due to a net underspend in the year	-5.9
	OVERALL IMPACT OF THESE DECISIONS	-5.9

### VARIATIONS TO THE APPROVED BUDGETS 2012/13

Cabinet	Items	£m
29 Mar	Pacific Road Theatre – Law/Technical Services Increase budget	+0.6
12 Apr	Streetscene Contract Review - Increase budget	+0.1
	OVERALL IMPACT OF THESE DECISIONS	0.7

### VIREMENTS BELOW LEVEL REQUIRING CABINET APPROVAL

Cabinet	Items	£m
The following adjustments have no bottom line impact on the authority budget:		
n/a	Adjustment of Community Asset Transfer capital financing budget from LawHRAM to Finance	0.077
n/a	Employee budget transferred from LawHRAM to HRP	0.034
n/a	Employee budget transferred from Technical Services to LawHRAM	0.035
n/a	Technical Services reallocation of Internal Savings Targets within budget lines	1.400
n/a	Reallocation of Home Insulation Works within Regeneration, Housing and Planning between Supplies and Services category and Third Party payments	1.100
n/a	Movement of posts between departments relating to Building Control, Welfare Rights and Community Services personnel. The housing benefit review increase claims (transfer payments) and associated grant of £7.3 million, the reclassification of DASS transport recharge from transport to support services and adjustments for financing costs and grant receivable relating to regeneration schemes.	
n/a	Budget realignment within departmental budgets. Net increase of £870,000 expenditure funded from net increase of £870,000 Income. Net nil.	0.870

## MANAGEMENT ACTIONS

ACTIONS TAKEN BY THE EXECUTIVE TEAM / DEPARTMENTAL DIRECTORS  
TO REDUCE SPEND / INCREASE INCOME

Department	Items	£000
Children	Connexions – Further reductions in the contract costs (in excess of the agreed savings target)	500
	Troubled Families –Successful submission for Government Grant which will help meet some of the existing costs.	250
	Academies – Increased income being achieved through a review of charges to academies for services provided.	100
	Academies – additional monies received from refund of 'top slice from Department for Education	150
All	Reviews of on going expenditure across all departments	Tbc
All	Review of budgets to improve monitoring through realignment	Tbc
DASS	Review of all voluntary sector contracts	Tbc
DASS	Overarching commissioning strategy developed	Tbc
All	Spending freeze (including Policy Option Review)	2,292
All	Abolition of Efficiency Fund	2,200
DASS	Restrictions to overtime rates	Tbc
DASS	Review of use of agency staff on case by case basis	Tbc
	Independent review tea to ensure packages are proportionate to need	TBC
	Total savings from these actions	5,492



APPENDIX 5

PROGRESS ON DELIVERING THE AGREED SAVINGS 2012/13 £000's

Department	16,457	Comments / progress on implementation	RA GB Y	4,799	260	11,398
	100%			29.2	1.6	69.3
DASS				R	A	G
Commissioning Of Services	1,600	This saving will not be delivered in 2012-13.	R	1,600		
Prevention Services	500	This saving will be delivered in 2013-14 on the assumption that the proposed underfunded budget adjustment of £0.638m is made	R	500		
Employee Budgets 2%	400	This saving will not be delivered.	R	400		
Procurement	26	This saving will not be delivered in 2012-13.	R	26		
Austerity – Supplies	24	This saving will not be delivered in 2012-13.	R	24		
EVR Scheme	17	This saving will not be delivered in 2012-13.	R	17		
CHILDREN & YOUNG PEOPLE						
Early Intervention Grant	1,000	Has been achieved	G			1000
Employee Budgets 2%	750	Progress remains difficult, with pressures on Social work.	R	750		
EVR Scheme	386	Staff who left were from self funded areas, so no budget saving possible.	R	386		
Connexions contract	250	Achieved, with a further £700k contract saving.	Y			250
Schools Intervention Funding	250	Achieved	G			250
Procurement	246	Allocated across Social Care	R	246		
Austerity – Supplies	16	Will be achieved within expenditure controls	G			16
FINANCE						
Efficiency Investment Budget	2,500	The Efficiency Investment Budget has been reduced	G			2,500
Housing Benefit	1,200	This has been built into HB budgets	G			1,200
IT and Printing Services	550	This is part of the departments strategic savings target	G			550
Employees Budget 2%	520	This is part of the departments strategic savings target	G			520
EVR Scheme	343	This is part of the departments strategic savings target	G			343
Procurement	189	This is part of the departments strategic savings target	G			189
Austerity – Supplies	8	This saving has been built into departmental budgets	G			8
LAW,HR,ASSET MGT						
Facilities Management	500	£250k achieved through the reduction in Maintenance budgets, balance will not be achieved in year.	R	250		250

