MATTERS FOR NOTING

A. CABINET – 20 DECEMBER 2013

146 REVENUE MONITORING 2012/13 - MONTH 7 (OCTOBER)

The Interim Director of Finance reported upon the revenue position for 2012/13 as at Month 7 (October 2012). His report identified the latest financial projections and prioritised the risks for ongoing management actions, to ensure the year-end position would deliver the budget allocated.

He highlighted a major risk which had just emerged concerning the reliability of fees and charges income, going back many years. It was clear from a system review of Social Services debt collection, that the process to enforce the payment of amounts owing was deficient. The process only consisted of the production of reminder letters, with no recourse to the courts and enforcement to ensure payment. Officers had urgently put in place a system to ensure ongoing income was recovered, by implementing agreed policy, and to establish the exact size of the unrecoverable debt.

On a motion by Councillor Phil Davies, seconded by Councillor McLachlan, it was -

Resolved –

(1) That Cabinet notes that:

(i) At Month 7 (October 2012), the full year forecast projects a potential General Fund overspend of £8.7m;

(ii) A review of over/underspends and Earmarked Reserves has been undertaken, reported to the November 29th Cabinet and incorporated into the Interim Director's report;

(iii) there were no rejected freeze items in the month. Appendix 7 to the report listed those items considered as part of the process.

(2) Cabinet is extremely concerned at the reference in paragraph 2.14 of the Interim Director of Finance's report concerning the failure of the Council to actively recover Social Services debt over a number of years.

(3) Cabinet asks the Chief Executive to commission an urgent external independent investigation to establish:

1. **The circumstances leading up to this state of affairs.**
2. **The amount of money which has not been collected and how much might still be recoverable.**
3. **The length of time this practice has been in operation.**
4. **The reasons why this practice was allowed to continue.**
5. **Who knew of and authorised this approach to debt management?**
6. **What lessons can be learnt to ensure there is no recurrence?**

(4) That Cabinet requests that a report be brought back in a month and an update provided at the 24 January Cabinet.

147 CAPITAL MONITORING 2012/13 - MONTH 7 (OCTOBER)

The Interim Director of Finance reported upon the current position regarding the Council's 2012/13 to 2014/15 capital programme. The report reflected:

- The re-profiled 2012/13 capital programme budget which incorporated the decision made by Cabinet on 29 November 2012 (minute 136 refers) to cease or reduce a number of schemes within the programme;
- The expenditure to date, which continued to be less than it should be;
- A request for a revision to the capital programme to reflect slippage of £2.632 million of schemes into the 2013/14 financial year;
- A request for an increase in the programme of £0.3 million for schemes requiring no unsupported borrowing.
- The projected outturn figures for 2012/13, which suggested an underspend of £2.552 million on the revised programme.
- The current funding of the programme and its future affordability, which was subject to a review.

Resolved – That Cabinet:

(1) Agrees the revised Capital Programme of £51.660 million.

(2) Agrees slippage in the programme of £2.362 million from 2012/13 to 2013/14.

(3) Agrees an increase to the programme of £0.3 million for a Finance scheme (Moreton Library/One Stop Shop) which does not require financing from unsupported borrowing.

(4) Notes the spend to date at month 7 of £17.279 million, which represents 33.4% of the revised capital budget, with 58% of the financial year having elapsed.

(5) Notes the work of the Capital Steering Group to detail the schedule of sites to validate the estimate of capital receipts.

(6) Notes the inclusion within this report of the programme changes agreed by Cabinet on 29 November 2012 of ceased or reduced schemes totalling £30.755 million and consequent annual revenue savings of £2.3 million arising from a review of the current capital programme.

B. CABINET – 24 JANUARY 2013

163 FINANCIAL MONITORING - REVENUE (MONTH 8)

The Interim Director of Finance provided an update on the revenue position for 2012/2013 as at Month 8 (November 2012). The projected revenue forecast for the year showed a potential General Fund overspend of £7.7m, down £1m from the M7 projection, which was due largely to a reduced projected overspend in the Children and Young People Department, plus a number of other departmental variations. His report also prioritised the risks for ongoing management actions, to ensure no overspend at the year-end.

The Chair was pleased that the level of overspend had reduced but noted that the situation remained critical, given there were a number of anticipated adverse changes which would increase the projected overspend in the coming months, including the outcome of the social services care home fees consultation and issues related to debt recovery (see minute 169 post). He commented also that clear guidance was awaited from the Government in relation to various issues including capitalisation, and a further meeting to clarify matters was due to take place with civil servants. A significant amount of work was also being undertaken in relation to budget options and he referred to the ongoing 'What Really Matters' consultation that was due to end on 31 January, which would be reported to Budget Cabinet on 18 February 2013.

On a motion by Councillor P Davies and seconded by Councillor McLachlan, it was –

Resolved –

(1) That Cabinet notes that:

(a) at Month 8 (November 2012), the full-year forecast projected a General Fund overspend of £7.7m;
(b) there were no rejected freeze items in the month;
(c) a major risk has just recently emerged considering the reliability of fees and charges income, going back many years. Corrective action is being taken to maximise recovery and as better information becomes available, there will be further reports regarding this serious matter.

