

## **REFERRALS TO COUNCIL**

**CABINET - 23 JUNE 2011**

### **MINUTE 26 FINANCIAL OUT-TURN 2010/11**

A full review of the financial accounts for 2010/11 had now been completed and a report by the Director of Finance provided a comparison of the out-turn against the estimate for 2010/11 and an analysis of the major variations together with details of the amounts held in reserves and provisions at 31 March 2011.

Councillor S Foulkes informed that he had serious concerns over the lateness of this report which had meant that Members had very little time to consider and analyse its content but had agreed that it could be discussed at this meeting and decisions would be made so that the Council's 2010/11 accounts could be closed. Councillor Foulkes also told the Cabinet that it was a worrying report that set out a £5.3m overspend that had been lost in the system and had not known at the time the 2011/12 budget had been set but had now come to light. He was disappointed that predictable pressures were being reported long after the budgetary process had ended and he told the Cabinet that this was just not acceptable.

The Cabinet noted that the main headlines in respect of the General Fund were as follows:

- (a) for 2010/11 there was an overspend of £5.3 million that arose in the areas of Adult Social Services, Children's Services and Technical Services. This was largely offset by 'one-off' savings within the areas of Treasury Management and Housing Benefit. Net this was a £0.3 million overspend;
- (b) the level of balances at 31 March 2011 increased by £1 million. The release of a further £5.7 million from reserves being used to meet the requirement to include £4.4 million of Early Voluntary Retirement/Voluntary Severance Scheme to be spent in 2011/12 in the 2010/11 accounts and to meet the net overspend; and
- (c) the Council's provisions and reserves at 31 March 2011 were £15 million higher than a year earlier. This was due to the requirement to provide for the £8.7 million of Early Voluntary Retirement/Voluntary Severance payments due in 2011/12, the Community Fund grant of £4.4 million required for future years and a £3 million increase in schools balances.

### **RESOLVED: That**

- (1) the revenue out-turn for 2010/11 be agreed;**
- (2) the provisions and reserves be agreed;**
- (3) Cabinet expresses its dismay at the Council's reported £5.3m overspend in Adult Social Services, Children's Services and Technical Services;**

- (4) in view of the looming reduction in Council resources, the Cabinet believes that substantial corrective action should have been taken at an earlier stage in order to avoid placing more pressure on the following year's budget, and that the pressures creating the overspends were well known within the year;
- (5) Cabinet notes that these overspends have been covered by one off savings from Treasury Management and Housing Benefit;
- (6) Cabinet points out that as resources get scarcer, these one off sums cannot be relied on to bail out overspending areas, and that, where they are available, they should be used to reduce the pressures on the following year's budget; and
- (7) Cabinet also expresses its concern that these figures may hide ongoing commitments which could lead to built in overspends in future years if they are not tackled, and asks Chief Officers to address these matters urgently.

#### **MINUTE 27 CAPITAL OUT-TURN AND FINANCING 2010/11**

A report by the Director of Finance informed the Cabinet of the capital out-turn for 2010/11 and the resources used to fund the programme as required under Part IV of the Local Government and Housing Act 1989.

#### **RESOLVED: That**

- (1) the capital out-turn and financing, including the variations and slippage from 2010/11 to 2011/12, be agreed; and
- (2) the financing of the programme and formal Capital Determinations be agreed.

#### **MINUTE 28 TREASURY MANAGEMENT ANNUAL REPORT 2010/11**

A report by the Director of Finance included a review of Treasury Management activities during 2010/11 and confirmed compliance with treasury limits and prudential indicators. The Annual Report had been prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential Code.

#### **RESOLVED: That**

- (1) the Treasury Management Annual Report for 2010/11 be agreed;

- (2) **the transfer of additional investment income of £1 million and the saving of £2 million from capital financing activities in 2010/11 to the General Fund balance be agreed; and**
- (3) **the Treasury Management Team, responsible for achieving this level of income for the Council, be congratulated.**

## **MINUTE 29 INSURANCE FUND ANNUAL REPORT**

A report by the Director of Finance provided a review of the Risk and Insurance activity during 2010/11 and plans for 2011/12. It also detailed the current status of the liability, fire and motor claims Insurance Fund and the impact of measures taken to improve the management of risk.