Business Transformation	300	Target will not be achieved 2012/13	R	300		
Employee Terms & Conditions	300	Target will not be achieved 2012/13	R	300		
Employee Budgets 2%	260	Currently on target to be achieved in year.	A		260	
Office Rationalisation	260	Achieved	G			260
Disposal of Assets	100	Achieved.	G			100
Procurement	33	Budgets reduced to reflect these savings.	G			33
Austerity – Supplies	6	Budgets reduced to reflect these savings.	G			6
<b>REG,HSG &amp; PLANNING</b>						
Broadband Facility	1,075	Achieved	G			1,075
Home Insulation Programme	1,000	Achieved	G			1,000
Employee Budgets 2%	160	On target to achieve	G			160
Supporting People Contracts	150	Achieved	G			150
Merseyside Info Service	50	Achieved	G			50
EVR Scheme	13	Achieved	G			13
Austerity – Supplies	8	Achieved	G			8
<b>TECHNICAL SERVICES</b>						
Procurement	745	Currently anticipated to be achieved. Biffa contract part of this	G			745
Employee Budgets 2%	380	Currently anticipated to be achieved.	G			380
EVR Scheme	150	Currently anticipated to be achieved.	G			150
Street Lighting	100	Currently anticipated to be achieved.	G			100
Highways Administration	80	Currently anticipated to be achieved.	G			80
Austerity – Supplies	12	Currently anticipated to be achieved.	G			12

## EARMARKED RESERVES - GENERAL FUND

Earmarked Reserves	Balance 1 April 2012 £000	Movement In Year	Current Balance 31 Jan 13 £000
Schools Balances	11,767	-	11,767
Housing Benefit	11,155	(2,000)	9,155
Insurance Fund	9,635	(543)	9,092
Working Neighbourhood Fund	7,959	(7,073)	886
Debt Restructuring	7,941	-	7,941
Minimum Revenue Provision	4,400	(4,400)	-
Community Fund Asset Transfer	3,301	-	3,301
Intranet Development	3,161	-	3,161
Local Pay review	2,641	-	2,641
One Stop Shop/Libraries IT Networks	2,119	-	2,119
Supporting People Programme	1,505	(400)	1,105
Cosyhomes Insulation	1,244	(800)	444
School Harmonisation	1,241	-	1,241
Stay, Work, Learn Wise	908	-	908
Schools Capital Schemes	777	-	777
Matching Fund	558	(558)	-
20 MPH Zones	550	(500)	50
Home Adaptations	537	-	537
West Wirral Schemes	530	(300)	230
Merseyside Information Service	500	(500)	-
ERDF Match Funding	500	-	500
Strategic Asset Review	495	-	495
Planned Preventative Maintenance	483	-	483
Heritage Fund	420	(300)	120
Schools Automatic Meter Readers	415	-	415
Children's Workforce Development Council	399	-	399
Schools Contingency	370	-	370
Business Improvement Grant	342	-	342
Local Area Agreement Reward	322	4	326
Primary Care Trust Physical Activities	300	-	300
Schools Service IT	294	-	294
Schools Summer Term	280	(280)	-
Homeless Prevention	271	-	271
Other Reserves	8,928	(2,079)	6,849
	<u>86,248</u>	<u>(19,729)</u>	<u>66,519</u>

Note : Cabinet on 6 September 2012 agreed to release £7m of an Earmarked Reserve (Working Neighbourhood Fund), and on 29 November 2012 agreed to release various additional reserves, totalling £12.505m.

