

CABINET

Thursday, 18 April 2013

Present: Councillor P Davies (Chair)

Councillors G Davies B Kenny
P Hackett AR McLachlan
AER Jones C Meaden
C Jones T Smith

Apologies Councillors H Smith

239 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

No declarations of absence were received.

240 MINUTES

RESOLVED:

That the Minutes of the meeting of the Cabinet held on 14 March 2013 be confirmed as a correct record.

241 REVISIONS TO THE CONSTITUTION

A report by the Chief Executive set out proposals for amending the Council's Constitution to ensure it remained both lawful and fit for purpose.

Councillor Phil Davies introduced the report informing that the review of the Council's Constitution had been a key issue for the Improvement Board and a key action in the Council's Improvement Plan. The review was an area that had required urgent attention.

Councillor Phil Davies referred to the five Member events which had been held over the last six months around the different elements of the Council's improvement agenda. Each event had been very well attended. Councillor Davies also stressed at the outset, that the Administration of the Council intended to continue to operate a Strong Leader and Cabinet model of governance. He informed that he had not been persuaded to return to a Committee System. Councillor Davies considered that the Strong Leader and Cabinet model was the best option and would allow the Council to work well and make effective decisions.

Councillor Phil Davies reported that it was important to have more clarity on the roles of Members and Officers. It was also important to enhance the

Council's scrutiny function so that it could influence policy formation. He informed that the new model of neighbourhood working would allow the Council to deliver its vision and Members would be able to become effective community champions. Councillor Davies hoped that these new arrangements would lead to greater engagement with the public.

Councillor Phil Davies told the Cabinet that the new procedures around full Council meetings were designed to focus on what it was actually responsible for. They would provide a means of debating key issues and holding the executive to account. It was intended that the three new Policy and Performance Committees and the Co-ordinating Committee, responsible for overseeing arrangements and allocating cross cutting activities, would be much more involved in influencing policy-making than the present Overview and Scrutiny Committees. The Cabinet intended to engage proactively with the four Committee Chairs over the Council's Forward Plan of Key Decisions.

Councillor Phil Davies told the Cabinet that the four Constituency Committees would be more cost effective than the present eleven Area Forums. They would have strategic key oversight. The Council had committed £50,000 to each Constituency Committee's budget and was keen to encourage partners to also provide funding as well as their expertise. Input would be welcomed from all key public agencies in each constituency.

Councillor Phil Davies then turned his attention to Council meetings themselves. He was keen to move away from the "Punch and Judy" aspects of debating issues in the Council Chamber. Under the new Constitution there would be a whole new format for the way the Council carried out its business. The Council would receive written reports to debate and would take questions. Its attention would focus on the core services it was responsible for delivering and making Cabinet and Cabinet Members more accountable. The onus would be on the Cabinet Members to answer questions and be masters of their own brief.

The next step was for the Cabinet's recommendations to be discussed by the Council at its Extraordinary meeting scheduled for 30 April 2013. It was intended that the changes would come into affect from the beginning of the new Municipal Year. There would also be another Special Cabinet meeting on 23 May 2013 to consider the operations of the Constituency Committees.

Councillor Phil Davies thanked all those Members, across the three Political Groups for taking part in the Members' events and for responding to the questionnaire around the proposals in relation to the Council's Constitution, scrutiny arrangements and Constituency Committees. He also thanked the Democracy Working Party. He informed that although it had been unable to reach agreement it had provided the opportunity for its Members to debate all of the issues in depth. Councillor Davies informed that the proposed changes were not radical. Making them would make the Council normal and would

bring long over due normality to Wirral. The proposed changes, once implemented, would be monitored by the Leader's Board and the Standards and Constitutional Oversight Committee.

Councillor Ann McLachlan informed that the Council had recognised that the scrutiny function was not effective as far back as 2010. Consequently, the Democracy Working Party had been set up to achieve consensus on the most appropriate form of democracy within the Council, taking into account the strengths and weaknesses both of the old Committee system and the current Cabinet system, and of any legislation and subsequent regulations as these became known. Councillor McLachlan drew attention to the short hiatus that had occurred, earlier in the Municipal Year, when the Democracy Working Party had not been having meeting. Events had overtaken its work and consequently, its remit had been amended to take account of other drivers for change e.g. the Council's financial position and issues around Council meetings being confrontational and adversarial and bringing forward notices of motion for debating on issues over which it had no control.

