

CABINET

Monday, 26 June 2017

<u>Present:</u>	Councillor	P Davies (Chair)	Leader of the Council
	Councillors	P Brightmore	Environment
		A Davies	Transformation
		G Davies	Housing and Community Safety
		C Jones	Social Care and Health
		B Mooney	Children and Families
		M Patrick	Localism and Engagement
		C Spriggs	Delivering Differently
		J Williamson	Finance and Income Generation
		S Whittingham	Highways and Transport

11 LEADER'S ANNOUNCEMENT

Councillor Phil Davies informed the Cabinet that he had asked Councillor George Davies to make a statement at this meeting, in the light of the Grenfell Tower fire, about the ongoing work to tower blocks on Wirral.

12 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Councillor Stewart Whittingham declared a personal interest in the statement that Councillor George Davies had been asked to make at this meeting (Minute No. 13 refers.) by virtue of him being a Board Member of Magenta Living.

13 STATEMENT FROM THE CABINET MEMBER FOR HOUSING AND COMMUNITY SAFETY ABOUT TOWER BLOCKS ON WIRRAL



Councillor George Davies informed that Cabinet Members thoughts were with all of those affected by the tragic events at the Grenfell Tower in London.

As a consequence of these events in London, Councillor Davies reported that the Council had formed a High Rise Co-ordination Group to review the situation in respect of high rise blocks on Wirral, with the utmost urgency. As Deputy Leader of the Council and because his portfolio was for Housing and Community Safety, he had become a member of the Group to ensure political leadership and oversight, along with the Managing Director for Delivery (Joe Blott).

The Group was being chaired by the Assistant Director: Environmental Services and the Council's Senior Officer for Housing in the Borough (David Ball). Other members of this Group included senior representatives from:

- Asset Management
- Emergency Planning
- Merseyside Fire and Rescue
- Housing
- Building Control
- Magenta Living
- Press and Public Relations

There would be additions to this Group as and when required e.g. private high rise owners would be added.

Councillor Davies informed that the Group would meet on a fortnightly basis to deal with any issues that may arise and was directly linked into the Homes and Communities Agency and the Department for Communities and Local Government.

Councillor Davies reported that high rise was defined as a building over six storeys or 18 metres in height. There were sixteen premises identified on Wirral as falling within this definition. Eight properties were owned and managed by Magenta Living and ten properties were in private ownership. The Council did not own or manage any high rise accommodation.

Magenta Living had been working very pro-actively with its tenants and the Merseyside Fire and Rescue Service to assess the properties it owned and to provide reassurance. The Council had been contacting the private owners requesting that they did the same.

Councillor Davies also reported that no aluminium cladding had been found on the Magenta Living owned properties and the inspections of the privately owned properties which would be completed by the end of this week, to date, had not identified any aluminium type cladding having been used.

The Cabinet was informed that the Council was also receiving a number of enquiries directly from Elected Members and members of the public and it was dealing with these on an individual basis, inspecting properties where there were concerns with the Merseyside Fire and Rescue Service and providing reassurances. The Council would be issuing, in partnership with the Merseyside Fire and Rescue Service and Magenta Living, regular updates on this work, as it moves forward.

Councillor Davies concluded his statement by informing that the Council was updating its Emergency Plan in the light of events in Camden, Bootle etc. where high rise buildings had failed fire safety tests.

14 MINUTES

RESOLVED:

That the Minutes of the meeting of the Cabinet held on 19 June 2017 be confirmed as a correct record.

15 EXECUTIVE KEY DECISIONS TAKEN UNDER DELEGATED POWERS

The Cabinet noted that no Key Decisions had been taken under delegated powers during the period 9 June 2017 to date of agenda publication (15 June 2017).

16 FINANCIAL MONITORING OUT-TURN REPORTS FOR 2016/17



Councillor Janette Williamson, Cabinet Member for Finance and Income Generation, said:

“The continuing effective management of the Council’s financial position throughout the year has helped the Council deliver an overall underspend of £2.9 million in 2016-17 – a huge achievement considering our financial position.