**FREEZE OUTCOMES**

**No freeze items submitted for  
consideration were rejected during the  
period**

---

---

---

## Equality Impact Assessment Toolkit (from May 2012)

**Section 1:** Your details: Peter Molyneux

**EIA lead Officer:** Peter Molyneux

**Email address:** petemolyneux@wirral.gov.uk

**Head of Section:** Tom Sault

**Chief Officer:** Peter Timmins

**Department:** Finance

**Date:** 28 February 2013

**Section 2:** What Council proposal is being assessed?  
**Revenue Monitoring (including freeze proposals)**

**Section 2b:** Will this EIA be submitted to a Cabinet or Overview & Scrutiny Committee?

**Yes**

If 'yes' please state which meeting and what date

Cabinet 18 October 2012

Please add hyperlink to where your EIA is/will be published on the Council's website <http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/finance>

**Section 3: Does the proposal have the potential to affect.....** (please tick relevant boxes)

- ✓ **Services**
- ✓ **The workforce**
- ✓ **Communities**
- ✓ **Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)

If you have ticked one or more of above, please go to section 4.

- None** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 4: Does the proposal have the potential to maintain or enhance the way the Council .....** (please tick relevant boxes)

- Eliminates unlawful discrimination, harassment and victimisation
- Advances equality of opportunity
- ✓ Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

- No** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 5:** Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?

You may also want to consider socio-economic status of individuals.  
Please list in the table below and include actions required to mitigate any potential negative impact.

Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications
All groups	Budgetary overspends will result in requirement to reduce expenditure in year with consequences on communities and staff. Rational decision making to tackle issues will enhance good relations and minimise negative impacts	Budgetary control including regular monitoring, freeze procedures and budgetary reviews will assist in limiting impact	Peter Timmins	On Going	Budgetary overspends would require funding from resources
All groups	Reduction in expenditure from freeze proposals could impact on services delivered to communities	Freeze process includes exemptions for critical service areas. Process allows for business case to be submitted to exempt expenditure from freeze	Peter Timmins	On Going	Freeze proposals will assist enabling control of expenditure

**Section 5a: Where and how will the above actions be monitored?**

Monthly monitoring report to Cabinet. This will include recommendations for approval of spending freeze decisions

**Section 5b: If you think there is no negative impact, what is your reasoning behind this?**

**Section 6: What research / data / information have you used in support of this process?**

Budgetary forecast information

**Section 7: Are you intending to carry out any consultation with regard to this Council proposal?**

Yes / No – (please delete as appropriate) No

If 'yes' please continue to section 8.

If 'no' please state your reason(s) why: Urgent decisions required to tackle budgetary position. Freeze proposals undergo review process and involve officers and members

(please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)



## **Section 8: How will consultation take place and by when?**

Before you complete your consultation, please email your preliminary EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for re-publishing.

## **Section 9: Have you remembered to:**

- a) **Add appropriate departmental hyperlink to where your EIA is/will be published** (section 2b)
- b) **Include any potential positive impacts as well as negative impacts?** (section 5)
- c) **Send this EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer?**
- d) **Review section 5 once consultation has taken place and sent your completed EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer for re-publishing?**

This page is intentionally left blank

## WIRRAL COUNCIL

### COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

26 MARCH 2013

<b>SUBJECT:</b>	<b>GIFTS AND HOSPITALITY AND CONFLICT OF INTEREST</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>ACTING DIRECTOR OF LAW, HR &amp; ASSET MANAGEMENT</b>
<b>KEY DECISION</b>	<b>NO</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of the report is to inform Council Excellence Overview and Scrutiny Committee of the action taken in relation to changes to the Council's Gifts and Hospitality and Conflict of Interest policies and procedures following a report from the District Audit in September 2012.
- 1.2 This information was requested by the Committee on 27 November 2012 (minute 37).

