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FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

Monday, 2 February 2009

Present: Councillor P Gilchrist (Chair)

Councillors J George D Elderton
S Moseley J Hale
D Knowles R Wilkins

In Attendance Councillor J Green

57 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, Hale, Knowles, Moseley and Wilkins declared their personal interest in agenda item 2 (Transforming Wirral – Strategic Asset Review) (see minute 58 post) insofar as they were members of various management committees that could be affected by the outcome of the Strategic Asset Review.

58 TRANSFORMING WIRRAL - STRATEGIC ASSET REVIEW

At its meeting on 15 January 2009 (minute 325 refers), the Cabinet, having received a detailed breakdown of the consultation responses that had been received on the Strategic Asset Review (SAR) prior to the start of its meeting, considered a report of the Chief Executive, which summarised the response to the consultation and sought the Cabinet's views on the way forward.

The Cabinet welcomed the high level of public participation and was also mindful of the current economic climate and the hardship it would create for many Wirral people. It was mindful as well of the fact that definite action was required to tackle Wirral's budgetary problems and that the recession would also impact on the Council in a number of ways, increasing the need for firm financial control in order to protect Wirral's Council Tax payers. Bearing in mind the Council's Corporate Priorities and in particular the need to do everything possible to tackle social exclusion and deprivation, the Cabinet made a number of recommendations to the Council.

The Director of Law, HR and Asset Management set out those recommendations in full and reported that in accordance with the procedure adopted for other budget

proposals agreed by the Cabinet, the minute had been referred to this Committee for consideration in order for its views to be presented to the Council on 9 February 2009.

At the request of the Chair, the following documents were presented for consideration –

- The report of the Chief Executive to the Cabinet on 15 January 2009 'Transforming Wirral – Delivering the Strategic Asset Review – Consultation Response'
- Appendix 2 to the Chief Executive's report (summary of public responses)
- Information presented to the Committee on 7 January 2009
 - Savings on Closure/Transfer of Assets
 - Consolidated schedules in respect of Library and Sports Centre closures
- Statistical Analysis of Library Usage

In response to a request from the Chair by e-mail, for additional information, the Head of Asset Management presented a briefing paper, which sought to provide members with answers to a number of matters raised by the Chair. Those issues were in relation both to the decision of the Cabinet and to the previous resolution of the Committee (minute 44 (7 January 2009) refers). Members expressed the view that they were not able to see how the views of the Committee had either influenced or been reflected in the Cabinet resolution, apart from the reference to accelerate the process of making savings from the rationalisation of the Council's office accommodation.

In response to comments from a member with regard to the capitalisation of the £6.2m for repairs, the Director of Finance indicated that the Authority was required to comply with the accounting regulations and he confirmed that spend could be classed as capital if it added value to, or enhanced the life of an asset. However, general repairs or maintenance and expenditure less than £10k was classed as revenue expenditure.

With regard to the office accommodation aspects of the SAR, the Head of Asset Management indicated that although detailed work had not yet commenced, once the decision had been confirmed by the Council a full review of office accommodation and Facilities Management would be undertaken at the earliest opportunity. He stressed the importance of a project structure being put in place to deliver the savings set out in the original report and referred also to the need to move forward with flexible/agile working, which was a key driver in relation to office savings. A number of agile working pilots were in place across the Authority and it was intended to build on the experience to date. Members accepted the need for a fundamental review in relation to the office accommodation aspect of the SAR but expressed the view that it should have been given greater priority. In response, the Head of Asset Management agreed to present a report to a future meeting of the Committee, to include a timetable/timeline for achievement of office accommodation savings.

Members referred also to the financial implications of the SAR and in particular to the transitional costs to be met by a provision, in relation to Guinea Gap, Leasowe Recreation Centre, Libraries, Grange Road West and Pacific Road. The Director of Finance agreed to provide members direct with more detailed information with regard to costs associated with libraries. He reported that the provision of £1.863m would be

funded from general balances and in response to further questions, he commented that there would be a need to restore balances to £6m. As to whether the transitional costs could have been made available to sustain present services, he indicated that it was a matter for the Cabinet to determine.

A member referred to the report of the Chief Executive to the Cabinet on 27 November 2008 (minute 264 refers), which indicated, inter alia, that over the next four years, the Council would invest around £20m in the development of 12 multi-purpose complexes in key community locations across Wirral and that these would be a mix of new build and enhanced existing facilities. In response to a question in relation to revenue costs associated with the proposed complexes, the Head of Asset Management reported that it had not been possible to calculate the exact revenue costs as they were dependent on many factors that had not yet been determined. However, the Director of Finance indicated that revenue costs would be transferred from those buildings to be replaced.

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

“That the programme of closures be deferred until a satisfactory explanation has been provided in relation to the provision of revenue costs associated with the proposed new and enhanced building complexes.”

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

“That this Committee expects that further detail in relation to the running costs of the replacement facilities being proposed will be provided and for savings in buildings running costs to be achieved.”

The amendment was put and carried (4:3)

The Chair referred to a letter from Wirral UNISON, dated 2 February 2009, which had been circulated to all members. The letter reiterated the union’s objection to the proposals contained within the SAR and urged the Committee to reject the proposals and look at investment in current buildings/facilities.

It was moved by Councillor Gilchrist and seconded by Councillor George –

“That Wirral UNISON’s Branch Secretary be thanked for his letter and its contents be noted.”

It was moved as an amendment by Councillor Hale and seconded by Councillor Moseley –

“That Wirral UNISON’s Branch Secretary be thanked for his letter and its contents be endorsed.”

The amendment was put and lost (3:4)

The motion was put and carried (4:0)

Resolved (Councillors Elderton, Hale and Moseley voting against (1) below) –

(1) That this Committee expects that further detail in relation to the running costs of the replacement facilities being proposed will be provided and for savings in buildings running costs to be achieved.

(2) That Wirral UNISON's Branch Secretary be thanked for his letter and its contents be noted.

(3) That the Cabinet/Council be requested to ascertain whether the £6.2m for repairs, in part or in full, can be capitalised.

(4) That this Committee reiterates its belief that the savings associated with the rationalisation of office accommodation should be brought forward as a priority and the officers be requested to present a further report to a future meeting of the Committee to include a timetable/timeline for the achievement of office accommodation savings.