Our pro-active approach to treasury management has allowed us to provide additional funding to meet the rising demand for social care, in both Adults and Children’s Services, and we have continued to improve our income collection performance.

Our intentions in the Wirral Plan are clear and this is supported through investment from the Capital Programme. This year over £25 million has been used to support improvements to schools, improving roads and bridges, improving our popular leisure facilities and investing in our technology”.

Councillor Janette Williamson introduced a report which set out the Out-turn for the 2016/17 Financial Year. Appended to the report were appendices for Revenue (including details of the reserves), Capital (including resources used to fund the Programme) and the Collection Summary (including Council Tax, Business Rates and Sundry Debts). Appended to the report were three appendices:

- Outturn 2016/17 Revenue

- Outturn 2016/17 Capital
- Outturn 2016/17 Collection Summary

The Cabinet was reminded that local authorities had to produce an Annual Statement of Accounts which demonstrated the financial performance of the Council for the year and the financial position at the end of the period. The full Statement was approved by Audit and Risk Management Committee on behalf of the Council. The report informed of the key elements.

The Collection Summary provided details on income collection performance and it was noted that any sums which were deemed irrecoverable needed to be written off in accordance with the authorisation processes set out in the Council's Constitution.

Councillor Williamson informed that throughout the Financial Year the Cabinet had received Revenue Monitoring reports for each quarter. In setting the Budget for 2016/17 it had been recognised that there were on-going financial pressures mainly within Adults and Children's social care and it had been acknowledged that the savings programme was ambitious. These risks had been recognised and mitigated through the Revenue Budget Contingency of £12 million.

The use of this Contingency had been monitored through the regular Financial Monitoring reports. This had been allocated to People comprising Adult Social Services (£3.9 million) and Children's Services (£5.25 million) and to Business comprising Assets (£0.5 million) and Remodelling (£1.7 million). At the end of the year the balance remaining of £0.65 million had been reflected as an underspend.

The Monitoring report for Quarter 3 (Cabinet 20 February 2017) had projected a General Fund underspend of £0.4 million and the final position for the year had been an underspend of £2.9 million. Whilst overspending had been principally due to demand pressures within People for Adult and Children Care Services, this had been more than mitigated by underspending within Environment and Business Services. The latter largely attributable to the changes in Treasury Management and the adoption of the annuity method for calculating Minimum Revenue Provision (MRP) in respect of capital financing which had resulted in a significant one-off saving in 2016/17.

The Outturn showed the final figure to be £25.7 million for General Fund Balances. This included the release of Earmarked Reserves which had been agreed as part of the Council Budget for 2017/18. However, of this sum £15.7 million had been agreed to be applied to fund the 2017/18 Revenue Budget so the net result was £10 million which was in line with the required level of Balances.

It was also noted that the Balances would be supplemented in 2017/18 by the receipt of the Collection Fund surplus of £4.6 million. This would see the Balances available being £14.6 million which was above the target figure for General Fund Balances of £10 million for 2017/18.

During the year Earmarked Reserves decreased by £18.8 million (from £73.9 million at 31 March 2016 to £55.1 million at 31 March 2017). Over the last two years reserves had reduced by over £32 million which reflected their use to not only support specific projects but also, to support the annual Budget.

Councillor Williamson informed that finding ways to increase its income was now extremely important to the Council as it was faced with ongoing cuts and opportunities to do this were being explored.

Councillor Williamson reported on Capital spend on a range of projects to enhance the Council's assets. £25.3 million had been used to support the delivery of the Wirral Plan. Capital spend had been funded from borrowing of £7.2 million, government grants of £11.8 million, useable capital receipts of £6 million and revenue/reserves £0.3 million.

Capital Receipts of £3.5 million had been received in 2016/17. There had been further progress made on the disposal of major sites including Acre Lane, Manor Drive and the former Rock Ferry High School. At 31 March 2017 £5.5 million had been available to support the Capital Programme (£2.5 million) and to support the Transformation Programme (£3 million).