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 On 19 September 2012, the Audit and Risk Management Committee considered a report by the District Auditor on Gifts and Hospitality and Conflict of Interests.
- 2.2 As part of the assessment of the Council's arrangements to ensure value for money, the District Auditor undertook a review of work carried out by Internal Audit in relation to gifts and hospitality and conflicts of interest. The District Auditor indicated that although the Council's procedures were found to be generally adequate, testing had identified a high instance of non-compliance, with poor or incomplete recording of both gifts and hospitality and declarations of conflicts of interest. His report highlighted the key issues from the review and included a number of recommendations that challenged the Council to address the weaknesses in compliance with its procedures.
- 2.3 There were a number of recommendations in the report:
- R1** Reinforce to all staff, line managers and chief officers their responsibilities for good governance, risk management and internal control in respect of gifts and hospitality and conflicts of interest.
- R2** Ensure procedures and guidance are clear and understood, including:
- Agreeing any differences between the arrangements within the Council and the Pension Fund;

- Specifying the departmental and central management information requirements for the managing and monitoring of compliance with gifts and hospitality and conflicts of interest policies;
- Ensuring consistency with other procedures, such as foreign travel approvals;
- Ensuring declarations are accurate, complete and made in a timely manner; and
- Ensuring risks are managed appropriately.

**R3** Consider whether the work of Internal Audit on gifts and hospitality and conflicts of interest provides management and those charged with governance with appropriate assurance for the Annual Governance Statement.

2.4 An action plan was developed to ensure recommendations from the report were implemented.

### **3.0 Key Policy and Procedure Changes**

3.1 The key issues arising from the Audit report were generally ones of compliance, rather than concerns about the adequacy of the policies or procedures themselves.

3.2 However, the Conflict of Interest and Gifts and Hospitalities Policies and Procedures were reviewed to ensure that they provide greater clarity in relation to the Council's position on these matters, officer responsibilities and the procedures that must be followed to ensure compliance.

3.1 On 14 February 2013, Employment and Appointments Committee approved the revised policies and procedures.

### **Gifts and Hospitality Policy and Procedure**

3.3 The key changes to the Gifts and Hospitality Policy and Procedure were as follows:

- Further detailed guidance on the types of gifts and hospitality that must be declared.
- Further guidance on accepting low value gifts and a value of £25 stipulated as the definition for such gifts
- Further clarity on the requirement that Gifts and Hospitality should be declared prior to acceptance unless in exceptional circumstances.
- Provision within the policy for Merseyside Pension Fund which already has a compliance document in place.
- The requirement for Directors/Heads of Service to maintain registers for their department(s).
- All completed Conflict of Interest forms to be sent to HR for retention on employee personnel file
- The requirement for the Head of Human Resources and Organisational Development to collate and publish an annual report to Elected Members.

## **Conflict of Interest Policy and Procedure**

3.4 The key proposed changes to the Conflict of Interest Policy and Procedure were as follows:

- Further detailed guidance on what may represent a conflict of interest.
- The requirement for nil return to be completed on annual basis by Heads of Service and above only, and not all employees, as this is disproportionate and impractical.
- The requirement for Directors/Head of Service to maintain registers for their department(s).
- Clarity around the potential consequences of non-declaration.
- All completed Conflict of Interest forms to be sent to HR for retention on the employee personnel file.
- The requirement for the Head of Human Resources and Organisational Development to collate and publish an annual report to Elected Members.

3.5 The revised policy documents reflect the Council's commitment to ensuring greater awareness of officers at all levels as to their responsibilities in declaring any offers of gifts and hospitality and similarly if they have a conflict of interest.

### **4.0 Communication Action Plan**

4.1 The key to ensuring that the Council complies with the requirements of the revised policies is to raise and maintain awareness of staff of their responsibilities through regular communication through the following channels

- Regular reminders through One Brief (already referenced in March One Brief)
- Regular reminder in Chief Executive e-mails to employees
- Regular inclusion on Departmental Management Team Agenda
- Intranet
- Management Cascade Team Briefs
- One Council article

4.2 The revised policies were published on the HR Handbook in February 2013.

### **5.0 RELEVANT RISKS**

5.1 The Council is funded almost entirely from public funds, either through grants from central government, or through council tax, funded from the local tax payer. It is therefore essential that the Authority can demonstrate the highest standards of probity in general, and specifically in relation to its dealings with third parties. The Council therefore needs appropriate policies and procedures in place to provide a clear framework for how offers of gifts and hospitality, and potential conflicts of interest should be handled. There is the potential for damage to the Council's reputation should it not maintain high standards in relation to these areas.

