

# FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

Wednesday, 7 January 2009

Present: Councillor P Gilchrist (Chair)

Councillors J George J Hale  
D Knowles R Wilkins  
D Elderton

Deputies Councillors P Hayes (In place of S Moseley)

## 43 DECLARATIONS OF INTEREST/PARTY WHIP

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

Councillors George, Gilchrist, Hale and Wilkins declared their personal interest in agenda item 2 (Transforming Wirral – Strategic Asset Review), insofar as they were members of various management committees that could be affected by the outcome of the Strategic Asset Review.

## 44 TRANSFORMING WIRRAL - STRATEGIC ASSET REVIEW

At the request of the Chair, the Director of Law, HR and Asset Management presented the Cabinet report of the Chief Executive on the Strategic Asset Review (SAR) (Cabinet minute 264 (27 November 2008) refers), which had been referred to this Committee for scrutiny. The report set out a vision for transforming Wirral's use of assets in order to improve service delivery; provide better value for money; and support the regeneration of the Borough, particularly its most deprived parts. It recommended investing £20m, over four years, to develop a strategic network of 12 state-of-the-art multi-purpose complexes, which would be a mix of brand new buildings and enhancements to existing facilities. To achieve the level of service improvement, whilst simultaneously controlling overall buildings related costs, required a strategic review of all the Council's properties and a reduction in the total number of publicly funded premises. The vision for the future contained within the report was of much improved facilities, but not as many Council maintained buildings.

Information was presented to the Committee in relation to net savings to be made on closure/transfer of assets, which amounted to approximately £3.7m per annum. A

more detailed analysis was also presented in relation to potential savings through the closure of libraries and sports centres.

The Director set out the seven administrative assets identified by the Review Group that were programmed for closure and disposal in 2009/2010 and he provided a breakdown of the calculation of £45m cost of the 'no change' option, which had not been recommended. In response to comments from members, he indicated that the net savings of £3.7m per annum had not been a target, but had been identified as a result of the Strategic Consolidation option recommended by the Review Group, subject to closure or transfer by 31 March 2009. He commented also that without the SAR, the Audit Commission Use of Resources assessment would likely drop from 2 to a 1 of 4 rating, which would have a further detrimental knock-on effect. He accepted that the preferred option was a subjective judgement, but commented that if the no change option had been preferred, compensatory savings would have to be identified elsewhere, in order for the Council to set a balanced budget.

The Chair had also requested the presentation of reports that had been considered by the Cabinet on 16 August 2007 and 13 March 2008, which contained information in relation to the backlog of major property repairs of £10m. On the advice of the Director of Law, HR and Asset Management, the Committee agreed that the exempt report of the Deputy Chief Executive/Director of Corporate Services (Property Performance Management) should be considered in open Committee, and copies were made available to members of the public who were in attendance.

The Director of Regeneration provided information in relation to comparisons that had been made with other local authorities with regard to the provision of libraries and sports centres. However, the demography of Wirral and the availability of public transportation had also been taken into account. In the light of comments made by members in relation to difficulties that would be faced by some residents, the Chair expressed the view that the Cabinet should be requested to re-assess the demographic and transport issues.

In response to a further comment from a member that Wirral should have a capital programme of progressive and extensive rejuvenation clarification was sought over what could be classed as capital expenditure. The Director of Finance advised that the capital accounting regulations required that for spend to be classed as capital it had to add value to, or enhance the length of life of, an asset. General repairs and maintenance could not be capitalised although other expenditure could be if it complied with the statutory definition. The Chair expressed the view that the Cabinet be requested to look at the £20m now available in the Capital Programme to see if this could be utilised to assist in extending the life of existing facilities.

The Director reported that the Review Group had undertaken a review of office accommodation. To help fund the costs of delivering the proposed multi-purpose complexes, the Council would achieve at least a 20 per cent reduction in its own accommodation costs by 2011. He commented that this would mean fewer office buildings through the greater use of open plan accommodation; a reduced average floor space per employee; increased desk sharing; and more flexible working. By 2011, those measures would save over £1m per annum, which was equivalent to a one per cent reduction in Council Tax.

The Chair commented that the public may not generally be aware of the £12m per annum cost of running sports centres compared to the income generated of £4m per annum and he expressed the view that funding should be sought from the PCT in view of the health benefits to be gained from increased use of swimming and exercise facilities. The Director of Regeneration reported that funding of £200k over two years had been obtained from DCMS for free swimming for over 60's and under 16's. In addition, Wirral Health had funded the use of gym equipment by young people. However, it was unlikely that further funding would be obtained from the PCT. The Director referred to the high success rate of Wirral schoolchildren learning to swim and the Chair expressed the view that the Cabinet should consider whether it was satisfied that Wirral would have suitable levels of provision for swimming and other sports facilities to accommodate the needs of service users.

It was moved by Councillor Hale and seconded by Councillor Elderton –

“That this Committee recommends that the proposed closure programme be withdrawn, and –

(i) That the £6.2m repairs required for buildings be investigated to see if those repairs in part or in full can be capitalised.

(ii) That the savings from office buildings be brought forward as a priority.

(iii) That it be noted that the £20m proposed for new buildings may not be required, saving £1.8m per annum after 4 years.

(iv) That the balance of any savings required be subject to further investigation without affecting the present accessibility by the public to leisure and cultural facilities, such investigations to include discussion with the PCT.”

It was moved as an amendment by Councillor Gilchrist and seconded by Councillor George –

“(1) That this Committee requests the Cabinet to review the suggested proposals, having regard to the following and to the Council's overall financial position:

(i) That the £6.2m repairs required for buildings be investigated to see if those repairs in part or in full can be capitalised.

(ii) That the savings from office buildings be brought forward as a priority.

(iii) That it be noted that the £20m proposed for new buildings may not be required in its entirety.

(iv) That the Cabinet be requested to have regard to accessibility issues raised by members of the public and to consider the criteria applied in drawing up provision in the Strategic Asset Review.”

The amendment was put and carried (4:3)

**Resolved (Councillors Elderton, Hale and Hayes dissenting in respect of (1) below) –**

**(1) That this Committee requests the Cabinet to review the suggested proposals, having regard to the following and to the Council's overall financial position:**

**(i) That the £6.2m repairs required for buildings be investigated to see if those repairs in part or in full can be capitalised.**

**(ii) That the savings from office buildings be brought forward as a priority.**

**(iii) That it be noted that the £20m proposed for new buildings may not be required in its entirety.**

**(iv) That the Cabinet be requested to have regard to accessibility issues raised by members of the public and to consider the criteria applied in drawing up provision in the Strategic Asset Review.**

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