Councillor Williamson reported that the Council Tax Collection Rate had been 95.4% in 2016/17. Work backlogs had reduced throughout the year and various steps had been taken to improve processing time. As a consequence, the in-year collection rate had increased from 95.3% in 2015/16. A review of Single Person Discount awards had been carried out in January 2017, and at April 2017 resulted in the removal/cessation of 1,431 discounts, which had generated additional revenue of £0.4 million. Due to the timing of the review exercise, with ceases/amendments being made up to the end of March, this inevitably impacted on collection.

The Cabinet noted that the Business Rates collection rate had been 97.6% in 2016/17. This was an increase from 97.2% in 2015/16. This improvement was also against an increase in the sum collectable which had increased from £76 million to £86 million. It had previously been reported that the Valuation Office Agency finalised a number of outstanding assessments which included two major sites.

The level of Sundry Debt arrears had been £26 million at 31 March 2017 which included £7.6 million of invoices raised in the final week of the financial year. At 31 March 2016 the arrears stood at £22.6 million which included £7 million of invoices raised in the final days of March. During 2016/17 invoices totalling £97.5 million had been raised and income of £93.2 million had been collected, including the Birkenhead Improvement District and Selective Licensing scheme processed through Debtors with the changes in Social Care funding resulting in deferred debtors increasing.

The Cabinet also considered details of further write-offs comprising mainly of Adult Social Services debtors. Members noted that whilst all attempts to recover debts had been undertaken cases where the client had died with no, or limited, assets meant there was no prospect of recovery. The Provision for Bad Debts reflected the potential need to write-off debt.

Councillor Phil Davies informed that the key messages were that the budget had been balanced. The small underspend would be used to mitigate the savings that had to be made. The amount collected had increased in respect of Council Tax and Business Rates and this was very pleasing. He stressed the importance of the Capital Programme to meet the twenty pledges in the Wirral Plan. The Council would continue to bear down on the Budget and hopefully, it may see a relaxation in terms of austerity.

Councillor Christine Spriggs flagged up the remarkable work that had been done as a result of the Council's investment in the Wirral Youth Zone. The success of this had been staggering as 4000 children and young people had signed up to be members of the Hive which was hitting all targets and pledges around children and young people.

Councillor George Davies informed that the Hive was a world class facility sitting on the Wirral. He also informed that it was important to maximise the Council's assets in order to refurbish some Council buildings. Assets not being used could be altered or sold. This was an excellent way forward and Councillor Davies referred specifically to the ongoing improvement work to the bridge network which was very important to the Wirral Waters regeneration project.

Councillor Stuart Whittingham referred to the Highway Schemes detailed in Appendix 2 to the report. Investment into highways had been in excess of £4.2 million. The Department for Transport (DfT) highway maintenance allocation had been supplemented with a further £0.5 million for maintenance improvement schemes on unclassified and residential roads. The programme for the year had resulted in the completion of 39 resurfacing schemes, 16 footway reconstruction schemes and 25 other schemes relating to the Principal and Non-Principal Classified road network.

The Cabinet noted that the significant scheme, as part of the Sustainable Transport Enhancement Programme (STEP), had been the East Float access improvement work.

Councillor Whittingham also drew attention to bridge maintenance and in particular the North Key Weigh Bridge informing that with the technical approval procedures completed, work had started on site to replace the Dock Bridges. The large value equipment orders (i.e. hydraulic cylinders for moving the bridges) had been being placed. Over £2 million was being spent and primarily funded was from Government Grants.

Councillor Phil Brightmore drew attention to the fact that the re-roofing work at Bidston Tennis and Sports Centre had been completed along with works at West Kirby Marine Lake. In respect of the Oval Sports Centre the development works, including the fitness suite and the catering facilities continued to progress. With over £2 million invested the various improvements had seen a sustained increase in membership of the Council invigor8 scheme as numbers using the facilities continued to increase.

Councillor Brightmore informed that good financial governance had allowed the Council to mitigate future cuts up to £3 million.

Councillor Bernie Mooney informed that this was a very positive report and showed how successful the Council was being in very difficult times. It was able to invest in schools and young people. It was investing in the future.

The Cabinet noted that this was a key decision which affected all Wards within the Borough.