The Cabinet noted, in particular, that as a consequence of their involvement in the Lord Justice Jackson Review during 2010, a Finance officer had been invited by the Ministry of Justice to meet with the Justice Minister to represent the views of local authorities in connection with the consultation process on proposed reforms to civil litigation funding and costs. Issues under consideration had the potential for a negative impact on the performance of the liability element of the Insurance Fund. The Council maintained a prominent role throughout the consultation process with further meetings and discussions taking place and, with the consultation process now closed, the outcome was awaited from the Ministry of Justice.

### **RESOLVED: That**

- (1) **the transfer of £946,654 from the Insurance Fund to General Fund balances at 31 March 2011 be agreed; and**
- (2) **the Insurance Team be congratulated on their hard work.**

## **MINUTE 37 REVISION OF CONTRACT PROCEDURE RULE 16**

A report by the Director of Law, HR and Asset Management invited the Cabinet to recommend to Council that it approve an additional Contract Procedure Rule 16A as follows:

### ***16A Variations to Prices/Rates – Term Contracts***

*16A.1 Term Contracts (e.g. those in place for waste collection and highway maintenance) are awarded on the basis of a fixed period of time (“term”); utilising approved rates or prices to deliver services through approved budgets rather than an approved contract total.*

*16A.2 The Chief Officer responsible for every term contract shall record in writing every change in the works or service information which results*

*in a variation to the prices or rates (including the deletion or provision of new rates), immediately it is raised; recording the estimated financial impact of the variation over the life of the contract (the 'whole cost') based, where appropriate, on the latest complete year's quantities to assess future year's quantities. If the whole cost of the variation exceeds £50,000 or 10% of the estimated value of the contract over its term (whichever is the lesser); the Chief Officer must immediately inform the Director of Finance. This rule applies to all contracts as defined in Contract Procedure Rule 4.1, including those based on an 'Agreed Maximum Price'.*

*16A.3 If the Supervising Officer considers in their professional opinion that it is necessary for the works or services information in a term contract to be varied for technical reasons to ensure the successful delivery of the contract (for example, unforeseen sub-surface or drainage conditions, or an omission or ambiguity in the contract), the officer shall be authorised to consent in writing to the necessary variations to the contract. He shall subsequently submit a written report to the next meeting of the Cabinet, or relevant regulatory committee, in order to explain the reasons for the action taken if the whole cost of the variation is likely to exceed £50,000 or 10% of the estimated value of the contract over its term (whichever is the lesser).*

*16A.4 Any other variations to a term contract which are not technically necessary for the successful delivery of that contract (for example, variations which increase or enhance the approved scope of the contract (such as improved gritting routes, a modified park management plan or a change in the number of car parks)) shall be in writing and shall require the prior approval of the relevant Cabinet portfolio holder, or regulatory Committee, after consideration of a written report; but only if the Supervising Officer estimates that the whole cost of the variation is likely to exceed £50,000 or 10% of the estimated value of the contract over its term (whichever is the lesser).*

*16A.5 This Rule 16A and Rule 16 shall not apply in relation to variations to works or prices or rates (including the deletion or provision of new rates) for the provision of goods or services to schools where the variation is requested in writing by a school; but the Chief Officer responsible for every term contract relating to schools shall keep a written record of all such variations requested by schools.*

This would ensure that significant variations to term contracts which may result in reduced value for money or diminished outcomes for local people being reported to Members.

Councillor S Foulkes informed that the Cabinet would give consideration first and foremost to in-house bids when changing/modernising services before looking to outsource them.

## **RESOLVED:**

**That the Council be recommended to revise the Council's Contract Procedure Rules by the inclusion of an additional Rule 16A in the form set out above.**

## **MINUTE 45 HOUSING STRATEGY 2011-2026**

A report by the Interim Director of Corporate Services sought the Cabinet's approval and endorsement of Wirral's Housing Strategy 2011 – 2026, including a strategic housing plan (set out at Appendix 1 to the report) and requested that it recommend the Council to approve the Strategy as part of the authority's Capital Programme and Policy Framework.