Councillor McLachlan informed that although the Democracy Working Party had not reached agreement on the new model of governance, it had met on a number of occasions and had provided opportunities for its Members to be involved.

Councillor McLachlan referred to the principles behind the proposals which had been put forward. There had been clear priorities in terms of the Policy and Performance Committees to ensure that the Council was able to carry out 'task and finish' work that could be monitored and evaluated. She also reported that it was imperative for the neighbourhood model to be strengthened so that the Council's decision-making in communities with its partners would be stronger. Councillor McLachlan also referred to the estimated financial savings of £1.2m per annum that the proposals were expected to generate, as currently, the Council had eleven Area Forums.

Councillor McLachlan told the Cabinet that she believed that the proposed changes to the Council's Constitution would restore a proper decision-making process that would be both transparent and accountable. She asked for a further report to be prepared, for consideration at the Extraordinary Council meeting scheduled for 30 April 2013, setting out the proposed terms of reference of the new Committees.

The Chief Executive reported that the Council's current practice was to inform the Improvement Board of its proposals. This had been done and the resulting feedback from the Board's Chair had been very positive as it had from the Local Government Association, who had also been consulted. They had both made minor comments but had endorsed the proposals. The Chief Executive further reported that District Auditor and the Audit and Risk

Management Committee (at its Special meeting on 15 April 2013) had also made positive comments on the Council's proposed direction of travel.

Councillor Phil Davies in moving the recommendations, set out in the Chief Executive's report, made reference to the Cabinet's Supplementary agenda and to the following documentation that had been provided with it:

- Minutes of the meeting of the Democracy Working Party held on 8 April 2013;
- Member Consultation and Engagement Feedback Report;
- Minutes of the meeting of the Audit and Risk Management Committee held on 15 April 2013;
- Report of the Chief Executive and Appendix – Proposed Revisions to the Council's Contractual Procedure Rules;
- Report of the Interim Director of Finance and Appendix - Proposed Revisions to the Council's Financial Regulations.

Councillor Phil Davies also thanked Steve Gerrard, Interim Head of Legal and Member Services, for the time he had spent on this detailed piece of work.

RESOLVED:

That the Council is recommended to:

- (1) adopt the revised constitution as set out as Appendix 3 to the Chief Executive's report;**
- (2) note that additional consequential changes will need to be made over the next year in the light of operating the new Policy and Performance Committees and Constituency Committee arrangements;**
- (3) rename the Standards Committee the Standards and Constitutional Oversight Committee; and**
- (4) delegate the following additional responsibilities to the Standards and Constitutional Oversight Committee:**

To keep the council's constitutional arrangements under review and to make such recommendations to the Council as it considers appropriate for ways in which the constitution should be amended in order better to achieve the purposes set out in Article 1 (set out at paragraph 2.23 of the Chief Executive's report); and

oversee and agree such minor changes to the Council's Constitutional arrangements as are recommended by the Monitoring Officer from time to time.

242 FINANCIAL MONITORING 2012/13 - REVENUE (MONTH 11)

A report by the Interim Director of Finance set out the revenue position for 2012/13 as at Month 11 (February 2013). It identified the latest financial projections and ongoing management actions to ensure any year end overspend was minimised.

Councillor Phil Davies told the Cabinet that he was pleased that the Council's revenue spending was now on a more substantial footing and he congratulated Peter Timmins, Interim Director of Finance, and his team on this achievement. Councillor Davies then asked the Interim Director of Finance to expand on the interesting work on budget monitoring carried out with budget holders.

The Interim Director of Finance informed that Council Officers with an involvement in financial management were attending financial update and training events. They had been timed to coincide with the commencement of the new Financial Year. The Council, like others, faced significant financial challenges. A great deal had been achieved in recent months taking the Council forward and producing a budget with a sound footing. There had also been a number of revisions to financial procedures and processes with further changes to be implemented.

It was important that Officers who had financial responsibilities were aware of these changes and two, two hour, events had been held to provide them with the essential financial rules to bring them up to date with the financial position and financial procedure rules. A further session was planned for those Officers who had been unable to attend the two events already held.

It was also best practice that Officers with budget responsibilities received recent and relevant training. The events had also included the distribution and sign off of the 2013/14 budgets and had provided an opportunity to meet and speak with Finance staff, who would assist them during the coming year, and raise any financial issues with them. Budget Holders had been asked to rate themselves (red, amber or green) and appropriate support would now be put in place to assist them and further training would be provided if the need for it was identified.