### **6.0 OTHER OPTIONS CONSIDERED**

6.1 None.

### **7.0 CONSULTATION**

7.1 Consultation on revised policies and procedures took place with Internal Audit, Merseyside Pension Fund, the Executive Team and the Trade Unions.

## **8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

7.1 None.

## **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

8.1 None.

## **9.0 LEGAL IMPLICATIONS**

9.1 The relevant legislation is set out in the policy documents.

## **10.0 EQUALITIES IMPLICATIONS**

10.1 The EIA was completed for Employment and Appointments Committee and is available at:

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/law-hr-asset-management>

## **11.0 CARBON REDUCTION IMPLICATIONS**

11.1 None.

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

12.1 None.

## **13.0 RECOMMENDATION/S**

13.1 That the Council Excellence Overview and Scrutiny Committee note the contents of the report and the work undertaken since the Audit Report was produced in September 2012.

## **14.0 REASON/S FOR RECOMMENDATION/S**

14.1 Council Excellence Overview and Scrutiny had requested an update on work undertaken in this area.

**REPORT AUTHOR:** **Tony Williams**  
**Human Resources Manager**  
telephone: (0151 691 8678)  
email: [tonywilliams@wirral.gov.uk](mailto:tonywilliams@wirral.gov.uk)

## **APPENDICES**

**REFERENCE MATERIAL**

None

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit and Risk Management Committee	19 September 2012
Employment and Appointments Committee	14 February 2013
Council Excellence Overview and Scrutiny	27 November 2012

This page is intentionally left blank



## Equality Impact Assessment Toolkit (from May 2012)

### Section 1: Your details

**EIA lead Officer:** Tony Williams

**Email address:** [tonywilliams@wirral.gov.uk](mailto:tonywilliams@wirral.gov.uk)

**Head of Section:** Chris Hyams

**Chief Officer:** Surjit Tour, Acting Director of Law, HR and Asset Management

**Department:** Transformation and Resources

**Date:** 6 February 2013

### Section 2: What Council proposal is being assessed?

#### Gifts and Hospitality and Conflict of Interests Policies

**Section 2b:** Will this EIA be submitted to a Cabinet or Overview & Scrutiny Committee?

**Yes** If 'yes' please state which meeting and what date

Employment and Appointments Committee 14 February 2013

Please add hyperlink to where your EIA is/will be published on the Council's website

<https://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/law-hr-asset-management>

**Section 3:** Does the proposal have the potential to affect..... (please tick relevant boxes)

- In services**
- In the workforce**
- In communities**
- Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)

If you have ticked one or more of above, please go to section 4

- None** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 4: Does the proposal have the potential to maintain or enhance the way the Council ..... (please tick relevant boxes)**

- Eliminates unlawful discrimination, harassment and victimisation
- Advances equality of opportunity
- Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

**Section 5:**

- No** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 5:**

**Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?**

**You may also want to consider socio-economic status of individuals.**

**Please list in the table below and include actions required to mitigate any potential negative impact.**

Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications
All	<p>The Gifts and Hospitality and Conflicts of interests Policies will apply equally to all areas of the workforce.</p> <p>The policy, procedures and guidance in relation generally do not differentiate between officers in relation to acceptance or non acceptance of gifts or whether conflict of interests should be declared or not. The principles are in place for all.</p> <p>However, Chief Officers/Head of Service and above are required to provide nil returns on an annual basis for conflict of interests.</p> <p>Employees over Scale Point 29 (Band H) are required to declare any secondary employment.</p> <p>There are specific provisions in place for Merseyside Pension Fund employees which recognise the different roles and relationships that exist in that service area. However, this still accord with the Council's overall approach that gifts/hospitality are declared unless in particular circumstances.</p> <p>In all of the above there is no intentional equality impact. The differentials in the group</p>	N/A			

	are not directly related to any particular protected characteristic and are justifiable for business reasons relating to grade/level of Officer.				
--	--	--	--	--	--

**Section 5a: Where and how will the above actions be monitored?**

Policies will be reviewed by Human Resources.