RESOLVED:

A. Revenue:

- (1) the Revenue Out-turn for 2016/17 which showed an underspend of £2.9 million be noted;**
- (2) the transfer of the underspend to General Fund Balances be confirmed;**
- (3) the General Fund Balances at 31 March 2017 of £25.7 million, with £15.7 million agreed to be used in the Budget 2017/18, be noted; and**
- (4) the Earmarked Reserves totalling £55.1 million as detailed in the Annex be confirmed.**

B. Capital:

- (1) the additional re-profiling of £6.3 million from 2016/17 to 2017/18 be noted;**
- (2) the financing of the Programme for 2016/17 be noted; and**
- (3) the Programme for 2017/18 and beyond be kept under review to ensure it is realistic and deliverable.**

C. Collection Summary:

- (1) the increase in Council Tax in-year collection rate from 95.3% in 2015/16 to 95.4% in 2016/17 be noted;
- (2) the increase in Business Rates collection rate from 97.2% in 2015/16 to 97.6% in 2016/17 be noted;
- (3) the increase in Sundry Debts from £23.6 million at 31 March 2016 to £26 million at 31 March 2017 be noted; and
- (4) the sundry debts for Adult Social Services and other Directorates detailed in the report be written-off against the Provision for Bad Debts.

17 TREASURY MANAGEMENT MONITORING 2016/17 (YEAR END REPORT)



Councillor Janette Williamson, Cabinet Member – Finance and Income Generation, said:

“The effective management of resources is integral to the success of the Council. Our commercial and proactive approach to the management of borrowings and investments continues to deliver substantial benefits whilst ensuring the sums invested are safe. This is real cash and amounted to £9.4 million of savings during 2016/17 which helps to fund services”.

Councillor Janette Williamson introduced a report which informed that the Authority’s treasury management activity was underpinned by CIPFA’s Code of Practice on Treasury Management (“the Code”), which required the production of annual Prudential Indicators and a Treasury Management Strategy Statement on likely financing and investment activity. The Code also recommended that Members were informed of treasury management activities at least twice a year.

This report fulfilled the Authority’s legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Department for Communities and Local Government (CLG) Investment Guidance.

Proactive Treasury Management activity had resulted in savings of £9.4 million:

- £7 million via a combination of a revised in-year Minimum Revenue Provision (MRP) calculation and associated backdated MRP adjustments.
- £2.4 million in year from interest costs deferred due to the use of internal resources.

The level of Capital Financing Debt, including the Merseyside Residuary Body Debt managed by the Council on behalf of the constituent authorities had been £191 million at 31 March 2017. This was a reduction of £74 million since 1 April 2012.

The Cabinet noted that the Council had complied with the Prudential Indicators as set out in the agreed Treasury Management Strategy for 2016/17.

Councillor Williamson informed that the Council was always looking for new and innovative approaches to Treasury Management.

Councillor Phil Davies drew attention to the fact that proactive Treasury Management activity had resulted in savings of £9.4 million:

- £7 million via a combination of a revised in-year Minimum Revenue Provision (MRP) calculation and associated backdated MRP adjustments.
- £2.4 million in year from interest costs deferred due to the use of internal resources.

Councillor Davies reported that this was a good outcome and he thanked and congratulated the Treasury Management Team on their excellent work which had brought about impressive results. He hoped that these fantastic efforts would continue during the current Financial Year as the Council had more difficult challenges to meet.

The Cabinet noted that this was a key decision which affected all Wards within the Borough.

RESOLVED: That

- (1) the Treasury Management Annual Report for 2016/17 be agreed; and**
- (2) the saving of £9.4 million from capital financing activities in 2016/17 be noted.**



Councillor Phillip Brightmore, Cabinet Member for the Environment, said:

“Effectively managing flood risk is essential to protect our coastal communities and our Coastal Strategy plays a key role in this.

I am grateful to the Members of all parties who took part in this scrutiny review and I believe the insight they have provided will prove extremely valuable as we continue our work in this area.

I am pleased to support all of the four key recommendations arising from this report for endorsement by Cabinet.”