The feedback from these events was that they had been greatly appreciated by the staff. The Interim Director of Finance informed that it was intended to produce a monthly newsletter and create a community of people who would work together to monitor spending.

At the request of Councillor Phil Davies for advice on the Council's spending freeze, the Interim Director advised that it would be appropriate for the Council to keep the spending freeze in place for a further three months whilst evidence was collected that it had been the right course to take such action,

work on the close down of the 2012/13 accounts was carried out and major change was being implemented. The financial situation should then be re-evaluated in three months time at the end of June 2013.

RESOLVED:

That the Cabinet notes:

- (1) at Month 11 (February 2013), the full year forecast projected a potential General Fund overspend of £7.4m;**
- (2) there were no rejected freeze items in the month; and**
- (3) a major risk continues to exist concerning the reliability of fees and 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.**

243 FINANCIAL MONITORING 2012/13 - CAPITAL (MONTH 11)

A report by the Interim Director of Finance informed Members of the current position in relation to the Council's 2012/13 to 2014/15 Capital Programme and reflected the position as at 28 February 2013. It also took account of the 2013/16 Programme as approved by Cabinet on 18 February 2013 (Minute No. 204 refers), together with any subsequent growth or slippage items. The report, therefore, reflected:

- The re-profiled 2012/13 capital programme budget which incorporates previous decisions made by Cabinet to amend the programme.
- The expenditure to date, which continues to be less than it, should be.
- The request for a revision to the capital programme to reflect additional slippage of £3.152 million of schemes into the 2013/14 financial year.
- A reduction in the estimated funding required for the Think Big Investment Fund of £0.121 million.
- The projected outturn figures for 2012/13, which suggest an under spend of £0.690 million on the revised programme.

RESOLVED:

That the Cabinet:

- (1) agrees the revised Capital Programme of £40.539 million;**
- (2) agrees additional slippage in the programme of £3.152 million from 2012/13 to 2013/14;**
- (3) agrees the increase in the programme for 2012/13 of £0.697 million;**
- (4) notes the reduction in funding of £0.121 million required for Think Big Investment Fund;**
- (5) notes the spend to date at Month 11 of £27.939 million, which represents 75% of the revised capital budget, with 92% of the financial year having elapsed; and**
- (6) notes the work of the Capital Steering Group to detail the schedule of sites to validate the estimate of capital receipts.**

244 PLANNING THE BUDGET PROCESS FOR THE NEXT BUDGET ROUND 2014-17

A report by the Interim Director of Finance proposed a budget process for 2013-14 to deliver a revenue and capital budget for 2014-15. Such a process required the agreement of the Council in early March 2014. The report also set out forecast budgets for the following two years 2015-17, and refreshed the Medium Term Financial Strategy (MTFS), taking into account the Chancellor's Budget of 20 March 2013.

The Interim Director of Finance informed that it was important to ensure that most of the decisions required were taken by the end of the year so that there would be more time available to implement them, in readiness for the new Financial Year.

Councillor Phil Davies informed that he was fully in support of the proposal to bring forward the budgetary decision-making process. He was pleased with the way the 'What Really Matters' consultation had been handled. He also informed that it was important that the excellent work around budget consultation was continued and that an evaluation of the exercise was carried out. There remained a lot of uncertainty around Government funding so a degree of flexibility must be built into the process.

Councillor Ann McLachlan referred to the Local Government Information Unit's work in bringing together local authorities and stakeholders to highlight

the good works councils were doing in driving forward innovation, exploring new models of service delivery and considering how they could move forward with the challenges ahead.

The Chief Executive drew the Cabinet's attention to Annex 1 to the Interim Director's report which set out the draft timetable. He informed that he would like to obtain the Cabinet's agreement to five or six projects in May 2013 and begin to work on them. He also informed that each of the three Strategic Directors would contact the Cabinet Members shortly to discuss major changes.

RESOLVED:

That Cabinet agrees:

- (1) the strategy of taking decisions earlier than in the last budget round, so that timely intervention will reduce risk and increase savings and therefore reduce the level of spending reductions needed.**
- (2) that decisions will be taken in two phases, the first prior to Christmas and the second in January;**
- (3) that from April to mid-August, based upon the current Corporate Plan, the Corporate priorities, major projects and options for improvement are identified, primarily in the light of the new significant changes planned by the Government; and**
- (4) a revised Corporate Plan be discussed and agreed at a Policy Council in November to provide the basis for the 2013/14 budget.**