**Section 5b: If you think there is no negative impact, what is your reasoning behind this?**

The Gifts and Hospitality and Conflict of Interest policies aim to ensure the Council has clear guidance in place so that all officers are aware of their responsibilities in these areas. The policy and procedures apply to all employees at all levels of the organisation and so no-one group are adversely impacted.

**Section 6: What research / data / information have you used in support of this process?**

Workforces statistics for the full workforce.

**Section 7: Are you intending to carry out any consultation with regard to this Council proposal?**

Yes

**Section 8: How will consultation take place and by when?**

Consultation has taken place with Executive Team, Trade Unions, Internal Audit and Head of Merseyside Pension Fund

This page is intentionally left blank

## WIRRAL COUNCIL

### COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

26 MARCH 2013

<b>SUBJECT:</b>	<b>ELECTED MEMBER DEVELOPMENT</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>ACTING DIRECTOR OF LAW, HR &amp; ASSET MANAGEMENT</b>
<b>KEY DECISION</b>	<b>NO</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of the report is to update Council Excellence Overview and Scrutiny on the current Elected Member Development Programme and to respond to specific questions that have been raised.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 The cross party Member Training Steering Group (MTSG) supports and steers the direction of the Member Development Programme ensuring that decisions made around content, design and provision are Member led and that the Programme meet the needs of Elected Members.
- 2.2 The Council's Improvement Plan identifies Elected Member development and capacity building as part of the priorities for Improvement and Development and the work on this has been
- 2.3 The 2013 - 14 Elected Member Development Programme is designed to deliver development against the Council's Improvement priorities, leadership development, core skills development as well as meeting individual Elected Member learning and development requirements outlined in recent Personal Development Plans.
- 2.4 Individual Elected member requirements are identified through the Personal Development Planning process. (PDP). For the year 2012 – 13 a total of 45 plans have been completed (*Appendix 1*). The PDP enables members to discuss and identify their development needs. Those needs are collated and provide the requirements to be delivered as part of the Elected Member development Programme. and has provided an overview of the personal development needs of Wirral Councillors.

### 3.0 WIRRAL/LGA IMPROVEMENT BOARD - IMPROVEMENT PLAN & ELECTED MEMBER DEVELOPMENT

3.1 The Improvement Plan outlines a number of areas relating to Elected Member Development and activity has been taking place to work towards the achievements of these objectives.

Objective	Success Criteria	Progress	Planned Activity
<b>Priority 1,</b> Leadership, political and managerial	A defined set of competencies to inform a comprehensive gap analysis against desired competencies to inform targets	The Elected member development Programme ( called 'skills for Wirral Councillors') identifies the core skills required with a modular training programme	Activity is ongoing as part of the programme.
<b>1.2 – A learning Programme for Cabinet &amp; Senior Management Team</b>	All members have a Learning & Development Plan that addresses individual and organisational needs	45 out of 66 members have a Learning & Development Plan ( see Appendix 1)	Development Programme for Cabinet & Senior Managers to be developed
<b>Priority 2, 1.1 – Ensure all politicians have a working knowledge of the revised Code of Corporate Governance</b>	Mandatory training undertaken by all Members.	Work continues on the Code of Corporate Governance. 59 members have completed the revised Code of Conduct Training	Code of Corporate Governance Training to be confirmed and rolled out.
<b>Priority 2, 2.3 – Training &amp; Development on the Scheme of Delegation for Elected Members</b>	Training Undertaken	Development work continuing and consultation taking place via "Transformation & Improvement Sessions"	Training to be rolled out once Scheme agreed.