(2) That Cabinet believes that the Government's austerity policy is proving to be profoundly unfair. Authorities with the highest levels of poverty and deprivation are facing the biggest cuts and at the same time, wealthy areas with the lowest levels of poverty pay less.

(3) Cabinet notes that Wirral is losing £151 per head in cuts. Liverpool is losing £252, Manchester is losing £209, Newcastle is losing £162, Birmingham is losing £166, and Sheffield is losing £140 per head.

(4) Cabinet notes that Milton Keynes is losing just £38 per head. Central Bedfordshire is losing £18 per head. And people in North Dorset are losing just £2 per head.

(5) Cabinet also notes that a recent report by SIGOMA (Special Interest Group of Metropolitan Authorities outside London) indicates that out of the 47 SIGOMA authorities Wirral has had the largest cut in its funding from central government (2.62% cut in revenue spending power 2013-2014). This compares with the SIGOMA average of -1.78% and the average for Shire Districts of -1.37%.

(6) Cabinet supports the 'Come Together' Campaign launched by the Mayor of Liverpool on 18 January when the Leaders of Core Cities, Merseyside Districts and Faith Leaders met to discuss the impact of the Government's austerity policy.

(7) Cabinet supports the on-line petition which has been launched at www.come-together.co.uk. This calls on the Government to urgently re-think its policy and to apply the cuts more fairly across the country, protecting those most in need, and making sure those in wealthy parts of the country pay their fare share. We urge all residents to sign this petition.

164 FINANCIAL MONITORING - CAPITAL (MONTH 8)

The Interim Director of Finance reported upon the current position regarding the Council's 2012/2013 to 2014/2015 Capital Programme. His report reflected –

- the re-profiled 2012/2013 Capital Programme budget which incorporated previous decisions made by the Cabinet to amend the programme;
- the expenditure to date, which continued to be less than it should be;
- request for a revision to the Capital Programme to reflect slippage of £2.810 million of schemes into the 2013/2014 financial year;
- request for an increase in the programme of £0.530 million for schemes requiring no unsupported borrowing.
- the reduced cost of £0.673 million for the refurbishment of Wallasey Town Hall, of which £0.210 million impacted on 2012/2013;
- the projected outturn figures for 2012/2013, which suggested an underspend of £3.573 million on the revised programme;
- the current funding of the programme and its future affordability.

The Interim Director highlighted that the Capital programme was reliant on the Council generating a limited amount of capital receipts to finance the future Capital Programme schemes. The Capital Receipts Reserve at 1 April 2012 contained £9.2 million of receipts and the current capital programme assumed that £3 million a year would be drawn from this reserve over a three year period

Resolved – That Cabinet –

(a) Agrees the revised Capital Programme of £49.185 million.

(b) Agrees slippage in the programme of £2.810 million from 2012/2013 to 2013/2014.
(c) Agrees an increase to the programme of £0.530 million for Birkenhead Girls Academy which does not require unsupported borrowing.
(d) Notes the spend to date at Month 8 of £20.200 million, which represents 41.1% of the revised capital budget, with 67% of the financial year having elapsed.
(e) Notes the work of the Capital Steering Group to detail the schedule of sites to validate the estimate of capital receipts.

178 ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR - RESPONSE TO CONSULTATION ON THE NATIONAL ALCOHOL STRATEGY

The Chair advised that he had approved consideration of this matter as an item of urgent business, in view of the need for a decision to be taken to allow a consultation response to be sent before the next meeting of the Cabinet. He commented also that the Chief Executive had agreed both that the decision proposed was reasonable and to it being treated as a matter of urgency in for call-in to be waived.

The Director off Policy, Performance and Public Health reported that in March 2012, the Government published a National Alcohol Strategy, which set out proposals to tackle 'binge drinking', cut alcohol fuelled violence and disorder and reduce the number of people drinking to damaging levels. A consultation exercise, due to close on 6 February 2013, had sought views on the following policy areas –

- A minimum unit price for alcohol
- A ban on multi-buy promotions in the off trade
- Reviewing the mandatory licensing conditions
- Health as a licensing objective for cumulative impact policies
- Freeing up responsible businesses

The Director commented that the impact of excess alcohol consumption was of local concern, as reported in the Joint Strategic Needs Assessment and action to tackle alcohol misuse had been prioritised by the shadow Health and Well Being Board. The local alcohol strategy had recently been updated and she indicated that work had taken place at a regional and local level to develop a response to the consultation.

The Cabinet Member for Adult Social Care and Public Health endorsed the comments of the Director and indicated her agreement with the proposed response to the Government consultation.

Resolved –

(1) That the response to the consultation on the National Alcohol Strategy, set out the Appendix to the report now submitted, be approved.

(2) That, in view of the urgency in relation to the consultation response deadline, call-in be waived.