Members were aware that, although the development of a Housing Strategy statement was no longer a statutory requirement, it was important that, locally, the Council set the strategic framework for future housing policy and investment requirements. The draft Housing Strategy 2011 – 2026, therefore, had been developed to be reflective of this as well as aligning with the Councils' Sustainable Community Strategy and the outcome of both the Wirral wide consultation 'Wirral's future' and the specific consultation undertaken as part of the development of the Strategy.

At the Cabinet meeting held on 14 October 2010 the draft Housing Strategy 2011 – 2026 was approved for public consultation (Minute No. 172 refers). The initial stage of the consultation process, to test the draft strategy and obtain specific views on all of the key issues which inform housing policies and initiatives for the future, commenced on 22 October 2010 and ran for a six week period ending on 10 December 2010.

The consultation process involved a wide range of key stakeholders, members of the public, formal Partnerships and Forums, with initially over 340 stakeholders formally contacted directly to ask for their views. The Strategy and a short questionnaire requesting views and comments on the vision, the key issues identified and any issues that people felt needed to be included in the strategy had also made available on the Council's website for completion. With the help of staff in the Council's One Stop Shops and Libraries, members of the public had been able to complete the questionnaire either on line or in paper format, providing key feedback detailing their views and comments on the Strategy and the issues identified.

Over the six week consultation process, 1,369 responses had been received, which provided a significant amount of feedback for consideration when developing the strategy further. Significantly, 94% (out of the 1263 respondents) answered that they strongly agreed/agreed with the overall long term vision for housing. There had also been a significant majority of respondents who had agreed that the seven key issues and priorities identified in the strategy were either very important or important.

Officers in the Housing Strategy Team had subsequently collated and reviewed all of the responses received and had adapted and developed the Strategy further to incorporate and respond to the issues the consultation process has raised.

A report had been presented to Economy and Regeneration Overview and Scrutiny Committee at its meeting on 14 March 2011, following its request at its meeting on 24 November 2010 for a further report on the outcome of the consultation and draft Housing Strategy (Minute No. 65 refers).

**RESOLVED: That**

- (1) Wirral's Housing Strategy Statement 2011 – 2026, including its strategic housing plan be approved and endorsed; and**
- (2) the Council be recommended to approve the strategy as part of the Council's Capital Programme and Policy Framework.**

**EMPLOYMENT AND APPOINTMENTS COMMITTEE - 9 JUNE 2011**

**MINUTE 7 APPEALS SUB-COMMITTEE**

The Director of Law, HR and Asset Management requested the Committee appoint a pool of Members from which an Appeals Sub-Committee of 3 Members would be drawn.

**Resolved – That this Committee recommends to Council:**

- (1) That a pool of 21 Members be appointed, in the ratio 9:9:3, from which an Appeals Sub-Committee of 3 Members will be drawn as and when required, with the Chair being appointed at each meeting, for the municipal year 2011/12 and until such time as a new Appeals Sub-Committee is appointed.**

The membership of the pool be as follows:

**Conservative (9 Members)**

**Councillors Lesley Rennie, Sheila Clarke, Chris Blakeley, David Elderton, John Hale, Eddie Boulton, Gerry Ellis, Andrew Hodson and Simon Mountney.**

**Labour (9 Members)**

**Councillors George Davies, Phil Davies, Adrian Jones, Brian Kenny, Anne McArdle, Bernie Mooney, Denise Roberts, Harry Smith and Jean Stapleton**

**Liberal Democrat (3 Members)**

**Councillors Ann Bridson, Dave Mitchell and Mark Johnston**

- (2) That the Appeals Sub-Committee will be proportionate (1:1:1) unless, after consultation with all 3 political groups that is not reasonably practicable (when the Sub-Committee may be non-proportionate).**

**(3) That all Members of the pool undertake appropriate training and, normally, complete that training before sitting on any Appeals Sub-Committee.**