Councillor Mike Sullivan, who had chaired the Task & Finish Group, introduced the report which set out the findings of a review which had been conducted, following the Wirral Coastal Strategy Scrutiny which had been presented to the former Regeneration and Environment Policy and Performance Committee. The purpose of this Review had been to examine how the Council would deliver the Coastal Strategy with a focus on how coastal defence would be delivered in areas that required intervention in the short term.

The Review linked to the Wirral Plan for 2020 and in particular the pledge under the Environment theme to ensure that ‘Wirral’s neighbourhoods are safe.’

The report identified that funding was a key issue for the delivery of coastal defence schemes and recommended that all viable funding opportunities should be explored to support scheme delivery, prior to consideration of internal capital bids. The report also recognised the value of Local Levy as an alternative funding source for scheme delivery and recommended support for approval of annual increases in contributions.

The theme of maximising opportunities in relation to funding was also detailed in the report to ensuring coastal defence schemes tied in, where possible, to regeneration opportunities. Awareness of flood and coastal erosion risk was also highlighted and it was acknowledged that Members had an important role to play in engaging with Wirral’s residents and businesses in raising awareness of the risk.

Councillor Sullivan reminded the Cabinet that Wirral was a peninsula with 42 kilometres of river and coastal defences. He informed that in 2010 the policies for how the Council managed these defences had been set out in the Shoreline

Management Plan which had been approved by the Cabinet. However, it was noted that policies could only be applied if there was a strategy for their implementation.

The Wirral Coastal Strategy looked at how policies for coastal defence could be delivered over the lifetime of the Plan (which was 100 years). The Strategy considered implementation in the short term (up to 2010), the medium term (2030 to 2060) and the longer term (to 2110). Climate change was taken into account along with the recommended management of coastal defences changes over the course of the next 100 years.

The Coastal Strategy looked carefully at all the issues around coastal defence, including social, environmental and economic factors and identified a preferred sustainable management action to deliver policy. This might be, for example, to continue with the existing maintenance or construct defences to an improved standard at some point in the future. Funding available would be a factor in determining what to do.

Councillor Sullivan reported that the Strategy provided a strong framework for the management of flood and erosion risk at the coast and also identified recommendations where investment and intervention was needed in the short term to ensure risk to people and property was managed effectively. By doing this the Coastal Strategy helped to deliver the 2020 Environment theme pledge in the Wirral Plan that 'Wirral's neighbourhoods are safe'.

The Cabinet noted that the Coastal Strategy also acknowledged the likely difficulties in securing funding for future coastal defence schemes given current funding arrangements for Grant Aid and that it was always important to keep a look out for funding opportunities.

The Task & Finish Review had investigated the challenges that lay ahead in delivering the Coastal Strategy and had concluded with the following recommendations:

- That all viable funding opportunities should be explored to support the delivery of schemes prior to consideration of internal capital bids. It was also recommended that Local Levy could provide a source for this funding and as such support should be given for annual increases in contributions to this funding source.
- Furthermore, where coastal defence schemes could be tied-in to regeneration opportunities, then this may help maximise funding opportunities so should be encouraged.
- Finally, the review concluded that raising awareness of flood and coastal erosion risk would help communities better prepare for the challenges ahead and that Members had a role to play in engaging with residents in

support of this. Communication with the public was vital. It was incumbent on all Members to be aware of the issues and to inform their constituents.

Councillor Sullivan thanked the following Officers for the help and support they had given to the Task & Finish Group to scope and carry out its review and compile its report, recommendations and conclusions:

- Mark Smith – Strategic Commissioner – Environment
- Neil Thomas – Team Leader, Environmental Services, Highway Assets
- Mike Lester – Scrutiny Officer, Performance and Scrutiny

Councillor Sullivan also thanked the other two Members of the Task & Finish Group, Councillors John Hale and Dave Mitchell for their contributions.

Councillor Phil Brightmore informed the Cabinet that he considered the Coastal Strategy Scrutiny Review Final Report to be excellent and he proposed that the Cabinet support its recommendations to put the Strategy in place.

RESOLVED: That

- (1) the findings of the Review be noted and the Members of all parties that took part in the Review be thanked for their hard work; and**
- (2) the four key Recommendations set out in the Coastal Strategy Scrutiny Review Final Report be endorsed.**