3.2 As well as monitoring progress on the above, The Improvement Board also welcomed and encouraged a future programme of development that would include the following aspects-:

- A Wirral Councillor Leadership Programme ( Tailored to meet Wirral leadership challenges)
- External Accreditation of the Programme



- Achievement of the North West Employers Organisation Member Development Charter

- 3.3 To achieve the above, the MTSG have supported activity around the development of a Leadership Programme (delivered by the LGA) that will commence in May 2013. The Leadership Modules form part of the current overall development programme and focus on Personal Leadership and Political Leadership
- 3.4 Work has also commenced on the external accreditation of the Member Development Programme. An approach has been agreed by MTSG and will be developed further and communicated to all members in the near future. Elements of the Member Development Programme will be externally accredited by The Institute of Leadership & Management.
- 3.5 In preparation for The North West Employers Organisation Member Development Charter, a self assessment has been carried out and an Action Plan produced. A support visit has taken place from North West Employers Organisation and all Group Leaders have committed to achieving the Charter.

#### **4.0 RESPONSE TO SPECIFIC QUERIES**

The following questions have been raised and addressed below:

##### **4.1 What is the feedback from the Improvement Board in relation to Members training?**

*Appendix 3* details comments noted received at an Improvement Board meeting in relation to Elected Member development.

##### **4.2 What is the buy in from Members to the training programme and Personal Development Plans (PDPs) ?**

*Appendix 1 & 2* outline attendance figures for events run across the last 12 months and also the PDP returns.

In total 19 Training Workshops have been delivered with an average attendance of 12 Members per session.

In addition six "Improvement & Transformation" Sessions have been delivered with an average attendance of 38 Members per session.

##### **4.3 What is the feedback from Members in relation to Members training?**

*Appendix 4* outlines a sample of feedback received for courses delivered over the last 12 months. All feedback is shared at MTSG and used to inform and improve future sessions.

##### **4.4 Attendance, how many members (if any) have not engaged in the training programme?**

*Appendix 2* details the breakdown of attendance at sessions. In total seven Members have attended none of the sessions offered over the last 12 months.

## **5.0 RELEVANT RISKS**

5.1 The Purpose of the Elected Member Development programme is to build the capacity of Elected members in their role to lead and develop the Council.

## **6.0 OTHER OPTIONS CONSIDERED**

6.1 None.

## **7.0 CONSULTATION**

7.1 Consultation on Elected Member Development has taken place with Elected Members via Personal Development Plans, with The Member Training Steering Group and with The Executive Team regarding internal resources to deliver aspects of the current Programme

## **8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

7.1 None.

## **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

8.1 The delivery of the Elected Member Development programme requires expenditure against the Elected Member Training Budget, staff from the Organisational Development Team are required to support the delivery of the programme

## **9.0 LEGAL IMPLICATIONS**

9.1 None

## **10.0 EQUALITIES IMPLICATIONS**

10.1 The EIA for Member Development is available at:

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/law-hr-asset-management>

## **11.0 CARBON REDUCTION IMPLICATIONS**

11.1 None.

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

12.1 None.

## **13.0 RECOMMENDATION/S**

13.1 That the Council Excellence Overview and Scrutiny Committee note the contents of the report and the work undertaken around Elected Member Development

## **14.0 REASON/S FOR RECOMMENDATION/S**

14.1 Not Applicable.

**REPORT AUTHOR:** **Melissa Holt**  
**Organisational Development Manager**  
telephone: (0151 691 8593)  
email: [melissaholt@wirral.gov.uk](mailto:melissaholt@wirral.gov.uk)

## **APPENDICES**

Appendix 1 – Personal Development Plans  
Appendix 2 – Attendance at Sessions  
Appendix 3 – Improvement Board Feedback  
Appendix 4 - Sample of Evaluation Feedback

## **REFERENCE MATERIAL**

None

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Improvement Board	19 October 2012
Council Excellence	29 November 2012

**Appendix One**

**Number of Personal Development Plans completed 2012 - 2013**

<b>PDPs completed</b>	<b>PDPs Outstanding</b>
45	21 ( 6 scheduled)

**Appendix Two**

**Attendance at Elected Member Training Sessions July 2012 – March 2013**

<b>Number of Elected Members</b>	<b>Number of Sessions Attended</b>
8 (12%)	12 – 16
33 (50%)	6 – 11
18 (27%)	1 – 5
7 (10%)	0

## **Appendix Three**

### **Improvement Board Feedback**

#### **19/10/12 - Leadership Development**

The Improvement Board was provided with an update on progress relating to leadership, elected member development and culture change. Performance appraisal for the Chief Executive and Senior Management team has commenced which includes a more systematic approach to leadership capabilities and values. A programme of member development activity is underway as are plans to implement a culture change programme in 2013.

The Board noted the ambitious nature of the programme and stressed the importance of more joint working between Officers and Members, the vital role Group Leaders will play and asked that to be reflected in plans moving forward. It was restated that Leadership Development should be the number one priority for the Council and that appropriate resources should be put in place.

## **Appendix 4**

### **Sample of Evaluation Feedback**

#### **LGA Briefing Session – 11<sup>th</sup> July 2012**

##### **Q1 What impact will your learning from this event have for Wirral?**

“I think that the way we were directed to start thinking will stimulate more thorough investigation and better sense of direction for us”

##### **Q2 To help assess the suitability of this event for the council in the future we would like to know if you would recommend "key sessions" like this to others.**

“I would recommend attendance to all Councillor’s who think they know it all, by not attending.”

“It gives an overview on how other councils work.”

“Any new Member - an opportunity to spend time with the most senior staff and Improvement Board members. Anybody who isn't a member of Cabinet. An opportunity to gauge how committed other Parties members are to the change agenda and improvement.”

“I think all Councillors would benefit from attendance and I think it could be adapted to provide training for officers at mid level.”

“All elected members to be aware of what is going on in our council at this time.”

#### **Whistleblowing Session – 30<sup>th</sup> July 2012**

##### **Q1 How far did the event meet with your learning objectives?**

“Good information”

“It lacked an introduction which said where we were going, what we were going to learn and how we would finish. Not all 'hand outs' were handed out at beginning.”

#### **Graham Burgess – Reflections Session – 12<sup>th</sup> September 2012**

##### **Q1 Will you be able to use what you have learned?**

“This will enable me to answer tricky questions that are regularly put to me by residents”

#### **Crafting Our Future Session – 15<sup>th</sup> September 2012**

##### **Q1 How well was the event delivered?**

“Lack of participation/decision making by elected members”

“Whilst not delivering what was perhaps expected the discussion of this type were probably the first of this type at Wirral”.

“Good participation and understanding”.

“The workshop responses from the four teams were merely statements of the obvious and not necessarily very constructive”

“not all members got involved, usual suspects, me included”

“There was not enough time. The questions were poor. The groups were too large.”

### **Risk Management – 17<sup>th</sup> September 2012**

#### **Q1 How far did the event meet with your learning objectives?**

“There was quite a lot that I hadn't thought about”

### **Engaging With Young People – 25<sup>th</sup> September 2012**

#### **Q1 Will you be able to use what you have learned?**

“Gets you thinking about the young persons perspective about council business”

### **Personal Safety – 2<sup>nd</sup> October 2012**

#### **Q1 How well was the event delivered?**

“As I have been a elected member for the past 11years I have only been attacked once, the Police were involved. But I do recommend this course for all newly elected members, including ladies as there was a lack of attendance”.

### **The Shape of Things to Come – 30<sup>th</sup> October 2012**

#### **Q1 How far did the event meet with your learning objectives?**

“Made fully aware”

“The presentation about Rochdale leisure services was useful and interesting”.

“I found the other speaker talking about options for changes less impressive”.

“It was interesting to listen to the different models on display and delivered through the presentations”

### **Crafting Our Future Session Part 2 – 6<sup>th</sup> December 2012**

#### **Q1 How well was the event delivered?**

“The presentation re the Corporate Peer Challenge was very clear and I found the debate about the role of Cllrs going forward very helpful.”

#### **Q2 What impact will your learning have for Wirral?**

“It might be better to explore, after looking at impact, whether any impact is positive or negative.”